



## **Financial Times: A HHL Case Study Examines Why Company Mergers May Fail**

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The Financial Times publishes case studies from the Management programs of renowned business schools on a regular basis. Entitled "Promising mergers that fall apart. A decade of AT Kearney ups and downs", the study by Jun.-Prof. Dr. Vivek K. Velamuri is featured in today's issue (July 2, 2013) of the international business journal. The holder of the Schumpeter Junior Professorship for Entrepreneurship and Technology Transfer at HHL Leipzig Graduate School of Management says: "The case study is based on real-life conditions and analyzes the 1995 acquisition of AT Kearney, a successful management consulting firm, by the global IT company Electronic Data Systems (EDS). The manner in which EDS executed the merger and the purchase price, USD 595,000,000, were unrivaled at the time and caused quite a stir back then."

Jun.-Prof. Dr. Vivek K. Velamuri, who originally co-authored the study with Gebhard Ottacher and Prof. Dr. Kathrin M. Möslein entitled "Love Gone Awry: AT Kearney & EDS (A) + (B)" for the European Case Clearing House (ecch), comments on the possible learning aspects: "The case of EDS and AT Kearney represents an example of why company mergers can fail. Specifically, 'tunnel vision' regarding positive expectations for the future may lead to deficient execution. Apart from complex business decisions, it is the company culture as well as the executives' personalities which are crucial for the success of a merger. This study clearly shows that the 'hard' factors such as compensation and fringe benefits are just as pivotal as the 'soft' ones. They are considered guarantors of motivation and an increase in performance among employees in companies from the service sector."

About the Schumpeter Junior Professorship for Entrepreneurship and Technology Transfer at HHL Leipzig Graduate School of Management

In March 2012, Jun.-Prof. Dr. Vivek K. Velamuri became the new Schumpeter Junior Professor for Entrepreneurship and Technology Transfer at HHL. This Junior Professorship is kindly being sponsored by the Leipziger Stiftung für Innovation und Technologietransfer. Jun.-Prof. Dr. Velamuri's research focus is on hybrid value creation, i.e. the process of generating value added by combining products and services to well-adjusted offers. This is the topic on which he completed his doctoral dissertation at the University of Erlangen-Nuremberg (Chair of Professor Kathrin M. Möslein) with summa cum laude in May 2011. Working on research projects, which focus on innovation and value creation, at Professor Möslein's Chair with partners from the industry brought Jun.-Prof. Dr. Velamuri significant experience in research carried out in cooperation with industry. Additionally, the Junior Professor, who also holds an MBA from HHL, has a solid background in teaching. His constant interaction with entrepreneurs motivated Jun.-Prof. Dr. Velamuri to design a course for students to write case studies on entrepreneurial firms. <http://www.hhl.de/entrepreneurship>

About HHL Leipzig Graduate School of Management

HHL is a university-level institution and ranks amongst the leading international business schools. The goal of the oldest business school in German-speaking Europe is to educate effective, responsible and entrepreneurially-minded leaders. HHL stands out for its excellent teaching, its clear research focus, its effective knowledge transfer into practice as well as its outstanding student services. <http://www.hhl.de>

Further information:

<http://www.ft.com/intl/cms/s/0/962f4fe2-d517-11e2-9302-00144feab7de.html>

<http://www.hhl.de/entrepreneurship>

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Die HHL ist eine universitäre Einrichtung und zählt zu den führenden internationalen Business Schools. Ziel der ältesten betriebswirtschaftlichen Hochschule im deutschsprachigen Raum ist die Ausbildung leistungsfähiger, verantwortungsbewusster und unternehmerisch denkender Führungspersönlichkeiten. Neben der internationalen Ausrichtung spielt die Verknüpfung von Theorie und Praxis eine herausragende Rolle. Die HHL zeichnet sich aus durch exzellente Lehre, klare Forschungsorientierung und praxisnahen Transfer sowie hervorragenden Service für ihre Studierenden. [www.hhl.de](http://www.hhl.de)

Anlage: Bild

