Acquisitions, Mergers and Cancellations in Germany – in the white water of shareholder value

Wolfgang Bernhardt*

1. Introduction

1998 was a year of alliances on a national and international scale, some within the national boundaries and others reaching far beyond the borders of countries and continents.

The list of takeovers and mergers is long and impressive and frequently referred to by the print media.[1] As far as German companies and banks are concerned the list extends from the merger of Daimler-Benz AG with the Chrysler Corp. – ''the wedding of the year'' – to the takeover of Bankers Trust by the Deutsche Bank AG; it extends from the amalgamation of Degussa AG and Hüls AG to the merger of the Bayerische Hypotheken- und Wechselbank AG with the Bayerische Vereinsbank AG, from the merger of Fried. Krupp AG with Thyssen AG to the takeover battle which was fought by Volkswagen AG and BMW AG over Rolls-Royce Motor Cars Ltd. (with a different measure of success for each side at the end of the day). The list could be continued almost indefinitely.

Not only industry and the banking sector were involved; drastic changes also took place among Germany's publishing houses; Bertelsmann AG on the one hand and the Verlagsgruppe Georg von Holtzbrinck GmbH on the other were the names making the headlines in a move to concentrate publishing activities – interspersed once in a while with a report of an acquisition made by the Axel Springer Verlag AG.[2]

There is no indication that the global ''merger fever'' is on the decline. On the contrary, clear signs indicate that the fever could rise even further as the century draws to a close. Among the most recent alliances and names in Germany and Europe are: Metallgesellschaft / GEA,[3] Deutsche Post / Nedlloyd,[4] Aerospatiale / Matra,[5] Banque National de Paris / Société Générale / Parisbas[6] and, more recently, Karstadt / Quelle.[7] British Aerospace's takeover of Marconi Electronic Systems (GEC) indicates the general direction in England,[8] while in Sweden Volvo hit the headlines with its takeover of Ford[9] and in Germany Siemens was said to be ''arming itself for acquisitions'' and ''stocking up its war coffers'' to this end.[10] Later in the year 1999 Hoechst AG and Rhone Poulenc S.A. (to be known in the future as Aventis) and, to an even greater extent, Vodafone AirTouch Plc and Mannesmann AG left their own indelible mark.

Takeovers and mergers are appearing on the agendas at many board meetings – and there they frequently play a central role. Not only big conglomerates but also medium-sized and smaller companies are involved.

On the agenda is the search for the ''right'' candidate; preparations for a takeover bid must be discussed or consultation on the best defence against a hostile takeover is necessary; the framework within which a takeover or merger is to be negotiated must be laid out; decisions must be made about the pre-merger-phase (with due diligence experts) and post-merger-integration. Many are involved in these procedures – some of which may come to an abrupt end prematurely: analysts, investments bankers, advisers, lawyers, and accountancy firms all of whom appear in varying line-ups to present their ideas to the boards.

* Address for correspondence: Prof. Dr. Wolfgang Bernhardt, Staufenbergstraß e 1,76530 Baden-Baden, Germany. Tel: 0 72 21 2 38 22

Then executive and supervisory boards – the Anglo-Saxon boards to a greater extent than German supervisory boards – closely monitor the series of negotiations and the ensuing measures before they finally give their ''yes'' or ''no''.

Why are takeovers and mergers so prevalent at the present time? What makes them so attractive? Are there golden rules to follow? Is there a yardstick against which to measure the pros and the cons? Why do so many mergers fall through at the very last minute or turn out to be unsuccessful?

2. Shareholder value, returns and international presence

The reasons – or arguments – for the different transactions (deals or mega-deals, investments and / or divestitures[11]) vary, but the bottom line is always the same: shareholder value takes precedence, short-term, today and tomorrow; the ''hunt is on'' for returns – no quarter given.[12] The accompanying vocabulary – or perhaps more fitting: noise – is invented and used, made use of and used up as happens to suit the given situation. Daimler-Benz AG respectively DaimlerChrysler AG illustrate this well. Initially the cry was ''concentration on shareholder value'', on ''profit, profit, profit'' (with stock option plans for top management which ensured handsome risk-free additional payment);[13] later the shareholder value version was pushed aside and emphasis put on (worker) co-determination as one of the advantages of having a DaimlerChrysler base in Germany (in reality – as was soon learnt – it was more a matter tax advantages or avoidance of tax disadvantages for the large Daimler-Benz AG shareholders, i.e. a matter of shareholder value). The vocabulary included such expressions as ''World AG'' with all the openings provided by a global business world and ''Human AG'' – whatever that may mean, obviously an attempt to appeal to and motivate the employees; and this in a company which takes pride in emphasising its international character, its second company base in Auburn Hills / USA and the fact that English was determined in the merger contracts as the company language.[14]

3. Mergers and visions of mergers

Back to the starting point. At present takeovers and mergers are at a premium – at every turn. Under the general heading ''Shareholder Value'' the following reasons are listed: global markets, economies of scale, synergies (concentration of purchasing power, reduction of overheads and labour costs), outsourcing, focus on areas of greatest skill – all relying on the today's key technology (microelectronics).

But do takeovers and mergers really provide a miracle cure for business? The answer can be neither ''yes'' (at all costs) nor ''no'' (not at any price); it depends on the case in hand.

Mergers can either present themselves as opportunities and just happen to ''fit'' or they can be random and forced. A merger can be useful, indeed necessary (life-savers), and turn out to be the ''great coup'' – or it can be superfluous and damaging.

Mergers can develop from a given situation – or (merely) be determined on the basis of facts and figures (this also applies to the followers of fashion and hangers on).

Mergers can lead to flights of fantasy, fascinate, dictate future events and mean a big step forward – or they can have the same effect as emergency surgery and engender defeatism.

Mergers can be damned to success or condemned to failure.

The possibilities are numerous – success or failure depends on effective execution and follow up. During this time an industrial dream either becomes reality or it turns into a disaster and this in turn depends mainly on the people involved, at all levels, in the new company. Success or failure is not dependent on the (general) plans of the architects, but on the (detailed) sketches made by the builder himself and on the extensions and alterations carried out at the site; in other words the decision is made in real life and not on the drawing board, with gut feeling, not just cool calculation. This can and will not be altered by globalisation.

A large entity is and remains the sum of the – rational and irrational – smaller parts, not the opposite.

It is not purely chance that many mergers fail (or at least are not successful). Experience has shown that opportunity and risk are almost equal (in general it is estimated that one half to two thirds of all ''attempts'' fail).[15]

Mergers are followed by cancellations, some come sooner, some come later, sometimes openly and sometimes in a more concealed manner – from time to time the ''engagement'' is broken off on the way to the registry office.[16] In 1998 the list of such cancellations included such well-known names as SmithKline Beecham and Glaxo Wellcome, Monsanto Co. and American Home Products or Clariant and Ciba Spezialitätenchemie, Norddeutsche Landesbank and Bankgesellschaft Berlin; in 1999 they were joined by Deutsche Telekom and Telecom Italia or Vivendi / Havas and Bertelsmann Fachverlage[17] (or unrest is caused shortly after the marriage by a ''negative'' dowry e.g. in the form of provisions which become necessary as in the case of the HypoVereinsbank AG).

But the divorce lawyers – just like the matchmakers – are ready and waiting, the investment bankers. ''Champagne for the Investment Bankers'' was the title of an article by Hans K. Herdt in the ''Börsen-Zeitung''.[18] ''It is a particular challenge to an investment banker to bring together today what was separated yesterday so that it can be taken apart again in a different constellation tomorrow. One no longer builds for eternity. Businesses are living organisms and the main thing is that they survive, which also guarantees jobs.''[19]

It remains to be hoped that – in the face of such optimism – not too many companies and workers (at all levels) suffer.

4. Size as a measure of success?

Size alone is not an indicator as to whether or not a merger makes sense, nor does it indicate whether or not a merger will be a success; size and strength are not identical.

''Were size a decisive criteria, dinosaurs would be alive today'' the Chief Executive of Porsche, Wiedeking, said recently; ''there is no generally accepted minimum size. Every business must make its own way.''[20]

Remarks made by the Chief Executive of BASF, Strube,[21] were along the same lines: ''We at BASF are proud to go our own way. We prefer to take small steps and make changes quietly, but we progress according to a plan. The result is a strategy of partnerships into which mega-mergers, in our opinion, do not fit. In this way we have created a business with a solid financial base, ... with which our employees can identify''.

Merger fever and merger dreams are bad indicators and unfortunate companions.

Shareholder value has many prerequisites: it does not only evolve and grow in the – frequently virtual – world of the analysts and bankers, in the world of top managers and their advisers, at road shows to the accompaniment of ''investor relations'' music.

Nor may one rely too heavily on the frequently quoted analysts. They too are influenced by or flounder on fashion trends and follow the winds of change (or induce them). Continuity is not their main business nor their main interest, patience not their strength.[22] All that pays is what can be paid out – the quicker the better.

5. ''Merger of equals'' – the best possible way

Caution is necessary, despite – or because of – the numerous ''Americanisms'' which have found their way into the German (and European) business and financial world – as they have in the advertising and pop music branches (the similarity is quite incidental).

The ''merger of equals'' [23]is one example of the more recent linguistic creations of the investment bankers: mergers of equals, which frequently stand out by virtue of the fact that one side is more equal than the other, either from the outset or in the long run (after a specified period of time).

Many of the modern Americanisms and ''artificial'' words are intended to leave the uninitiated speechless and to ensure they are kept in the dark.[24] To avoid any misunderstanding: it is not a question of applauding the French legislation regarding language nor is it a question of trying to transfer its aims to other ''Euro-countries'' such as Germany – it goes without saying that English is the accepted international business language – it is, however, a matter of questioning the wisdom of simply accepting and following rapidly changing fashion trends purely because they seem ''exotic''.[25]

6. Waves of mergers and mergers fashions

Takeovers and mergers do not provide a universal remedy to ensure a rosy future (frequently they end up doing more damage than good) and the same can be said for the programmes presented by the large international firms of advisers, which not seldom advocate completely new company structures to go along with the takeover (or merger). Such recommendations, which may then be altered after a short period of time, often benefit the advisers more than the companies which they are supposedly advising.[26] A quick reminder of one or two of the words and phrases used over the last 10 to 15 years makes this very clear: first small is in, then big is beautiful; for a while a corporate structure is necessary, to be replaced shortly after by a need for a group structure; one day diversification is required, to be followed soon after by a need to focus on one's own strengths;[27] management must be centralised and soon after decentralisation is imperative. Today lean management and down-sizing are on the agenda, to be followed tomorrow by re-engineering or social engineering, not to forget the importance of zero-base budgeting and bench-marking. The list is simply endless. (Many of these terms are nothing more than new names for studies on the efficacy of overheads costs).

Rapidly changing fashions may indeed by very attractive to the fashion-minded consumer but rapid and frequent changes in company and management structures in a large business can produce results which may turn out to be critical.[28]

And people who run around trying to keep up with fashion might just run out of breath – with all the consequences for the company involved. ''I recall, that in the mid-80's doom was prophesied for any car manufacturer who did not ''diversify''. So one bought a software firm, the next an aeroplane manufacturer and yet another invested in some other branch of industry and all of them lost millions'' (words of the former BMW Chief Executive, Pieschetsrieder,[29] who has learnt from his experience with Rover in the meantime that takeovers within the same industry can also be very expensive and dangerous).

7. ''Value management'', business culture and understanding

The frequent changes in fashion are directly connected with the starting point for the wave of mergers and its main goal – shareholder value. Emphasising shareholder value, which is synonymous with putting a company and its shareholders on an equal footing, leads to neglect of other interests and interested parties (stakeholders) even if this is disputed or doubted, for obvious reasons, just to escape reproaches of neo-liberalism and the ''cruel free market''.[30]

Today we know the price of everything and the value of nothing, wrote Oscar Wilde.

In this context reference is frequently made – supposedly in protest – to ''value management'' or to a value-orientation of management. On closer inspection it quickly becomes evident that these are merely different words or expressions for shareholder value. No other value than the value of money is meant and value-orientation means nothing more than ensuring that goals are met for returns and interest on capital investments, which in turn leads to ''shareholder interests and management interests being almost identical''; ... ''contrary to widespread erroneous belief, shareholder value does not have to conflict with the interests of the employees'' (!), is added to smooth things over.[31]

No mention is made of the fact that companies – as they are seen in Europe and Germany – represent more that just the sum of – briefly relevant – figures (and stock exchange listings); of the fact that a company consists of shareholders, employees, suppliers, customers and creditors;[32] of the fact that a company is set up with the long term in mind and therefore carries some weight of its own and has an inherent value (which is not limited to the daily stock exchange rate); nor of the fact that certain so-called stock exchange-orientated measures (such as lean management, business re-engineering or buying back the company's own shares) which may indeed momentarily have a positive influence on the share price, driving it up, can in fact cause serious, lasting damage to the company in the long run.

In the ensuing scramble for value determination and value orientation not only the ''hard facts'' but also the – quite wrongly mocked – ''soft points'' are all too frequently overlooked. A company is more than just a skeleton of figures, an employee more than merely a counter. If someone strips a company of its history, its self-esteem, its culture, its name, its role in a certain community and area, without offering convincing and understandable reasons and / or without replacing it with a feasible alternative, he will hardly be successful in the medium and long term and will pay a high price. It is not purely by chance that many mergers (as do other drastic measures such as reconstruction) fail in the long run no matter how pleasing they look initially; the blossoms turn out to be nothing more than artificial flowers.

''All that counts is the company's capability in the future. And one can only ensure a good future if employees and management, as well as the shareholders, are enthusiastic in their approach to a mutual goal. Those who make shareholder value the guideline for their actions cannot ensure a good future'',[33] the Chief Executive of Porsche, Wiedeking, said – quite rightly – recently.

No company will ever be able to set and follow a course successfully which works against the self-esteem and (de-) motivation of its management and employees.

8. Company names and artificial names, corporate identity

A ''marriage'' leads to the question of names.

As far as trends in the business world in continental Europe go, the Swiss banking sector and industry are frequently the forerunners. This applies not only to alliances between companies (such as BBC and ASEA which combined to form ABB in 1987), but also – however surprising it may be at first glance – to company names.[34] The ''Schweizerische Bankgesellschaft'' (SBG) and the ''Schweizer Bankverein'' (SBV) joined forces in 1998 to become the Union Bank of Switzerland, which in its abbreviated form, UBS, at least retained the old ''logo'' of the Bankgesellschaft. The ''Schweizerische Kreditanstalt (Credit Suisse), the Swissar-Konzern (SAin Group) and the Alusuisse Lonza AG (**al**group) had already set an exemple. The change was even more spectacular in the case of the old traditional chemical companies Ciba-Ceigy and Sandoz, the pride of the Swiss industrial fleet, which not only ''sank'' following the merger in 1996. They also forfeited their names and replaced them with the artificial name of ''Novartis'' – as if history and world-wide recognition could be a hindrance on the way to new horizons (in 1999 Hoffmann la Roche followed the example in Germany when they replaced the name ''Boehringer Mannheim'' with ''Roche Diagnostics''). Rhône Poulence S.A. and Hoechst AG have agreed to follow the example set by the Swiss chemical industry; they will amalgamate to form a ''Life Science-Group'' (following the systematic sell-out at Hoechst in the last few years which, 135 years after the company was founded, included the eradication of their world-famous bridge and tower emblem); the new company is to be called ''Aventis'' and will straddle the borders in Strasbourg, no man's land, as far as the two merging partners are concerned (and Latin, it would appear, is indeed a ''living'' language as the name of the conglomerate in France, ''Vivendi'', confirms).[35]

Incidentally, this shows how important the highly praised ''Corporate Identity'' is or can be as soon as new ideas come into fashion. – Can it all come to a good end? When someone gives up his name, his company logo, his location (town and country), when someone gives up his language – in short – when someone gives up his roots and his history, he is giving up much more than tradition and company culture: he loses his identity and will no longer be able to rely on ''his'' employees identifying with the company in the manner to which he is accustomed.

9. Costs, value and benefit

In order to be successful public companies and their shareholders need a high level of acceptance – as do the economy and industry as a whole (even if total agreement cannot be achieved). This should not be forgotten. ''Power to the Shareholders'', the – demanding, not questioning – headline over an full-page article in the Frankfurter Allgemeine Zeitung (27th June, 1998, p. 15) written by Carl Christian von Weizsäcker, a former chairman of the Monopolies Commission, will (and must) lead to dispute in our part of the world. This applies even more to von Weizsäcker's hymn in praise of the paragon Jack Welch from General Electric[36] if one thinks back to an interview Jack Welch gave the ''Spiegel'' magazine.[37]

''SPIEGEL'': (during the last year) you made around 30 million dollars in salary and profits from stock options. ... A normal worker in your factory would have to work over a thousand years to make that kind of money. It that justified?

Welch: We don't drag people in off the streets at gun-point to work in our factories. Everyone who works for us is here because he wants to earn money and get on in life. I pay adequate wages and the atmosphere is so exciting that everyone wants to stay. Where's the problem?''

This is a line of thinking which is foreign to us and – in my opinion – should stay that way. A book (well worth reading) on Jack Welch brought out recently by Thomas O'Boyle[38] cannot convince otherwise (on the contrary, its effect is very sobering).

''I believe the world is spinning off its axis these days'' was the formulation of Porsche's Chief Executive Wiedeking in the interview already mentioned above. Pure profit-orientation is too little. As entrepreneurs we have a social responsibility, we must find a way to combine the interest in profit with the interests of the employees. Great uncertainty prevails in many factories because the people do not know what might happen to them following a merger. This uncertainty can damage a company much more that all the theoretical gains offered by a merger''.[39]

''What worries me is the way the markets are worshipped'', William Bennett, a conservative intellectual (and former cabinet member during the Reagan and Bush regimes) said recently in the Wall Street Journal. ''Rampant capitalism ... does not have to be a problem for production or for increasing the size of the economy pie, but it is a probelm for the people. It is a problem ... in the areas of values and human relations because it is destructive.''[40]

10. Mergers and family-owned companies

Must shareholders worry about their companies and their fortunes if their boards are not planning mergers? Are they thereby putting their future at risk? And what can family-owned or other private companies do which are simply not in a position to engage in a merger with a listed public company? Are these companies, which are just as important to economic growth as large public companies, lost from the outset because they are not in a position to offer what they supposedly ought to be able to offer in terms of increasing value which can be measured in stock exchange rates? There is no need for undue concern.

For family-owned and private companies it is simultaneously easier and more difficult: on the one hand their absence from stock market restricts both the number and the dimensions of possible "transactions" so that many opportunities – some of which may well have been very interesting – are eliminated. On the other hand careful consideration of all opportunities and risks, even before due diligence studies begin, is unavoidable which prevents or reduces dangers or the potential for endangering the company and eliminates any "size-mania" from the beginning.

Mergers of equals are completely out of the question: family-owned companies and the owners themselves – if they don't give up and sell out – always want to be "more equal" than the others, always want to have the last word and they make this very clear.

Large family-owned and private companies have shown that they can work effectively despite these restrictions – indeed, some do so brilliantly – and they continue to do so today, each in their own time and in their own particular manner. Flick and Quandt, to which K. Herdt referred recently,[41] Haniel and Bosch, Porsche and Metro Holding, Bertelsmann and von Holtzbrink are just to mention a few (there are, of course, others who paid the price of too risky expansion personally by losing their companies).

11. Summary

The buying and selling of companies, takeovers and mergers have always been with us and it will (and must) remain so in the future, as has the emergence of large groups and the splitting up of the same groups later. It may be an individual occurrence or part of a – sometimes fashionable – wave of activity. An outbreak of "takeover fever" is nothing new and, looking back on the 50s and 60s and parts of the 70s and 80s, it has frequently made the rounds in the past. It is the speed which has increased (thanks to modern communications technology) and the ways and means have altered (corresponding to changes in tax regulations and legislation); and in the same way the mood in general and in industry in particular has changed.[42] Whereas takeover "battles" frequently took place in the past (with board resolutions on conversion and forced payoffs), today we are witnessing more and more "marriages made in heaven" (mergers of equals). Everyone is enjoying a honeymoon!

In the past many companies and their shareholders did very well out of mergers. Other companies didn't survive the bout of takeover fever or they only just managed following amputations or other forms of emergency surgery; and their shareholders and employees (and sometimes their banks) were forced to pay dearly for survival.

Mergers can lead the way to a great future, but they neither work of their own accord nor do they provide insurance against the injustices of every day business life.

The future will show how long-standing and successful the new equal partnerships will prove to be. This is also true for the "shining example" DaimlerChrysler which "did everything right in the first year" as the Frankfurter Allgemeine Zeitung recognises,[43] only to add "but the tests of time are still ahead. They will take place inside and outside the factory fences". This is becoming clear(er) from day to day with regard to shareholders and management.[44] Years of hard work and good judgement (and a measure of luck) will be necessary to spin the transcontinental web successfully (following the failures at home and in the neighbouring country with Dornier, AEG, Fokker and Adtranz).

Much the same applies to the Deutsche Bank AG and their takeover of Bankers Trust in New York. A bonus "pool" of 400 to 500 million dollars to encourage the best people to stay, with 187 million dollars of that amount guaranteed to sweeten the lives of 5 top managers in the next five years, does not say much for the confidence or persuasive powers of the Deutsche Bank AG (not to mention the negative impact on German management).[45] "Loyalty cannot be bought" was the comment in the "Handelsblatt" – quite rightly.[46] One never expected to meet mercenaries on the top floor of any great industrial company or bank in the past (nor would one ever think their presence there was fitting and necessary).

Some couples split up before they are even engaged or during the period between becoming engaged (calling the banns) and the wedding ceremony and thus save themselves – sometimes just in time – much annoyance and bickering as well as fights about their future together or the ensuing settlements or split of assets (or non-assets).[47] It sometimes takes much courage and stability to do this (but what good is due diligence or an evaluation expertise if they are not allowed to bring about the ''end'').

Fast reports of success and self-praise should be treated with great caution. When the whole world echoes with songs of praise, questions should be asked.

12. Closing comments: Friedrich Flick in his role as Company builder

To close, a personal memory: for 10 years – from 1963 to 1973 – I did service with Friedrich Flick KG in Düsseldorf (as an employee in a family-owned company one must be capable of ''serving'').

Friedrich Flick was a gifted designer and builder of companies, takeovers and mergers – buying, selling and exchanging business units and holdings – were for him a way of life (without once ever even considering going public). When he died in 1972 the Friedrich Flick KG held almost 40% of Daimler-Benz AG, 100% of the paper and chemical group Feldmühle AG and Dynamit Nobel AG and over 90% of Buderus AG / Krauss-Maffei AG. Each one of these ''pillars'' exercised great influence on its corresponding market segment to an extent which could not be overlooked.

The form, growth and success of the Flick group stemmed from the Flick visions, from the endless work and decentralised management structures coupled with a close eye always kept on what was going on in industry and in the financial world.

The Friedrich Flick KG was a perfect example of what a holding company should be. Growth and profit of the individual holdings and the Flick group as a whole were the yardstick; today we would speak of shareholder value; and although the expression was unknown at that time, the meaning was; a meaning which, in public, was more taboo than appreciated, a meaning sometimes met with hostility (how times change). For this reason the figures were always important to management.

This appealed very much to the chief executives of the holding companies: they were independent, confident and successful co-entrepreneurs (and for the most part were remunerated according to their success). Most important was their contribution to the expansion and strengthening of the group. Not one of these men would have been tempted to change to a public limited company (which would have offered different and – supposedly – more opportunities).

On one occasion, following the completion of a large deal, one adviser – who happened to be neither a banker nor an investment banker – said to Friedrich Flick (who valued discretion more than anything else): ''Dr. Flick, we are living in great times''. To which Friedrich Flick replied, ''Yes, but I preferred the smaller times''.

Although discretion may well be considered old-fashioned in this day and age, it remains important and has much to do with the success of leading family-owned companies. ''The quieter one is, the more effective one is'' was described recently by Marcus Wallenberg as a ''wisdom according to Wallenberg''.[48]

Notes

1. See *Frankfurter Allgemeine Zeitung*, 28.12.98 – p. 18; *Handelsblatt*, 31.12.98 – p. 36 and 13.01.99 – p. 16; *Süddeutsche Zeitung* 29.12.98 – p. 19 and *Börsen-Zeitung* 31.12.98 – p. 58.
2. *Frankfurter Allgemeine Zeitung*, 20.01.99 – p24.
3. *Handelsblatt*, 09.02.99 – p. 13.
4. *Handelsblatt*, 19./20.03.99 – p. 1.
5. *Handelsblatt*, 16.02.99 – p. 13.
6. *Frankfurter Allgemeine Zeitung*, 11.03.99 – p. 17.
7. *Handelsblatt*, 20.04.99 – p. 17.
8. *Frankfurter Allgemeine Zeitung*, 20.01.99 – p. 16.
9. *Frankfurter Allgemeine Zeitung*, 29.01.99 – p. 13.
10. *Handelsblatt*, 08./09.01.99 – p. 1 + 11.
11. such as the ''spin offs'' of Metro AG, *Frankfurter Allgemeine Zeitung*, 28.12.98 – p. 18, or of Metallgesellschaft AG, Handelsblatt, 09.02.99 – p. 13 or Siemens AG, *Frankfurter Allgemeine Zeitung*, 19.02.99 – p. 17.
12. Eglau in *DIE ZEIT*, 26.11.98 – p. 24.
13. Bernhardt in *Corporate Governance An International Review*, Vol. 7, No. 2, April 1999 – p.124.
14. See with regard to the ''wedding of the year'' a book well worth reading, *Der Daimler-Chrysler Deal* by Appel / Hein, Deutscher Verlags-Anstalt, Stuttgart 1998.
15. Representative of many: J. Jeske in the *Frankfurter Allgemeine Zeitung*, 04.02.99 – p. 1 (''Auf dem Weg zum Weltformat''); *HandelsZeitung*, 10.03.99 – p.8 (''Wenn Manager nur noch ''mergen'' wollen); *Frankfurter Allgemeine Zeitung*, 11.01.99 – p. 23 (''Die Unternehmenskultur entscheidet über den Erfolg von Fusionen'') and *Frankfurter Allgemeine Zeitung*, 21.12.98 – p. 29 (''Was trotz Übernahmefiebers nie außer Acht gelassen werden sollte'').

16. *Börsen-Zeitung*, 11.12.98 – p.1.
17. *Handelsblatt*, 25.02.99 – p. 14.
18. *Börsen-Zeitung*, 08.12.98 – p. 11; also see ''Big Deals bestimmten 1998 die M&A-Spitze'' in *Börsen-Zeitung*, 11.02.98 (with ranking).
19. Herdt – see above; using almost the same words the former BMW CEO, Pieschetsrieder, said in an interview with the *Salzburger Nachrichten*, 12.12.98, ''the only ones who stand to gain are the investment bankers. And they keep driving the mergers on because the investments bankers always win: from the mergers and later when the companies are split up again.
20. *Der Spiegel*, 3/99, 18.03.99 – p. 91; ''I regard ''mergeritis'' as sick'' said the CEO of the Commerz Bank, Martin Kohlhaussen, recently (*Süddeutsche Zeitung*), 25.03.99 – p. 29).
21. *Der Spiegel*, 53/98, 28.12.98 – p. 75.
22. *Süddeutsche Zeitung*, 24.12.98 – p. 25 (''Die Macht der neuen Priester'').
23. *Neue Züricher Zeitung*, 09.12.98 (''Fusionen von Partnern als Managementstrategie''); *Börsen-Zeitung*, 11.12.98 – p. 1; *Handelsblatt*, 07.01.99 – p. 14; *Börsen-Zeitung*, 23.01.99 – p. B1.
24. *Handelsblatt*, 29.12.98 – p. 19 (''Anglizismen täuschen Hauch von weiter Welt vor'') and *Handelsblatt*, 29.12.98 – p.3 (Französisches Sprachgesetz behindert den freien Marktzugang'').
25. *Die Welt*, 23.10.98 (''Gewiß, ich bin happy, doch glücklich bin ich nicht'').
26. *Handelsblatt*, 23./24.10.98 – p. K3 (''Zuviele Unternehmen unterwerfen sich immer neuen Managementmethoden''); *Neue Züricher Zeitung*, 09.12.98 (''Fusionen von Partnern als Managementstrategie'').
27. Steven M. Heller / Goldman, Sachs & Co., *Handelsblatt*, 06.04.99 – p. 16.
28. *Handelsblatt*, 23./24.12.98 – p. K3.
29. Interview in *Salzburger Nachrichten*, 12.12.98.
30. Kajo Neukirchen, CEO of Metallgesellschaft AG, *Frankfurter Allgemeine Zeitung*, 30.11.98 – p. 32 (''Shareholder Value ist kein Kapitalismus pur'').
31. Neukirchen, CEO of Metallgesellschaft AG, *Frankfurter Allgemeine Zeitung*, 30.11.98, p. 32; ref. also to Handelsblatt, 18./19.12.98 – p. G6 (''Auf der Suche nach dem dritten Weg'').
32. See the comprehensive description by von Werder in ZGR 1998 – p. 69-91.
33. *Börsen-Zeitung*, 23.01.99 – p. 6.
34. *Frankfurter Allgemeine Zeitung*, 30.12.98 – p. 14 (''Schweizer Firmen lieben englische Namen'') and 12.01.99 – p. 16 (''Mit Kunstnamen auf den Weg in die Zukunft''); *DIE ZEIT*, 22.12.98 – p. 29 and *Die Welt*, 30.12.98 (''Hoechst – ein deutscher Riese verschwindet'').
35. Where modern trends are involved, the unions which are dersirous of merging also want to join in. The name of the new union in the service sector (following a merger of ÖTV, DAG, HBV, IG Medien, Postgewerkschaft) is to be ''Verdi''.
36. *Frankfurter Allgemeine Zeitung,* as mentioned in the text – p. 15, central column.
37. *Der Spiegel*, 29/1997, p. 89.
38. Thomas O'Boyle, ''Jack Welch – Im Hauptquartier des Shareholder Value'', Deutsche Verlags-Anstalt, Stuttgart, 1999.
39. Wiedeking, *Der Spiegel* 3/99, 18.01.99 – p. 91.
40. *Wall Street Journal*, 14.05.98 (''Selling Entire Stock!: Capitalism is Giddy with Triumphs; Is it possible to overdo it?'' – as quoted by Thomas O'Boyle in the above mentioned book – p. 27).
41. *Börsen-Zeitung*, 08.12.98 – p. 11
42. Rolf E. Breuer, *Handelsblatt*, 02.02.99 – p. 7; J. Jürgen Jeske, *Frankfurter Allgemeine Zeitung*, 04.02.99 – p. 1
43. *Frankfurter Allgemeine Zeitung*, 09.01.99 – p. 22.
44. New York Times, 24.03.99 (''Management by 2 Cultures May Be a Growing Source of Strain for DaimlerChrysler'' and ''DaimlerChrysler Frets Over Loss of U.S. Shareholders'').
45. *Frankfurter Allgemeine Zeitung*, 25.03.99 – p. 20 and *Handelsblatt*, 25.03.99 – p. 30.
46. *Handelsblatt*, 26./27.03.99 – p. 2.
47. J. v. Diedrichs, *Frankfurter Allgemeine Zeitung*, 21.12.98 – p. 29 (''Was trotz Übernahmefieber nie außer Acht gelassen werden sollte'').
48. *Frankfurter Allgemeine Zeitung*, 12.02.99.
The Publisher, Dieter von Holtzbrinck, who is very successful in the print media, one of the ''louder'' branches, also proves this to be true (*Manager Maga*zin 4/1999, p. 92).

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