They provide valuable sources for taking into account the broader environment of organisational changes in Hungary.

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Christiane Tewes, M&A and Privatizations in Poland. Key Success Factors in Cross–Border Acquisitions into the Polish Market, Dt. Universitäts-Verlag, Wiesbaden, 2001.

This book, authored by Christiane Tewes, tackles questions found in two topical areas—i.e. mergers and acquisitions, and the realm of transformation processes in Central and Eastern Europe. There is absolutely no doubt that it should be ranked among the pioneering efforts in this field. It will be useful to the Western reader through fostering a better understanding of the specific aspects of the local Polish market in a global world. Readers from Central and Eastern Europe—especially Poland—should also reach for it with interest. In their case it shows many aspects of economic life as seen through the eyes of a Western consultant taking part in the already mentioned merger and acquisition processes.

Company merger and acquisition processes have been a subject of interest for a long time. This has borne fruit in a wealth of topical literature devoted to the financial, technical, organizational, and social dimensions of such undertakings. The complexity of these processes is witnessed by the high percentage of failures, an inability to fully achieve assumed objectives, and the high cost involved in the merging of companies or the acquisition of one by another.

The problem of privatization is engulfed in a natural manner in this analyzing mergers and acquisitions in Central and Eastern Europe. In many cases, the takeover of a company signifies its privatization. Thus, new tasks directly linked with privatization are added to the list of things to be one during the merging of companies or an acquisition. This signifies that the level of complexity of the entire project increases, as does the number of players taking part, not to mention the politicizing of the whole process through the involvement of government bodies.

This book is different due to the original way in which it perceives and analyzes merger and acquisition processes in the context of privatization as well as in that of international conditions defining the functioning of the company. Its overall aim is to demonstrate the complexity of international mergers and acquisitions in Poland against a backdrop of privatization conducted in parallel as well as the defining of key factors for the success of such processes. A basic matter is the question of how to be effective and successful in the complicated process of taking over a company in a way that is simultaneously its privatization under conditions in which the state is the seller. On the one had, the information base used by the author consisted of secondary sources such as studies on company strategy on international markets, the cultural conditions of the functioning of a business and privatization processes, and materials from the Polish Foreign Investment Agency (PAIZ). On the other hand, she used primary sources such as personal research involving several interviews with managers as well as other specialists concerned with studying such processes in Poland.

The book's structure is lucid; the language used by the author is clear and comprehensible. This is important to readers and expands the circle of potential interest. The work is divided into seven parts that differ in terms of both volume and the content of problems discussed. The first two chapters are introductory in character and lead into the real analysis of investigated questions of mergers, acquisitions, and privatizations. They explain basic concepts as used in the work (Chapter I) and matters relating to applied methods (Chapter II). Possibly, these two chapters, quite humble in terms of content and volume, could have been a single section.

The next, third chapter of the book is devoted to a characterization of merger and acquisition conditions in Poland. It presents political and economic factors that influence the course of these processes and also reiterates legal regulations applicable in privatization. This is a useful part; it shows the situation in Poland against a backdrop of other countries in Central and Eastern Europe. It is unfortunate that some data have not been brought up to date. This applies to such important indicators as Gross Domestic Product (GDP) and the unemployment rate, which in the book as reviewed, are presented as estimated values starting with the year 2000. They could have been made more current prior to publication in 2001 since real–world figures differ significantly from those presented by the author as do values submitted as projections for the future. Generally speaking, the GDP growth rate is slower while the unemployment rate is higher. Should this book have a second edition, the bringing of data in the third chapter up to date is an absolute must.

The fourth chapter discusses acquisition strategies on the Polish market in succinct form. It is one of two key chapters in the reviewed book. In it, the author presents the evolution of various ways in which foreign investors enter the Polish market, starting with joint ventures and ending on the purchase of majority stakes in the share capital of the company being taken over. This part of the work also discusses a five–phase model for the process of taking over a company that may be applied under Polish conditions. The author presents the theoretical characteristics of the individual phases of this process: the defining of strategic objectives (strategy phase), the accumulation of information (search and screening phase), company value assessment (valuation phase), actual acquisition (execution phase), and integration following the acquisition (post–acquisition phase). The initial three phases form the pre–acquisition stage and should answer the following questions: What is the reason for the takeover? What factors in the target company's environment and what qualities of the company itself are significant? What is the company's price? The fourth phase presents the process of acquisition in its strict sense—i.e. the actual execution of the previously planned takeover. Particular attention should be paid to a detailed analysis and assessment of the company being taken over—due diligence. More often than not, the success of a merger or acquisition is determined by the fifth phase—integration following the official takeover of the target company. The author takes note of the weight of cultural factors as well as appropriate ways of communicating the strategic and operational objectives of the new owner to the employees of the taken–over company. This chapter also shows the positions of typical players taking part in the discussed processes. They include the foreign investor who intends to take over the given company, local investors who also want to take part in the privatization of the company, investment funds, the Ministry of the State Treasury and local authorities, the managerial staff of the company, and outside advisors.

Chapter five is concerned with a discussion of the main success factors in merger and acquisition processes based on the authors personal research. She uses the already–mentioned five–phase model in their presentation, formulating appropriate conclusions in reference to each of the five phases. Moreover, she defines primary success factors in terms of the merger and acquisition process as a whole as identified by respondents. The foremost of these factors is selection of an appropriate strategy encompassing the defining of the place, time, and form for entering the Polish market as well as goodwill involved in the acquisition. A second key success factor is the correct appraisal of competitors and the strength of local brands as compared with own trump cars and limitations. A third significant success factor is the proper assessment of Poland's dynamic market, a market where rapid changes can result in modifications to the competitive stance of individual players even over as brief a span of time as six months. Among other important factors are the ability to adapt to the Polish market (different from the Western market), experience and flexibility, time and patients, and financial resources. The reading of this chapter provides many interesting data regarding merger and acquisition processes in Poland that cannot be discussed in detail in this review. An example worth noting in terms of importance is the listing of the most frequent reasons for investors backing out of mergers or acquisitions over the course of the process: large scope of restructuring in the company being taken over, legal uncertainties with respect to brand ownership, lack of ownership certificates, problems with liquidity, a gap in cultural adaptation, and problems involving environmental protection.