**Online Supplement**

**Table A1: Counts of Articles across Disciplines, Journals and Key Activities in the Pre-deal Phase of M&A**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Initiation** | **Target****selection** | **Bidding and** **negotiation** | **Valuation, financial terms and financing** | **Announcement** | **Closure** | **Total** |
| **Accounting** | 1 | 2 | 1 | 2 | 1 | 0 | 7 |
| AR | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| JAE | 0 | 2 | 1 | 2 | 0 | 0 | 5 |
| JAR | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Economics** | 1 | 0 | 2 | 2 | 0 | 1 | 6 |
| AER | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| JEP | 0 | 0 | 0 | 1 | 0 | 0 | 1 |
| RJE | 1 | 0 | 2 | 0 | 0 | 1 | 4 |
| **Finance** | 10 | 9 | 17 | 25 | 4 | 7 | 72 |
| JOF | 3 | 3 | 5 | 7 | 3 | 1 | 22 |
| JFE | 6 | 4 | 8 | 11 | 1 | 5 | 35 |
| RFS | 1 | 1 | 1 | 6 | 0 | 0 | 9 |
| JFQA | 0 | 1 | 3 | 1 | 0 | 1 | 6 |
| **Management** | 36 | 23 | 18 | 22 | 4 | 14 | 117 |
| AMJ | 7 | 0 | 3 | 2 | 2 | 0 | 14 |
| AMR | 0 | 1 | 3 | 2 | 0 | 0 | 6 |
| ASQ | 6 | 3 | 1 | 4 | 0 | 0 | 14 |
| JIBS | 1 | 2 | 1 | 4 | 0 | 2 | 10 |
| JMS | 1 | 2 | 2 | 0 | 1 | 1 | 7 |
| JOM | 3 | 2 | 1 | 2 | 0 | 3 | 11 |
| MS | 2 | 1 | 0 | 2 | 0 | 4 | 9 |
| OS | 0 | 2 | 4 | 1 | 0 | 0 | 7 |
| SMJ | 16 | 10 | 3 | 5 | 1 | 4 | 39 |
| **Total** | 48 | 34 | 38 | 51 | 9 | 22 | 202 |

Note: Articles that examine more than one stage of the pre-deal process were counted only once. AR = Accounting Review; JAE = Journal of Accounting Economics; JAR = Journal of Accounting Research; AER = American Economic Review; JEP = Journal of Economic Perspectives; RJE = Rand Journal of Economics; JOF = Journal of Finance; JFE = Journal of Financial Economics; RFS = Review of Financial Studies; JFQA = Journal of Financial and Quantitative Analysis; AMJ = Academy of Management Journal; AMR = Academy of Management Review; ASQ = Administrative Science Quarterly; JIBS = Journal of International Business Studies; JMS = Journal of Management Studies; JOM = Journal of Management; MS = Management Science; OS = Organization Science; SMJ = Strategic Management Journal;

**Table A2: Questions for Future Research**

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| --- | --- | --- | --- |
|  | **Research theme 1: From aggregate decisions to granular processes** | **Research theme 2: From individual actors to multiple actors and their interactions**  | **Research theme 3: From static to dynamic perspectives** |
| **Initiation** | What is the role of M&A strategy in firm decision-making regarding M&A initiation?How and what do companies learn from unrealized M&As?How does the pre-deal process and outcomes differ in bottom-up versus top down initiated deals? | How do the interactions between executives, directors and owners affect M&A initiation?What is the role of investment banks and investment advisors in M&A initiation?How do championing, issue selling, and the build-up of coalitions among divisional management, M&A specialists, the TMT and the board affect M&A initiation? | How does the timing of different parallel strategic initiatives affect M&A initiation?How long are the internal discussions about a potential deal before the official initiation decision has been made?Under what conditions do frequent acquirers abstain from initiating M&As for a long period of time? |
| **Target selection** | How do companies internally organize target mapping and screening processes?How do different target mapping and screening processes affect target selection decisions?What is the role of the M&A department in the target selection process? | In what capacity and when do members of TMTs or divisional managers become involved in the pre-deal process?How do interactions between internal players (e.g., executives, directors) and external players (e.g., consultants and advisors) affect target selection?How do investment banks and advisors scout for M&A targets? | How do firms that anticipate the purchase or sale of a firm prepare for deal making activities over time?How do acquirers groom potential targets over time for an acquisition? How does the turnover in the upper echelons affect ongoing mapping and screening processes over time? |
| **Bidding and negotiation** | How does the comprehensiveness of the due diligence affect subsequent stages of the M&A process and outcomes?To what extent is PMI a topic of deal negotiations and what implications this has on PMI outcomes?How do companies organize and synchronize M&A processes in parallel deal negotiations? | Who constitutes the negotiation teams in the merging firm, and how do the characteristics of these teams affect the pre-deal process and outcomes? To whom and when do the boards of merging firms delegate authority to lead the pre-deal process?Do M&A teams develop heuristics for assessing targets and negotiating deals? | How does the timing of initial formal bid and bid revisions affect pre-deal process and outcomes?How does the speed of due diligence affect acquirers’ bargaining power in M&A negotiations? What are the implications of deliberate delays by targets during the negotiation process on deal outcomes? |
| **Valuation, financial terms and financing** | What are the decision-making processes behind various deal considerations such as exclusivity agreements, lock-ups or breakup fees?How do firms adjust their decisions regarding the acquired stake and method of payment?What tradeoffs do companies make regarding the terms of M&A deals, and under what conditions? | How do acquirer and target shareholders influence the valuation process and financial terms of a deal?What is the role of advisors in preventing or mitigating biases of executives and directors that go into M&A premium decisions?What biases do external players such as advisors introduce in the valuation process and how? | How does time pressure affect deal valuation?When and how does new information that surfaces during due diligence lead to adjustments in the assumptions that underlie the acquirer’s and target’s valuation?How does the timing of decisions regarding deal financing affect deal outcomes? |
| **Announcement** | How do firms manage the reactions to M&A announcements of various internal and external stakeholders?Does the termination of already announced deals have repercussions for potential targets?What are the long-term effects of the impression management approaches often used by firms during M&A announcements? | Which individuals shape decisions regarding the use of impression management and how?What impression management tactics are used by actors in target firms?How are the choices made during the pre-deal phase regarding the size of the inner circle related to the likelihood of rumors? | How does the timing of information leakage about a potential deal affect the pre-deal process and outcomes?How and to what extent (if at all) do public reactions following the announcement trigger the reassessment of the initial plans or even the re-negotiation of the deal terms?How do companies decide on the timing of an M&A announcement? |
| **Closure** | What is the workload for the acquirer and the target associated with the regulatory compliance of a deal?What, if any, is the relationship between M&A integration planning and deal closure?To what extent is the deal making process in the closure stage internally versus externally driven? | Do the competition authorities influence the duration of the public takeover stage, and what is the likelihood of deal closure?What are the consequences of withdrawal from an announced deal for executives and directors in acquiring and target firms?Do negotiation teams and integration teams interact as the deal proceeds to closure, and how do these interactions affect PMI? | How does the length and timing of competition authority assessment affect deal closure?How do psychological phenomena such as escalation of commitment manifest over time and influence deal closure?Are the effects of early M&A decisions path-dependent, and how do they affect deal closure?  |