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The Motives for Mergers and Acquisitions in the Finnish Healthcare Sector

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<p>The purpose of this study was to find out which are the main motives of healthcare companies when they are conducting mergers and acquisitions (M&A) transactions in the healthcare sector. Moreover, the aim of the study was to deepen the knowledge of the M&A motives in the Finnish healthcare sector.</p> <p>This study was implemented by completing interviews with four healthcare M&A professionals. The open interview question was sent to all the interviewees beforehand the interviews. Two of the interviews were implemented via telephone and two via email. Content analysis classification was used when analyzing and modeling the data. Excel was utilized when creating tables about the results of the study.</p> <p>The results showed that there are several motives that leads Finnish healthcare companies to conduct the M&A transactions. The most popular motive seems to be a geographical expansion into new areas, which is followed by synergy benefits, increasing company's value as well as strengthening company's own market share. Based on this information, it can be stated that the Finnish healthcare sector M&A motives matches with common, international motives for M&A transactions.</p>	
Keywords	M&A, mergers and acquisitions, motives for M&A, healthcare, SOTE-reform, interview

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1 Introduction

Finnish social and healthcare business is undergoing vast changes. The Finnish government has launched a social and healthcare reform that will change the entire healthcare structure of the country. Due to the reform, private and public healthcare companies have reacted to this transformation. Mergers and acquisitions, known also as M&A, activity is one significant way to prepare the business for the upcoming social and healthcare reformation. Especially big private healthcare companies in Finland have increased their M&A activities considerably during the past years. (Kurki-Suonio, 2018) In this paper I will concentrate on the M&A deals in the Finnish healthcare sector: what are the motives that have led companies to conduct the M&A transactions.

According to Kroon et al. (2009: 20) mergers and acquisitions has increased its popularity constantly over the past decades and therefore, it can be said that "*M&A ...has run at unprecedented levels.*" Unlike before, M&A has expanded worldwide, and it is not a U.S. phenomenon anymore (Gaughan, 2011: 35). These abovementioned facts can also be noticed in the Finnish business markets. According to Tervola (2017), in 2017, 682 acquisitions were conducted in Finland. Most of the acquisitions were implemented in the software industry. However, the software business was followed by the healthcare sector. Moreover, nowadays on average, every fourth day one M&A transaction is accomplished in the Finnish healthcare sector (Kurki-Suonio, 2018; Sote-alan yrityksiin iskee monta puhuria, 2018). One of the significant factors that causes the large amount of M&As, is the social and healthcare reformation, known as SOTE-reform. Because of the change, big private healthcare organizations in Finland have increased their activities in the M&A field by purchasing especially elderly homes and healthcare centres (Kurki-Suonio, 2018).

This thesis focuses on the mergers and acquisitions in the Finnish healthcare sector. The study tries to explore the motives behind the M&A transactions of the companies, which have partaken in M&A transactions within the healthcare sector. What are the factors that motivate companies to conduct M&A instead of, for example, largening the business on their own into new geographical areas? Moreover, this paper reveals the most popular motives behind these transactions.

2 Theoretical background

Mergers and acquisitions, known as M&A, has become a significant part of the business world during the 19th and 20th centuries. (Das et. al 2009: 66). Jain et. al (2016: V) defines M&A as “... ways to gain access to new resources and new markets.” It is the most popular way to expand and/or increase the scope of the business, its size and its volume (Das et al. 2009: 66). M&A expands with the economy, and it has spread widely all over the modern world. It can be said that M&A has become more and more significant factor of the corporate finance and strategy. Moreover, it has become increasingly significant factor in the business world in recent years. Factors such as technology, communication, scope of the market, transportation as well as economic and financial environment has had their influence in the growing number of the M&A transactions. Besides that, companies are also forced to constantly develop themselves in these abovementioned areas. (Gaughan, 2011: XV; Gupta, 2010: 1)

Next, I will introduce some key definitions regarding the M&A transactions and process.

Although normally mergers and acquisitions terms are used interchangeably, there are some differences between the terms. Patrick A. Gaughan defines in his book *Mergers, Acquisitions, and Corporate Restructurings* (2011: 12) a merger such as: “... a combination of two corporations in which only one corporation survives, and the merged corporation goes out of existence.” This type of business transaction is sometimes also called a statutory merger. The other type of a merger is a subsidiary merger, which means a merger of two companies in which “... a target company becomes a subsidiary or part of a subsidiary of the parent company.” (Gaughan 2011: 13) On the other hand, Gupta (2010: 5) writes that a merger is “... marriage between two companies of roughly same size” as well as “... an arrangement where two or more companies become vested in, or under the control of one company.” (Gupta, 2010: 5) Jain et al. (2016: V) defines merger shortly as a combination of two companies. In addition, it is important to understand the difference between a merger and a consolidation. Consolidation is a combination where two or more organizations join and therefore will form an entirely fresh organization. In consolidation, only the new entity will continue operating. (Gaughan, 2011: 12-13, 623; Rompotis, 2015: 34; Vazirani, 2015: 3)

When discussing about acquisitions, Gaughan (2011: 623) defines it such as: “... the purchase of an entire company or a controlling interest of a company.” Moreover, Jain et

al. (2016: V) states that simply in an acquisition “... a *company takes over another company*.” Acquisition, also known as a business takeover, could be defined as a process of buying another company or business. (Gaughan, 2011: 12-13, 623; Rompotis, 2015: 34; Vazirani, 2015: 3)

Due diligence, known also as DD, can be defined as a pre-transaction investigation of an acquired company. Due diligence is a part of the transaction process, which should be customized as well as structured in a way that it fits just with the specific risk of the specified transaction. It should be modified with right perspective, keeping in mind the exact transaction, for example concentrating on funding capital needs. (Dixon et al, 2000: 31; Laine et al, 2007: 108) Due diligence takes its place in chapter 2.3.

2.1 History

It is typical that the focus in the M&A field is in the latest development and innovations. Therefore, it is common that mistakes and failures of the past are repeated in the M&A deals and the past mistakes tend to be forgotten. Because of these facts, it would be important to be aware of the M&A history. (Gaughan, 2011: 35)

Throughout the modern history, there has been six periods of high merger activity. A merger period can be defined as a high level of mergers, which is followed by a period of a lower number of M&A deals. The first of these merger waves occurred between 1897 and 1904. The next ones occurred between 1916 and 1929, 1965 and 1969, 1984 and 1989 as well as the 1990's. The sixth one took place in 2003-2007. The latest one has been described as a short but intensive one. These merger waves are results of the combination of three different shocks: regulatory, economic and technological shocks. (Gaughan, 2011: 35, 42; Gibb et al, 2015: 148; Gregoriou et al, 2007: 1)

The periods of the merger waves slightly vary between different sources, with year or two. In this thesis, I will use the starting and ending years information from Patrick A. Gaughan's book *Mergers, Acquisitions and Corporate Restructurings* (6th edition), from the year 2015.

2.1.1 The first merger wave, 1897-1904

After the depression of 1883 in the U.S, the first merger wave took its place. It peaked from 1898 to 1902 and ended in 1904. During the first merger wave, the highest merger activity year was 1899 with 1208 mergers. The greatest merger activity was seen in eight different industries: primary metals, food products, chemicals, bituminous coal, fabricated metal products, transportation, petroleum products as well as machinery. Two thirds of the mergers during the first wave was made by these abovementioned industries. The first merger wave created many large monopolies, as well as the first megamerger arranged by J.P. Morgan. Because of the introduction of a law that prohibited mergers of monopolies, the first wave ended in 1904. (Das et al, 2009: 75; Gaughan, 2015: 42-44, Gibb et al, 2015: 148; Gregoriou et al, 2007: 2; Hooke, 2015: 9)

2.1.2 The second wave, 1916-1929

Unlike the first merger wave, which is known for its monopolies, the second merger wave is known from oligopolies. Many industries were consolidated during the second wave and therefore, the oligopolies were common. The second wave occurred after the First World War and therefore, the U.S. economy developed and evolved massively. Main active industries during the second wave were food, steam engines, steel as well as railways. Moreover, a common fact about second wave is that many big automobile manufacturers were acquiring and merging during this wave. After active years of mergers and acquisitions, the second wave ended in the stock market crash in 1929. During the first and second waves, the acquirer company was normally bigger than the target company. (Das et al, 2009: 76; Gaughan, 2015: 48-49; Gibb et al, 2015: 149; Gregoriou et al, 2007: 2; Hooke, 2015: 9; Vazirani, 2015: 4)

2.1.3 Time between second and third wave

Although, the 1940s is not named as a merger wave, it had a significant role between the waves. It was common in the 1940s that larger firms acquired smaller firms, although not enough to be called as a merger wave. The motive of these acquisitions were normally tax reliefs. Unlike during the merger waves, in 1940s no massive technological or infrastructural changes occurred, and the amount of the M&A stood quite still comparing to the actual merger waves. (Das et al, 2009: 76; Gaughan, 2015: 49)

2.1.4 The third wave, 1965-1969

Unlike the first and second wave, the third wave is known for the fact that many of the acquirers were smaller than their target firms. In 1960s there was an economic boom in the U.S. and therefore, the third wave is known for its historically high level of a merger activity. The 1969 was the most popular year of M&A transactions, and the number of the deals was 6107 during that year. During this third wave, diversification became popular. Companies tried to build large conglomerates so that they could expand their industries into new market areas easily. Electricity, chemicals as well as combustion engines were named as the main industries of the third wave. Still, the wave ended around 1969, after various changes which affected the financing of the acquisitions. At the end, the oil crisis started the stock market collapse, which ended the third wave entirely in 1970. (Das et al, 2009: 76; Gaughan, 2015: 49-55; Gibb et al, 2015: 149; Hooke, 2015: 10)

2.1.5 The fourth wave, 1984-1989

The fourth merger wave started in 1984, after a slower phase of M&A. This merger wave is known from the hostile takeovers. Das et al (2009: 70) defines takeover such as “... a series of transactions whereby a person, individual, group of individuals or a company acquires control over the assets of a company, either directly by becoming owner of those assets or indirectly by obtaining control of management of the company.” Unlike in first three waves, during the fourth merger wave some of the largest U.S. firms became targets instead of being acquirers. Therefore, the fourth one is called a wave of megamergers. The top year of the M&A during the fourth wave was 1986 and the number of the M&A transactions during that year was 3336 mergers in the U.S. The main industries of the fourth wave were named to be oil and gas, textiles, non-depository credit as well as food. The oil and gas industries are great examples of the high-volume megamergers during the fourth wave. However, at the late 1980s, pharmaceutical and medical equipment industry became the most popular industry in terms of M&A transactions. There were some unique characteristics during the fourth wave, such as the role of corporate raiders, increasing and aggressive role of investment bankers, using more debt when conducting M&A and new innovative acquisition techniques. The fourth wave ended in 1989 when an economic expansion ended, and the recession started in 1990. (Das et al, 2009: 77; Gaughan. 2015: 62-66; Gibb et al, 2015: 149-150; Hooke, 2015: 10)

2.1.6 The fifth wave, 1992-2001

The fifth wave started in 1992, after a recession. At the beginning, managers of the companies did not want to replicate the mistakes of the 1980s, and M&A level stood low. However, during the 1990s the U.S economy expanded, and companies started to acquire and merge more because of their desire to grow. Fifth wave was a wave of more strategic mergers than before. Moreover, the number of hostile takeovers decreased comparing to the fourth wave. Main industries of the fifth wave were metal mining, media as well as telecom, banking, real estate and hospitality. Healthcare mergers and acquisitions started to grow their popularity as well. During the fifth wave, the top year of the M&A was 2000, with its 9566 M&A transactions in the U.S. (Das, 2009: 78; Feldheim, 2000: 250; Gaughan, 2015: 67-71; Gibb et al, 2015: 149-150; Gregoriou et al, 2007: 4)

One of the most massive changes during the fifth wave, comparing to the previous ones, was an internationalism. In Europe, the wave started properly in 1998 and by 1999, the value of the European deals equalled almost the deals of the U.S. Great Britain, Germany and France were the most active countries in terms of M&A transactions within Europe during the late 1990s. In Asia, the M&A wave started in 1998 as well. The waves influenced almost all over the Asia, not just the big industrial countries. Globalization affected during the fifth wave and therefore, M&A became increasingly more international. Many of M&A were cross-border transactions. The fifth wave ended in 2001 because of the recession. (Das, 2009: 78; Feldheim, 2000: 250; Gaughan, 2015: 67-71; Gibb et al, 2015: 149-150; Gregoriou et al, 2007: 4; Sharma, 2016: 23)

2.1.7 The sixth wave, 2003-2007

After the millennial crash, the sixth merger wave started during the years 2003-2004. The main industries of the sixth wave were banking, media as well as telecom and utilities. During this wave, the companies made a large amount of cross-border transactions. Most of this recent wave's acquisitions were known as friendly acquisitions with friendly negotiations. Cash payments financed by cash-holdings of the companies were common. However, sixth merger wave ended due to the market crash of 2008. (Gaughan, 2015: 73-74; Gibb et al, 2015: 149-150; Hooke, 2015: 11; Vazirani, 2015: 5)

2.1.8 History of healthcare M&A

Healthcare mergers and acquisitions have increased their popularity during 20th century, starting from the 5th merger wave in the 1990s. The aim of the M&A transactions has been to contain costs and to survive economically. Because of the healthcare services need to be more efficient, offer high-quality healthcare services as well as keep the prices competitive, M&A has become a suitable solution for responding to this abovementioned pressure. (Feldheim, 2000: 248-250; Günes et al, 2010: 275)

2.2 Basic information about the M&A

When companies are planning to implement the M&A process, the aim is to create an entity from the assets, cultural values and management practices of two companies. In a merger process two, or even more, companies will unite to meet some new strategic objectives. The merged company will keep its identity and shares, and the merging company will lose its identity and its shareholders will become the shareholders of the merged company. There are some variations between the fact that the merging company loses all its operational systems, or just part of them, and becomes a part of the merged company's systems. One must keep in mind that a merger is a combination of two, or more, companies, which merge into a single company. The other always loses its corporate existence. (Vazirani, 2015: 3)

Acquisition, on the other hand, is an action where a company buys the majority, sometimes the entity, of the other company. Depending on the motive for the acquisition, the transaction could be either friendly or hostile. If the target company is willing to sell their business, it is called an acquisition. On the other hand, if there is no willingness for selling, the business action is called a takeover. When talking about the business combination, an acquisition can be meant as a purchase by one company because of the interest for controlling the share capital of the other company. (Gupta, 2010: 13; Vazirani, 2015: 4)

Merger syndrome is a normal phenomenon after the M&A process. It means a stress reaction after the merging or acquiring process. It can also include some uncertainty of the future. Merger syndrome is an expected reaction after the transaction, but it also is stated to be, according to Dixon et al (2000: 31), the primary reason for disappointments

of the post-merger outcomes. Syndrome includes three different stages: personal, organizational and cultural reactions. If the company cannot handle all these stages, the M&A process might fail. (Dixon et al, 2000: 31)

The importance of human resources cannot be overestimated when discussing about the successfulness of the merging process. Neglecting the importance of human resources can lead to a situation where top-professionals of the merging companies will seek new opportunities elsewhere, if they get the feeling that the new company cannot appreciate their knowledge and skills or does not support their career objectives. Therefore, it is crucial to understand that human resources must be taken into consideration in order to make the company as efficient as possible. Also educating personnel for new rules and objectives is important, and one of the key issues for building a well-working company. (Dixon et al, 2000: 31)

After completing the transaction process, there still are several points to consider. Developing a clear and shared vision for the future is important for the entire new company, for both the old personnel as well as the new employees from the target company. Creating an united, clear vision of the future helps the company reach their goals as well as motivate the employees to work harder for the company. Besides that, building a coherent culture for the company, creating an environment that makes learning and development possible as well as communicating open and honest, helps the company to create an open and well-behaved culture and makes merger process more successful. All in all, completing a successful M&A transaction is not an easy case to companies. As Galpin et al, (2014: 4) states, "*It is much easier to do a deal than to implement one.*" (Dixon et al, 2000: 32; Galpin et al, 2014: 4)

2.3 M&A process

The phase before completing the M&A process is critical when considering the successfulness of the collaboration. Because M&A deals are complex projects, it is crucial to concentrate on strategic, financial and cultural objectives of the M&A as soon as possible to ensure the successful completion of the transaction. There are some common problems that might occur during the process, which could lead to the failing of the process. First cause of failure could be unclear strategy and business purpose. If members of the company cannot understand the basic reasons for the M&A and cannot respond to basic questions such as "Why are we merging?", will the risk of a failure be much higher than

in those companies, which can recognize the basic motives for the M&A process. (Dixon et al, 2000: 30-31; Schade, 2014: 6)

Moreover, hurrying with due diligence can lead into problems afterwards. In due diligence it is crucial to focus on legal and financial issues, but also equally important is to concentrate on cultural aspects of the acquired company, such as assumptions about completing business and core values of the company. Without a thorough consideration of all those crucial facts, the M&A process is in a risk of failure. If due diligence fails, it can lead to underestimating costs or overestimating synergies, which can be difficult to revise after the deal is completed. In addition, poorly performed DD cause problems or failure of the deal afterwards. Therefore, outside advisors are in big role in the due diligence phase. Often companies do rely on outside advisory with the DD to get as a smooth and good transaction as possible. (Dixon et al, 2000: 31; Galpin et al, 2014: 63-64; Laine et al, 2007: 108)

Brady et al, (2014: 71) states that “*Although it is more common for buyers to initiate a deal, targets can also put themselves up for sale.*” Normally, sellers might have some difficulties that they want to get rid of by initiating the transaction themselves. In these kind of situations financial difficulties are common. However, mergers and acquisitions transactions are unique and have their own pitfalls. Despite it, normally there is a general pattern that should be done before the deal is completed. Buyer’s and seller’s patterns are usually slightly different although the same components are included. In some deals some of the steps might be just quick checks whereas some other steps need more activity and attention. (Brady et al, 2014: 69-71)

Depamphilis (2011: 139), has divided the M&A process into ten steps that complete the process. The steps are the following: “

1. **Business Plan**-Develop a strategic plan for the entire business
2. **Acquisitions Plan**-Develop the acquisition plan supporting the business plan
3. **Search**-Actively search for acquisition candidates
4. **Screen**-Screen and prioritize potential candidates
5. **First Contact**-Initiate contact with the target
6. **Negotiation**-Refine valuation, structure the deal, perform due diligence, and develop the financing plan
7. **Integration Plan**-Develop a plan for integrating the acquired business

8. **Closing**-Obtain the necessary approvals, resolve postclosing issues, and execute the closing
9. **Integration**-Implement the postclosing integration
10. **Evaluation**-Conduct the postclosing evaluation of acquisition.”

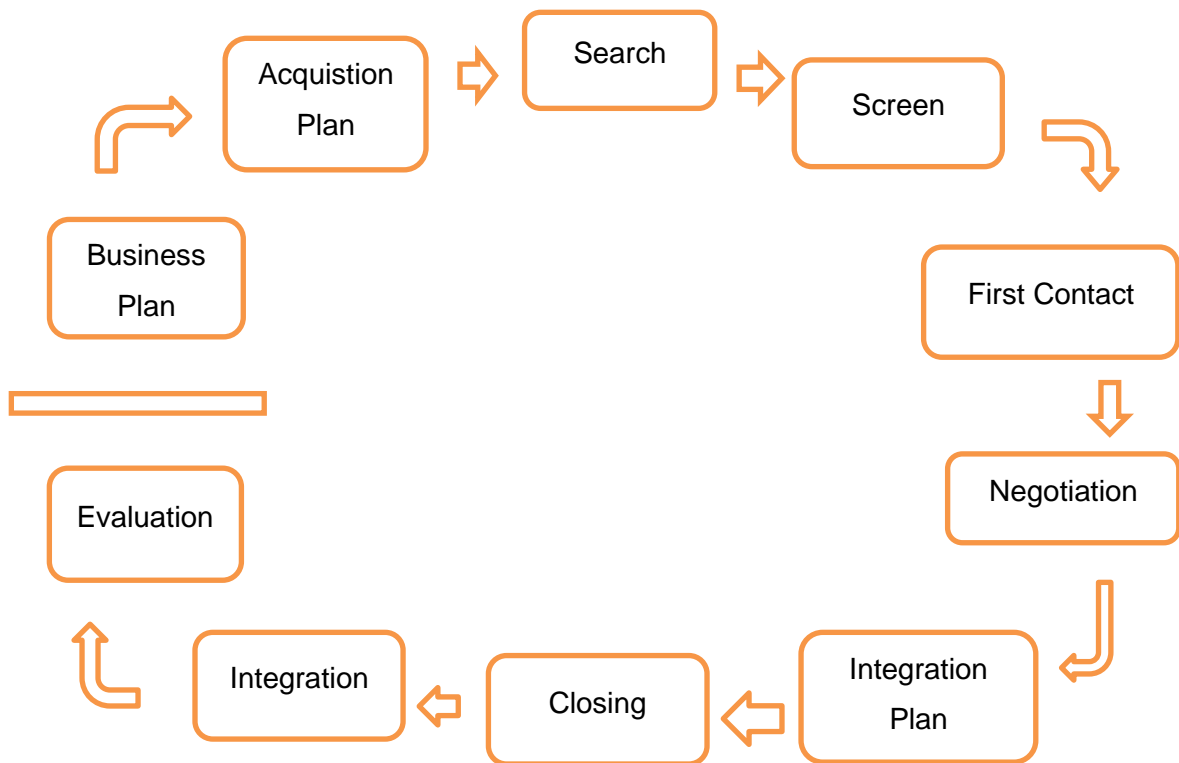


Figure 1. The phases of the M&A process

As the Figure 1 reveals, the M&A process normally includes several different phases. Completing all these phases ensures that all the significant parts of the transaction are considered. Besides the importance of considering all the steps of the deal, following the steps makes the transaction clearer and more understandable to implement. The process starts with the business plan and ends with the evaluation of the deal.

If an organization will acquire or merge with another company, it normally uses attorneys´, accountants´ and valuation experts´ expertise during the M&A process. Especially if the deal is large, both parties normally employ investment banks to advise in the M&A process. (Brady et al, 2014: 71; Gaughan, 2015 :17)

2.4 M&A failures

As mentioned in the previous chapter, the merger process will not always turn out as planned beforehand. This phenomenon is known as a merger failure. The failure might occur in two different ways, qualitative and quantitative. First, the qualitative way means that the merged companies cannot work together as efficiently as they should. The other type of merger failure can occur quantitatively, which means that the shareholders will get more disadvantages than benefits from the transaction. Sadly, it is quite common that M&A deals will fail. (Gupta, 2010: 29; Kroon et al, 2009: 20) According to Gupta, (2010: 29-30) traditionally, it is a common assumption that acquisitions will fail. Despite that fact, various researches approve that acquisitions do have a little chance to be successful. Dixon et al (1999: 30) claims that over 70 percent of healthcare M&A processes tend to fail or at least fall short of expectations. Gupta (2010: 30) suggests that “... *acquisitions destroyed the value for the acquiring firm's shareholders, although they create value for the shareholders of the target firm*”.

2.4.1 The reasons for M&A failures

There are several reasons for the M&A failures. The typical reasons are for instance lack of research, role of the media and the Hubris Behaviour. The Hubris hypothesis is a theory created by Richard Roll. According to the Hubris theory, the management of the acquiring company believes that the value they can create from the assets of the target company is superior to what the management of the target company could create. The other reasons are such as poor organizational fit, mismatch in size, diversification, previous acquisition experience, poor strategic fit, excess premium, poor cultural fits, evaluation of the target company, lack of immediate integration, lack of coordination, failure of top management to follow-up, lack of proper communication and failure to get figures audited as well as conglomerate mergers. (Gaughan, 2015: 627; Gupta, 2010: 30-34; Günes et al, 2010: 275)

Next, we will take a closer look at some of the reasons for merger failures. First, the problems with strategic fit can cause a failure. For the company to reap the benefits of the merger, the strategies of both companies need to be matched (Das, 2009: 90). As also mentioned above, the cultural differences are one of the reasons why M&As might fail. Cultural differences can play a massive role in the successfulness of the implementation of the M&A, both in the domestic and international transactions. As Yaakov et al.

(2009: 5) suggest, "...one should expect national culture to be a crucial factor in M&A conflict, as well as in the quest for successful integration. (Gupta, 2010: 32, Kroon et al, 2009: 20, 35; Yaakov et al. 2009: 4-5)

2.5 The motives for M&A

There are several different reasons why organizations will choose M&A. All transactions are driven by the motive to get some form of benefit from the implemented merger or acquisition (Pautler, 2003: 120). Because of globalization, companies want to improve their position in a worldwide market and therefore they choose M&A. An expansion is one of the most common reasons for partaking in M&A. The expansion can mean either geographical expansion or diversification into other business areas. Because of the companies' need to expand geographically, an acquisition of a company in the right geographical location is a fast way to implement the expansion strategy. (Gaughan, 2011: 14-15, Gupta, 2010: 10; Vazirani, 2015: 3, 7)

Economies of scale is one crucial motive for mergers and acquisitions. The idea is that merged companies can unite their departments and operations that are duplicated to create synergies. Because of the unification, the costs will be lower and therefore, the organizations can increase their profit. (Das, 2009: 81). According to Postma et al. (2016: 122-123) understanding the benefits of the economies of scale is one of the most common motives for the healthcare M&A transactions.

As mentioned earlier, diversification can lead companies to choose M&A. Diversification is defined such as "... a term that refers to buying companies or assets outside the companies' current line of business." (Gaughan, 2015: 625) What attracts companies to diversify their operations is, for instance, to smooth the volatility of their earnings or to move to a completely new market or product line. Mergers, which have been implemented because of diversification, are called conglomerate mergers. (Gupta, 2010: 9; Vazirani, 2015: 7)

Management's inefficiency and the principal-agent issues are also common reasons for conducting M&A. The management (agents) and the owners (principals) might disagree in a variety of topics. Therefore, M&A can be a working solution in these types of situations. Vazirani (2015: 6) writes about the inefficient management such as: "*The management in control is not able to manage assets effectively. Thus, takeover is seen as an*

effort by the shareholders of the acquired company to discipline the management of the company. The shareholders of the target company through the takeover, pass on the control to the more efficient management. The price paid to the shareholders has to be at a premium over current market price to solicit them to sell their shares.” Moreover, agency problems normally occur in the situation when the manager of the company serves his own interests instead of the company’s. For some companies, financial benefit can also be the motive for conducting to M&A. Financial benefit includes for example tax benefits. (Gaughan, 2011: 14-15, Gupta, 2010: 10; Jain et al 2016: 2; Pautler, 2003: 124; Vazirani, 2015: 6)

Synergy benefits are based on the assumption that the two companies can create more shareholder value together than separately. The synergy benefits tend to be greater if both companies operate within the same field of business, for instance in the healthcare sector. When discussing about M&A, synergy can be seen as an additional benefit, which is a result of the combination of the two companies’ resources. (Gaughan, 2005: 56; Gupta, 2010: 8; Jain et al, 2016: 1; Vazirani, 2015: 6)

These abovementioned motives are common reasons for mergers and acquisitions. However, according to Postma et al. (2016: 136-138) various reasons lead specifically healthcare firms to conduct M&A. The most dominant reasons are companies’ desire to strengthen their market power as well as improving the healthcare provision. Also, as mentioned earlier, of scale often leads companies to conduct M&A in the healthcare field. On the next page can be seen a figure which summarizes the motives of the M&A transactions.

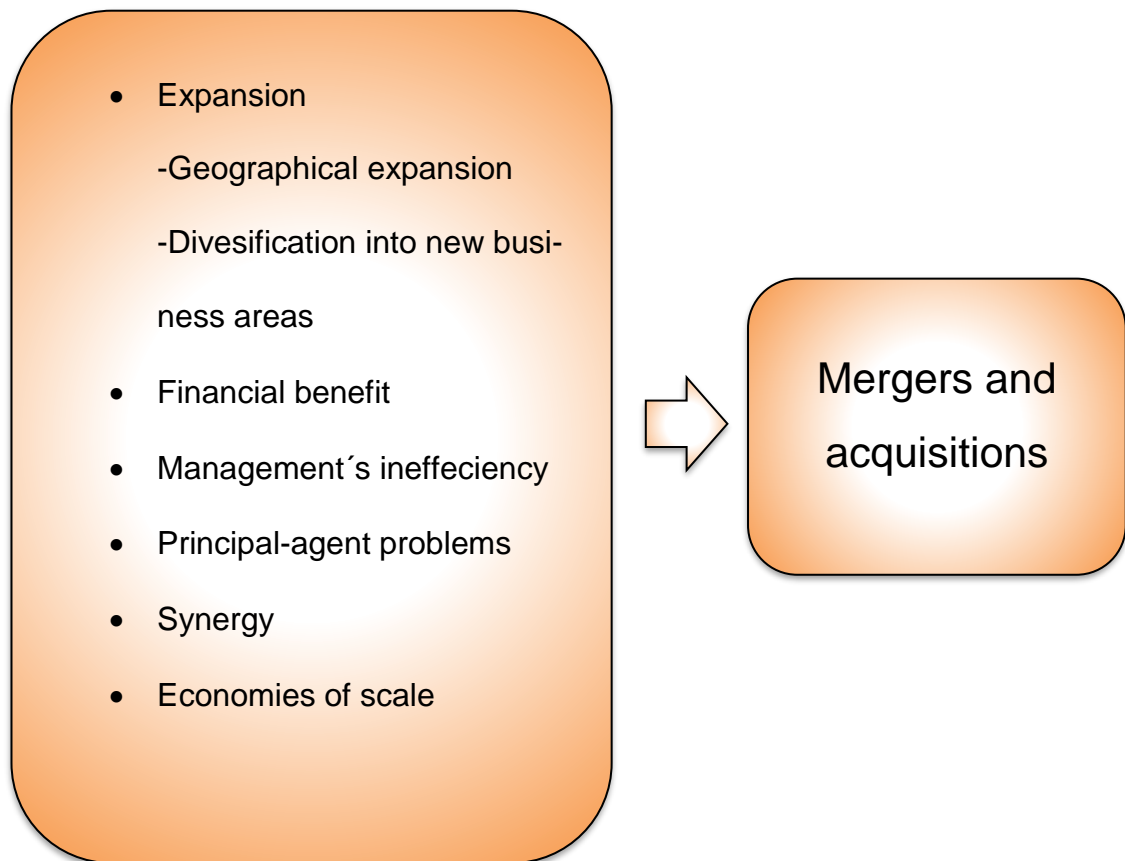


Figure 2. The motives of the mergers and acquisitions

2.6 Healthcare in Finland

In Finland, the aim of the healthcare system is to improve citizens' health and wellbeing, work capacity and functional capacity as well as social security. The responsibility of citizens' wellbeing is on public services. The public responsibility is based on the Constitution. Finland's Constitution sets that every citizen of Finland has a right to the necessary income and healthcare. Municipalities of Finland have a responsibility to take care of the healthcare services to citizens. The Ministry of Social Affairs and Health is responsible for Finland's social and health politics. Under the Ministry of Social Affairs and Health, a national agency called Valvira, is supervising the social and healthcare industry. (Lainsäädäntö, 2018; Terveystieteiden tutkimuskeskus, 2010; Terveystieteiden tutkimuskeskus, 2018; Valvira, 2015)

In Finland, the social and healthcare service structure will be renewed in the future. Briefly, the reform is called SOTE-reform. The goal of this reformation is to offer more equal and more adequate social and healthcare services than the existing ones, as well as renew entire social and healthcare system in Finland. Because of the fact that small and financially weak municipalities in Finland have faced problems with offering the high-quality services to their inhabitants, the Finnish government has started the SOTE-reform, which will transfer the responsibility of the healthcare and social services to bigger administrative entities. The goals of this reform are to lower the costs of the social and healthcare services, narrow the differences in Finland's inhabitants' quality of life as well as narrow the differences in a quality of care in different areas of Finland. (Krohn et al, 2018; Raivio, 2017: 1568; Sote-uudistuksen tavoitteet, 2018)

After SOTE-reform will be implemented, instead of today's municipalities, 18 counties of Finland are responsible for arranging the high-quality social and healthcare services to the people of Finland. After the SOTE-reform, Finland's inhabitants will have a freedom to choose the healthcare service provider that they want to prefer. The SOTE-reform will also increase the number of the digital services of healthcare. (Sote-uudistuksen tavoitteet, 2018)

2.6.1 M&A in Finnish healthcare sector

According to Karismo et. al (2017) M&A in the healthcare field is a common phenomenon nowadays in Finland. The big private companies complete M&A deals with the smaller companies with the main reason for these actions being the desire to grow, as well as the fact that the private sector has started to create healthcare services to the public sector in Finland. The local small private healthcare companies have started to sell their shares to big companies, the motive is usually the fear of surviving among the big private and public companies in the aftermath of the reform. Regardless, the SOTE-reform is not the only motive for recently increased M&A activity in Finland. Often when it is time to find a new owner for a small private actor, a solution is found from the M&A. Moreover, it is crucial for companies to understand that because of the increasingly growing expenses, the growth is necessary. As well as the Finnish private companies, so the foreign big private healthcare companies are completing the M&A transactions in Finland. There are three different kinds of M&A phenomena in the healthcare business. The small private companies are been acquired by bigger private companies, different kind of third sector companies, such as foundations, are acquired by private companies, and the third

one is that the municipalities are selling their elderly and nursery homes to private sector companies. (Karismo et al, 2017; Kurki-Suonio, 2018; Sote-alan yrityksiin iskee monta puhuria, 2018)

The major players in the private social and healthcare business in Finland are Mehiläinen, Terveystalo, Attendo, Pihlajalinna and Esperi Care. These companies have completed half of the M&A actions in Finland within the past few years. Table 1 below shows the number of transactions completed by the most active companies in the last four years. The table reveals that the most active player, Esperi Care, has completed 47 M&A deals during the last four years. Esperi Care is followed by Mehiläinen which has completed 41 deals, only six less than Esperi Care. (Kurki-Suonio, 2018)

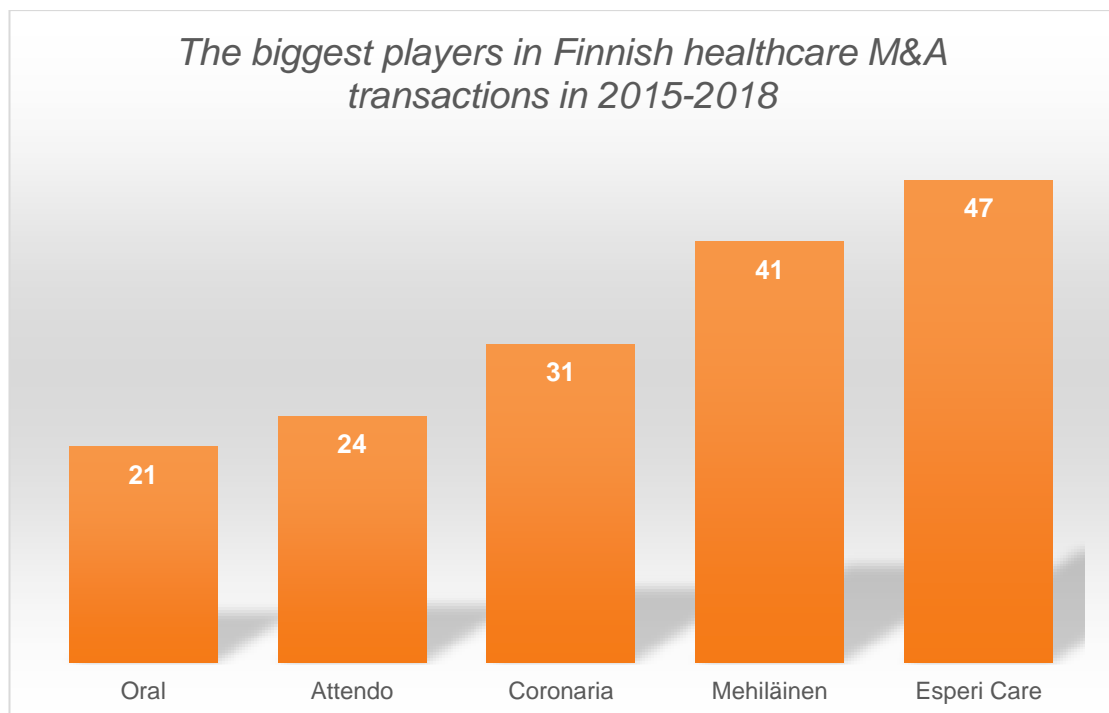


Figure 3. The biggest players of Finnish healthcare M&A transactions in 2015-2018 (Kurki-Suonio, 2018)

2.7 Examples of M&A transactions in the Finnish healthcare sector

In the following section, I will briefly introduce some real-life examples of the M&A deals in the Finnish healthcare field, completed during the past few years.

2.7.1 Mainio Vire Oy to Mehiläinen Oy

Private healthcare service provider Mehiläinen Oy bought private social and healthcare organization Mainio Vire Oy (revenue 87 million euros) in 2016. The acquisition was published on June 23rd, 2016. Mehiläinen acquired 100 per cent of the Mainio Vire's shares. According to the CEO of Mehiläinen, the company was delighted to get this high-quality care organization to be part of the Mehiläinen group. On the other hand, Mainio Vire CEO commented that the acquisition makes services better and more efficient because of the knowledge and resources of both companies. Over 1400 personnel of Mainio Vire became a part of Mehiläinen after the acquisition. Following the acquisition, the brand Mainio Vire disappeared, and the services moved under the Mehiläinen brand. (Mainio Vire yhdistyy Mehiläiseen – vahva panostus laadukkaaseen hoivapalveluiden kehitykseen jatkuu, 2016; Yrityskaupat, 2018)

2.7.2 Mediapu Oy to Pihlajalinna Oyj

Pihlajalinna is one of the biggest private social and healthcare service providers in Finland. Pihlajalinna Oyj's subsidiary, Pihlajalinna Terveys Oy, bought a recruitment service company Mediapu Oy (revenue 2 million euros) in 2016. The acquisition was published on December 9th, 2016. Pihlajalinna commented for the acquisition that Mediapu Oy continues as an independent company. After the acquisition, Pihlajalinna's stock ownership was 100 % of the Mediapu Oy. Pihlajalinna commented that their motive to undertake this acquisition was to develop the company's doctor recruitment and make the company's SOTE- projects stronger. (Pihlajalinna ostaa rekrytointiyritys MediApu Oy:n, 2016; Yrityskaupat, 2018)

2.7.3 Mikeva Oy to Attendo AB

Attendo, the biggest private healthcare service provider in the Nordic Countries, completed an acquisition of Mikeva Oy (revenue 101 million euros), which is a Finnish care company. The acquisition was published on June 9th, 2017. After the acquisition, Attendo owned 100 per cent of Mikeva´s shares. Mikeva Oy's over 2300 employees became part of Attendo. The CEO of Attendo Ab, commented that after this acquisition Attendo improves its mental health and elderly services, especially in northern and eastern parts of Finland. Mikeva´s CEO, on the other hand, commented that the company is delighted to be acquired by Attendo as well as that they believe that with Attendo they can create high-quality healthcare services all around Finland. (Attendo ostaa Mikevan ja vahvistaa asemaansa hoivamarkkinoilla, 2017; Hoiva-ala keskittyy: Attendo ostaa kovaa kasvaneen kilpailijansa 2017; Mikeva yhdistynyt Attendoon 1.11.17 – Mikevan nettisivujen päivittäminen päättyy, 2017; Yrityskaupat, 2018)

Table 1. The overview of the M&A examples

Parties of the acquisition	Acquired company's revenue (million euros)	Acquired company's number of the employees
Mainio Vire Oy to Mehiläinen Oy	87	1400
Mediapu Oy to Pihlajalinna Oyj	2	10
Mikeva Oy to Attendo AB	101	2300
Total	190	3710

As demonstrated by the examples above, the sizes of the M&A transactions in the Finnish healthcare field vary. The number of employees varies vastly among the chosen examples. Same applies to the acquired companies' revenues. This reveals that Finnish healthcare companies complete M&A deals despite their size or revenue.

3 Purpose, aim and research questions

The purpose of this study is to find out which are the main motives of companies when they are conducting the M&A transactions in the healthcare field. The study is made by interviewing the M&A professionals in the healthcare sector. Moreover, the aim of the study is to deepen the knowledge of the M&A motives in the healthcare field. The research is implemented from the acquirer's point of view and therefore, the purpose is to clarify their motives for M&A transactions. As mentioned in the introduction, M&A has become increasingly more popular phenomenon in the business world globally. Therefore, it is essential to try to explore the motives of this phenomenon. Moreover, I wanted also to take into consideration the popularity of each motive and therefore, to find out which is the most popular one. All in all, I defined my research questions to clarify the purpose of the study, and these questions below form the structure of my entire study. The research questions for this study are the following:

1. What are the most important motives for the mergers and acquisitions within the health sector as experienced by the M&A professionals?
2. Which motive is the most popular?

4 Data collection methods

4.1 The data collection

This thesis is a qualitative research and the data of this thesis was gathered by completing the interviews. The interviewees of this research were gathered by sending an email query to ten Finnish healthcare M&A professionals. The professionals were chosen based on the information available in their companies' websites. Four out of ten responded to my email and acceded to be part of this study. The four interviews were implemented with the interviewees in February and March 2018. Two of those were implemented via telephone. Moreover, two of the interviewees answered to the interview question via email. The template with the interview question was sent to all interviewees beforehand, so they had a chance to get to know the question and the meaning of the interview before the actual interview and data collecting. There was only one question that was needed to get an actual answer to the research questions. The interviews were

implemented by accomplishing the interviews with this one open question. It was adequate that the question was open, and thus offering a chance for open discussion about the topic between the interviewer and interviewees. The question below is in English, although the interviews were conducted in Finnish. The interviewees were aware of the thesis' purpose before the interviewing process.

The question of the interview was the following:

1. What are the main motives for the healthcare companies to conduct M&A transactions?

Below can be seen a figure about the process of data collection.

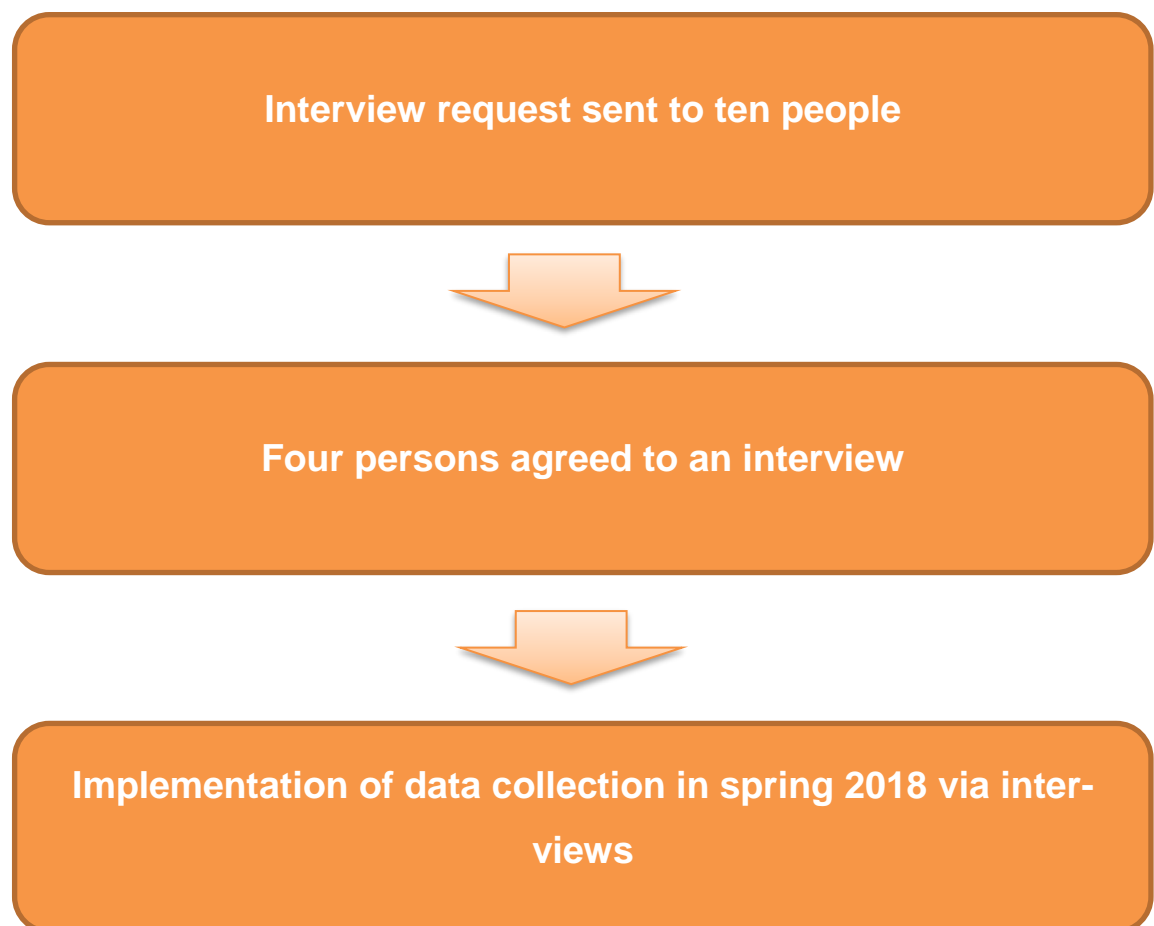


Figure 4. The data collection process

All the interviewees signed a thesis contract with me and Metropolia representatives before the interviews

4.2 Interviewing process

I started to implement the interviews on February 2018. I completed the first interview with the interviewee 1 via telephone. While discussing, I wrote down all the answers. The interview took approximately 20 minutes. After the process, I wrote everything down in a more accurate form. The next two interviews were implemented by collecting the information via email from two of the interviewees. An email method was the choice of the interviewees. The last of the interviews occurred in March 2018 via telephone with the interviewee 4. All the answers were written down on paper and stored in computer files. In the interviews, I tried not to affect the interviewees' answers with the question formation, specific tone of voice or with additional questions. The interviews were entirely conducted on the basis of the interview question.

4.3 Data analysis process

After the data collection, I began the data analysis. According to Sarajärvi et al (2018) classification is a simple way to analyse the qualitative data and after the classification, the analysed data can be presented in the table form. In this thesis, the data analysis was made by utilizing this abovementioned content analysis classification. All in all, the content analysis is an analysing method which is normally utilized in qualitative research (Elo et al, 2011: 139). In this thesis, the content analysis was completed in an inductive way. Analysis for M&A motives was made by classifying the results with their popularity as well as creating a table consisting of all the motives that interviewees proposed. There were altogether six different answers that the interviewees named as motives for healthcare M&A transactions. These six were divided between all the interviewees. After creating a table and matching the motives with the right interviewees, the results were also compared to the theoretical background. Excel was used as a tool to compare and sort the popularity of results, as well as create all the tables.

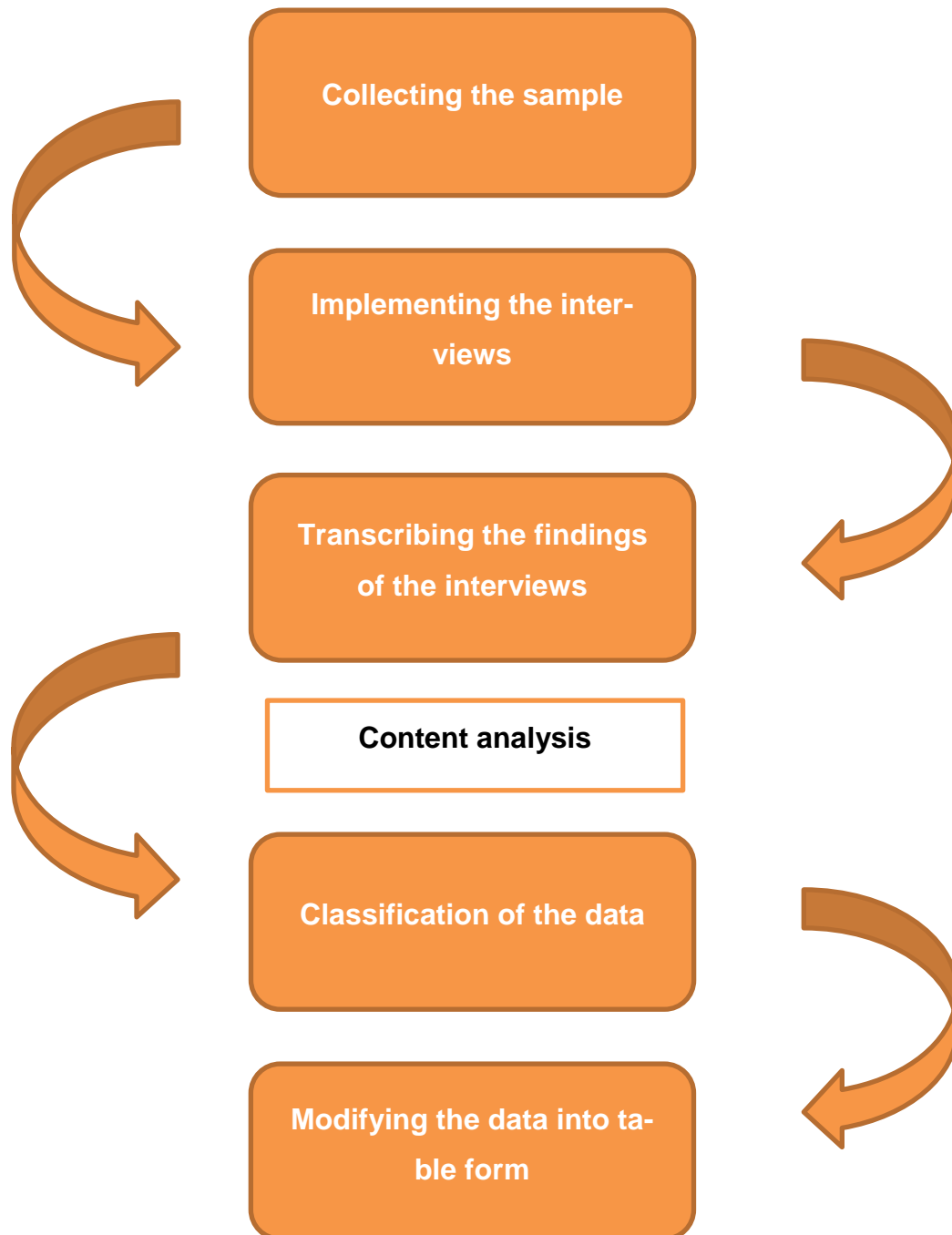


Figure 5. The phases of data collection and analysis.

5 Results

The interviewees of this thesis were sampled based on their background, experience and current position within the M&A process. Three out of the four interviewees worked in an acquirer company and one in an acquired company. Regardless, the question and the answers have all been constructed from an acquirer's point of view. All the interviewees seemed to be on a positive mood regarding answering. Because of the competitive advantage and the nature of my thesis theme, the persons are not identifying themselves in this study, but they are named as "interviewee 1, interviewee 2" etc. Whole names of the interviewees are written down only in my private notes and they are not available in my thesis or sketch.

The interviewees of the research are:

1. Interviewee – CFO, private Finnish healthcare company
2. Interviewee - CEO, private Finnish healthcare company
3. Interviewee - CFO, private Finnish healthcare company
4. Interviewee – Director, Mergers and Acquisitions, private Finnish healthcare company

"It would be pleasure to answer to your questions"

"We want to support and develop the study of the healthcare sector"

-couple of the answers of interviewees to the question whether they want to take part of this study

5.1 The motives

All in all, the interviewees responded with similar answers in comparison to each other. All of them named spontaneously three reasons for the M&A transactions in the healthcare field in Finland. Most of the answers were same but slight differences occurred.

The interviews revealed that there are several different reasons for Finnish healthcare companies to conduct M&A transactions as a way of improving their market position or to survive. One of the reasons was distinguished from others, as all the interviewees

claimed it to be one of the main motives for M&A deals. Everyone agreed that expanding business geographically is one of the main reasons why companies conduct M&A.

“The most important motive in our company has been expanding our services all over country”

-one of the interviewees about expanding geographically

Moreover, interviewees named synergy benefits, increasing the company's value as well as strengthening company's market share by undertaking M&A activities. All these mentioned motives were named by two of the interviewees. First, synergy benefits are established by merging companies' marketing, administration and purchasing outcomes and teams. Companies can increase their value by conducting M&As. From a smaller company's point of view, the benefit materializes from merging with the bigger player and therefore, increases the value of the smaller company. Normally, increasing the value is a motive for the smaller of the companies in the M&A process. Besides these two motives, strengthening the company's market share is also a notable motive for M&A. By purchasing a competitor out of the market, the company can strengthen their own position in the healthcare market.

“Synergy benefits can be achieved by uniting managerial and administrative departments as well as improving processes”

-one of the interviewees about synergy benefits

There were two additional motives that stood out from the interviews. First, protecting the company's own market area by conducting M&A. In this way the company can remove its competitors and therefore, the company can prevent the competitors from occupying their market area. Diversification into new business areas will be useful if the company has an interest in entering into new ventures. In this situation, accomplishing the diversification by conducting the M&A transaction can be one viable option.

“A big company can offer support to a smaller one, because normally, a big company’s appreciation is in a higher level than smaller one’s”

-one of the interviewees about increasing the value

Table 3 below shows the motives that the interviewees named as some the most current and important for conducting M&A transactions in the Finnish healthcare sector. As seen from the table, expanding is the most popular motive and it is followed by the other motives that have gotten almost equal support.

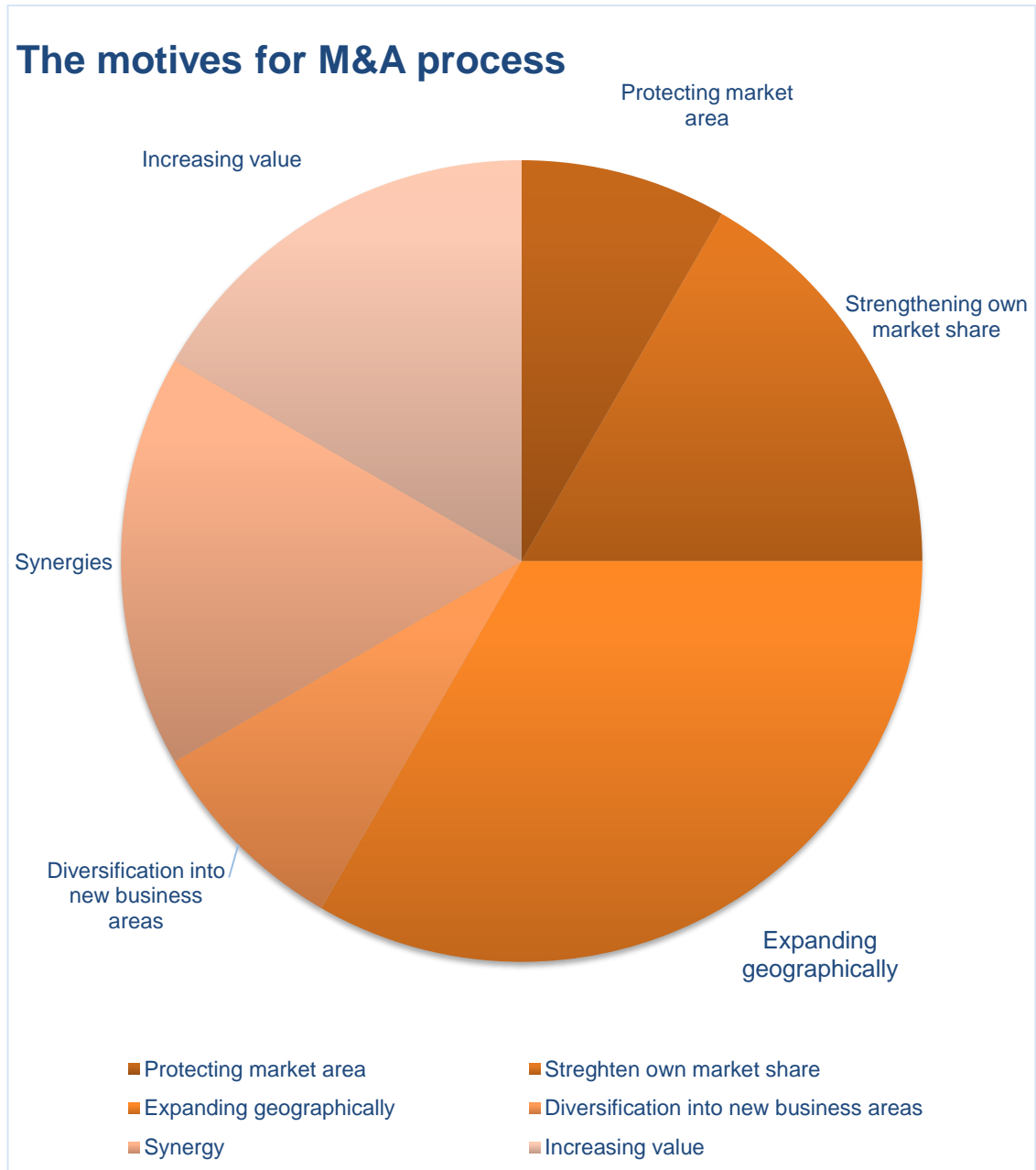
Table 2. The motives for the M&A in the healthcare sector part I

Motive	Protecting market area	Strengthening own market share	Expanding geographically	Diversification into new business areas	Synergies	Increasing value
Interviewee 1			X	X	X	
Interviewee 2	X	X	X			
Interviewee 3			X		X	X
Interviewee 4		X	X			X
<u>Total</u>	<u>1</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>2</u>

As seen from the tables 3 and 4, expanding geographically is the reason that all the interviewees named to be one of the motives that companies conduct M&A deals. Expanding geographically was clearly the most popular answer. The remaining motives

received two or one votes. This clearly reveals that according to the interviewees, expanding geographically is the most common motive within Finnish healthcare sector to start the M&A process.

Table 3. The motives of the M&A in the healthcare sector part II



6 Discussion

This study reveals that the motives for Finnish healthcare sector M&As are equal to the typical global motives for M&As, despite the sector of business. The results are not surprising but there can always be speculation regarding the circumstances and the state of the economy and of their effects on the results. If this interview-based research would have been implemented, for example, after the SOTE-reform or during a recession, the results could have been different. As Kurki-Suonio (2018) stated, SOTE-reform has influenced the M&A activities. I think that the planned reform has most likely affected the motives as well. If this research would have been implemented during a recession or right after it, companies' willingness to expand into new areas geographically would not probably be their top priority for their M&A activity. Moreover, as history reveals, the level of M&A activities would have also probably been much lower than it has been recently during the last few years. Given these economic circumstances, such as economic booms and recessions, it is essential that the M&A activities as well as probably the motives vary.

Based on this study, it can be stated that Finnish healthcare sector M&A motives equal with the common, globally known reasons for M&As. There is not much difference between the results. Though, a notable caution is that whereas in this research expanding business geographically into new areas revealed to be the most common reason for M&A, in literature there is no mention about the fact that it would be more common than rest of the results. Still, it seems to be a common fact that expansion is one of the most important reasons for companies to conduct the M&A transactions. Whether it is a geographical expansion or diversification into entirely new business areas. I think it is interesting to speculate about the reasons for this. Is it that much more cost effective, or are there other barriers that prevent companies from expanding organically in a competitive manner? What is the actual underlying reason why companies choose M&As over organic growth?

Aging population and therefore the constantly increasing necessity of high-quality social and healthcare services across Finland set pressure to government and municipalities to offer suitable health services in the entire country. I think that the high level of M&A activity responds to the need of citizens by offering high-quality health services across the country. By accomplishing deals, private healthcare companies can quickly respond to customers' needs. There is no need for building hospitals and infrastructural assets

for private companies, as by conducting M&A transactions they can get ready professional infrastructure and offer their services to customers quicker and with less effort. I believe this is one of the main reasons why companies will choose M&A instead of building their own.

As stated already in Chapter 2.6, management's inefficiency as well as the principal-agent problems are something that could lead companies to seeking solutions from M&A deals. Still, there is no evidence regarding these motives in the results of this study. None of the respondents mention these reasons for M&A motives in the Finnish healthcare sector. This might be because whether it is a non-primary motive or there are other bigger reasons for the transactions. I do not believe that the Finnish healthcare sector is run so efficiently that no managerial inefficiencies exist, but that it was not listed as one of the motives because other more critical reasons exist.

As already mentioned, the SOTE-reform has recently increased the level of M&A activities in Finland, based on multiple references. Although, the timetable of the reformation has changed multiple times, the schedule sets some limits and probably increases the pressure of healthcare companies to complete M&A deals before the SOTE-reform is implemented. Although, the timetable changes constantly and there is not even certainty whether the reformation will be implemented or not. However, the effects can still be noticed in the level of M&A activities.

Because of the topic of the study, the ethical issues concerning the topic must be considered as well. Where is the boundary between ethical and unethical business in the healthcare sector? Can companies only think of money and positive financial results as an outcome of business when discussing the social and healthcare sector? Where is the limit of optimizing the financial results in the healthcare sector? There must always be a clear vision that the customer comes first when conducting business in the healthcare field. Recently there has been a lot of negative news about the ethics of private healthcare organizations and the debate has been very public. The M&A activities and companies' expansion nationwide has received negative feedback as well. Although, I strongly believe that the M&A activities as well as expanding the business nationwide improves the competition and therefore, forces companies to improve their services and keep prices limited to get customers. Moreover, successful M&A processes and transactions makes competition easier and faster. Therefore, considering the successful M&A

transactions, smart choices in selling and buying as well as investing in high-level competence in the companies' finance departments will surely be worth the investments. Besides, private and public M&A deals ensure that healthcare services are available all over Finland.

6.1 Ethical considerations

Next, I will briefly cover research ethics of this study.

According to Finnish Advisory Board on Research Integrity's publication *Responsible conduct of research and procedures for handling allegations of misconduct in Finland* (2012: 28), there are several guidelines that must be taken into consideration when implementing research in Finland. *Responsible conduct of research and procedures for handling allegations of misconduct in Finland* (2012: 28) states that *"The objective of these guidelines is to promote the responsible conduct of research and to prevent misconduct in research in all organisations involved in research work, such as universities, research institutes and universities of applied sciences."*

These guidelines about the responsible conduct of research are, according to *Responsible conduct of research and procedures for handling allegations of misconduct in Finland* (2012: 30-31) like the necessary research permits have been acquired, research methods are ethically sustainable as well as the research must follow the principles of the research community.

This study completes all these guidelines and I, as a researcher, have followed these guidelines during my thesis process. Moreover, *Responsible conduct of research and procedures for handling allegations of misconduct in Finland* (2012: 32-33) reveals some research misconducts that are forbidden in research process. The following are like fabrication and falsification, plagiarism as well as misappropriation. What comes to these abovementioned misconducts, I have not utilized them during my thesis project.

Still, there is always a chance for misunderstandings and misuses when implementing a study. The identities of the interviewees were kept anonymous so that they could express their opinions as honestly as possible, without the fear of losing their competitive advantage, reactions from their competition or potential misuses against their companies.

According to ARENE publication Ethical Recommendations for Thesis Writing at Universities of Applied Sciences (2018: 10), collecting and analysing information that is classified as sensitive information is forbidden. Sensitive information includes for example data about race or ethnic origin, person's state of health as well as social and political convictions. This study does not include this abovementioned information and does not use sensitive information in its results or analyses. Moreover, the anonymity clarifies the fact that the interviewees cannot be recognized in this thesis.

6.2 Trustworthiness

According to Golafshani (2003: 604), "*...reliability and validity are conceptualized as trustworthiness, rigor and quality in qualitative paradigm.*" Sarajärvi et al (2018) mention that reliability and validity are the concepts of quantitative research and therefore, the concepts respond only to the needs of quantitative research. Instead of reliability and validity, a qualitative research tends to use a concept called trustworthiness.

The sample size of this study is small, and it sets the boundaries for trustworthiness. A larger sample would have increased trustworthiness of this study. On the other hand, this is a qualitative research and therefore, there is no statistical need for a large sample. Moreover, because two of the interviews were implemented via telephone, and those calls were not recorded, there is obviously always a chance for misunderstanding. The reason for those telephone interviews was the request of the interviewees. Two of them wanted to implement it via telephone. Still, because of the simple interview question, writing down everything that interviewees mentioned was a rather simple task. Thinking critically of an external factor of trustworthiness, the results might have varied if the interviewees would be different persons, despite having similar roles within the Finnish healthcare sector. These research results are based on the interviewees' opinions and experiences about the M&A transactions, not the literature facts. Moreover, the timing of the implementation of this study can have an influence on the results. Because of the active period of the M&A transactions in Finland, as well as the SOTE-reform, the M&A activity is high, and the motives for the M&A transactions can vary from the time when there are no vast social and healthcare structure changes. Besides these abovementioned facts, the interview question was designed in a way that it gave direct answers to the research questions. Moreover, the theoretical background, research questions as well as results were all responsible for the actual topic and purpose of the study - the motives of the M&A transactions in the Finnish healthcare sector. Still, this study could

have been implemented in a deeper level, which could have been implemented for example by defining the different situations that companies conduct a specific motive for M&A transaction defined by interviewees. There could have been more themes and sub-topics that could have been analysed and thus get a deeper information about the topic.

7 Conclusions

The aim of this study was to deepen the knowledge of the M&A motives in the Finnish healthcare sector, and purpose was to clarify the main motives for the M&A transactions in Finland. When comparing the purpose and goal to the results, it can be stated that this research reached its goals and succeeded with the purpose. The study offers summarized information about the Finnish healthcare sector M&A motives from financial professionals' perspective. The study claims that the motives for Finnish healthcare deals is aligned with the motives and reasons for typical deals globally. The results of this study succeeded to answer the research questions completely.

According to the results of this study, the first research question is completed by stating that the most important motives for the health sector M&A transactions are expanding geographically, increasing company's value, synergy benefits as well as strengthening own market share. Moreover, straight answer to the second question is expanding geographically, which revealed to be the most popular reason with 33 percent of all answers.

As known from the past, the amount of M&A transactions increases and decreases sequentially. These merger waves have an effect on the entire business world, and they set the frames to the mergers and acquisitions activities globally. At this moment, the markets are in a boom cycle and therefore, the level of M&A activities is high. But, according to Malin (2018), the downturn will probably start in the United States in 2019. Comparing to history, this probably would lead the turn down for the M&A activities globally. Therefore, the companies should now start to consider whether it is wise or not to start the M&A processes before the actual downturn occurs. Moreover, in Finland, the SOTE-reform sets its schedule, and this will constantly affect the health business transactions and activities in Finland as well. Still, the boom and downturns of the global economy will be the main factors in the future trends of the M&A world. Probably it can never be underlined too much that companies need to be aware of the obvious linkage between the level of successful M&A transactions and economic downturns, to avoid the unnecessary M&A failures.

Despite the effects of the global economic situation and SOTE-reform, the motives for M&A transactions in the Finnish healthcare market probably will keep their popularity. Because of Finland's varying population, as well as, settlement structure, expanding geographically into new areas will probably be one of the main motives for M&A activity also in the future. There is a rather small amount of big private players in health sector in Finland, and therefore it is crucial to keep up with the changes of municipalities and settlement structure so that companies can offer high-quality health services despite the region the potential customers are living in.

If I think of this entire topic, I would suggest that companies and educational institutions would take more into consideration the information of these transactions and the possible effects on employees' lives. For example, in healthcare educational institutions, the business side of the industry should also be implemented as a part of the education programs. For example, a theme day or workshops at the school so that private and public healthcare institutions could come to talk about the business side of the healthcare industry. It would probably ease many students, and future employees, to understand the motives and reasons for healthcare business transactions.

For further research concerning this topic, I would suggest researching the impacts of the M&A processes and results to the employees work welfare by using both quantitative and qualitative research methods. It would be interesting and informative for companies to find out the impacts new business solutions have on their employees. For example, are there any resignation peaks after completing the M&A transactions or how employees are experiencing their position in "new company"?

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Appendix 1.

Question of the interview

M&A in the healthcare field

1. What are the main motives for the healthcare companies to conduct M&A transactions?

Appendix 2.

The translations of quotations

1.

“Vastaan mielelläni kysymyksiisi”

“Kyllä me tiedettä haluamme tukea”

-kahden haastateltavan mielipide tutkimukseeni osallistumisesta

This is translated into:

“It would be pleasure to answer to your questions”

“We want to support and develop the study of the healthcare sector”

-couple of the answers of interviewees to the question whether they want to take part of this study

2.

*“Iso yritys pystyy tarjoamaan pienemmälle tukea, sillä
suuren yhtiön arvostus on yleensä suurempaa kuin
pienellä yhtiöllä”*

-yhden haastateltavan mielipide yrityksen arvon lisääntymisestä

This is translated into:

*“A big company can offer support to a smaller one, because
normally, a big company’s appreciation is in a higher level than
smaller one’s”*

-one of the interviewees about increasing the value

3.

“Usein synergiahyötyjä saadaan hallintoa, tietojärjestelmiä ja johtoa yhdistelemällä ja toimintaprosesseja parantamalla”

-yhden haastateltavan mielipide synergiahyödyistä

This is translated into:

“Synergy benefits can be achieved by uniting managerial and administrative departments as well as improving processes”

-one of the interviewees about synergy benefits

4.

“Meillä pääasiallisena syynä on ollut toimipisteverkon laajentaminen maan kattavaksi”

-yhden haastateltavan mielipide yrityksen toiminnan laajentamisesta maantieteellisesti

This is translated into:

“The most important motive in our company has been expanding our services all over country”

-one of the interviewees about expanding geographically