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INSTITUTIONAL FACTORS OF INCREASING SYNERGY EFFECT AS A RESULT OF MERGERS AND ACQUISITIONS AT DOMESTIC ENTERPRIS

Formulation of the problem. Mergers and acquisitions have a long history, but in Ukraine they became part of the new market economy, emerging now. The process of conglomeration in Ukraine were especially active since 2004. The volume of mergers and acquisitions in Ukraine in 2013 increased by 31% compared with the year 2012. Interestingly, the number of transactions in 2012-2013 was significantly higher than they were concluded in the same period in the last six years, but the rate and volume of transactions is still small compared to 2007 [10].

Involvement of Ukrainian enterprises in the global consolidation of capital requires research the causes and consequences of mergers and acquisitions in order to expand toolkits management decisions by domestic entities.

Analysis of recent research and publications Mergers and acquisitions and related production and consolidation of market power is a subject of research for more than a century. Problems of corporate mergers and acquisitions, dedicated work of foreign authors such as R. Breuil, P. Gohan A. Damodaran, D. Depamfilis, M. Iontsev, A. Lazhu, S. Myers, A. Radyhin, S. Reed, H . Rudick et al. Among Ukrainian authors study the problem of corporate mergers and acquisitions should be highlighted Bazilevich V., V. Balitsky, I. Blank, V. Heyets, V. Korneev, I.Lyutyy, V.Mischenko, H.Palamarchuk, O.Tereschenko, H.Tereschenko, V.Sheludko and others.

Today there is no single approach to the definition of synergy effect resulting from mergers and acquisitions, which, respectively, leading to difficulties in determining its value.

Summarizing the point of view of economists, the following main characteristics synergy effect from the merger (absorption) companies: the effect of growth of activity of companies united, the emergence of new (increased current) competitive advantages (benefits); increase the efficiency of the combined company, which is manifested in the ability of the combined company to offer higher returns than total income pre-existing companies; emergence of added value the combined company other than the total value of the business when they are scattered functioning.

To sum up definitions, it can be argued that synergy effect from the merger (absorption) of companies - this is the added value of the integrated system, resulting from more efficient use factors of production that allows to strengthen or gain competitive advantage, which was impossible to achieve in their disparate functioning.

These types and forms enable identify the following groups of factors influence the creation of synergistic effect as a result of mergers and acquisitions [1,3,6,8]:

1 Factors of marketing character. This should include such economic benefits mergers and acquisitions, as access to new products, new markets, new distribution channels, increase market share.

2 Factors of institutional character. Their essence lies in the growth of "influence" joint venture. Thus, by increasing purchases of raw materials incorporated company is able to influence suppliers, in particular, to demand lower prices and increase the supply of others. In addition, the combined company due to the increase of assets, turnover, profit improves its credit rating and get access to better credit conditions.

3 Growth of goodwill factors. This group includes the possibility of a merger or acquisition to access partner intangible assets, including its technological achievements, experience staff, advanced management, business relations, prestige brands and more.

4 Economy operating costs factors. This group includes the effect of conglomeration, operating synergy, which are the main varieties of economy on scale.

5 Financial factors include the following: the difference in the market price and the cost of its replacement, the financial savings, reduction in tax payments.

Findings from this research. Thus, the implementation of mergers and acquisitions in the formation and increase the synergistic effect affects a large number of factors. But it should be noted that a synergistic effect can to be not only positive. Many of Ukrainian and foreign companies after mergers and acquisitions remain dissatisfied and often do not reach the target because the cost of integration of assets exceeded the economic effect of the transaction. That is why the issue of assessing the potential synergistic effect of a merger or acquisitions is essential for management of companies that are united at the planning stage operation.

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