

Mergers and Acquisitions in the Context of Globalization

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Abstract: The delivery process consisted in the deregulation of local markets and international trends, which allowed the emergence of the phenomenon "globalization". This process has resulted in the restructuring of companies that are considered in the expansion of business, the level of competitiveness, expansion in the market of operations, technological adaptations and strategies; Mergers and Acquisition (M& A) characteristics operations. However, the main objective is to have priority in information promotion policies and initiatives to improve business conditions.

The objective of this article is to address the M& A theme in the context of globalization, seeking to answer the following question: what are the results obtained in the process of restructuring and operating M& A in the telecommunications company Oi S / A between the year of its creation and by the year 2016? To all that the literature review, literature studies, literature, literature studies, non-literature literature, pages, semantic studies, about the theme, being a bibliographic and descriptive research.

The study demonstrates that not always the processes of the frequency and license are advantageous to the parties related, due to character complexes that involve such operations. These groups can be supported in their search, mainly in studies on the market of action, differences in quotations and payments, employment opportunities in the societies involved.

Keywords: Globalization; F & A; Hi S / A; restructuring

I. Introduction

In a macroeconomic view, globalization is a phenomenon that has taken place among the nations and brought a link that does not go away, it may even be refurbished or renovated, but it's a process of no return. Due to economic liberalization, any company in any country is to compete directly with any existing business in any other country. In one of the subdivisions of economic globalization stands out corporate restructuring, which occur both at national and international levels. In Merger and Acquisition process is expected high returns in terms of market share growth, maximization of profits and dividends, however these are conditioned by numerous factors.

Thus, this research will search through the various concepts of authors and critics understand and elucidate the M& A processes in the context of globalization. And how operation of example occurred in Brazilian society, bring some research on the transactions that occurred with the company's telecommunication sector: Hi S / A, from its inception to

the most recent days, Seeking to contextualize the information learned and highlight the relevant results of these operations.

To achieve the aim of this work is: realize which results in M & A operations by the operator Oi S / A, in addition to the review of the literature on globalization issues, M & A processes (Mergers and Acquisitions), contextualizing with the Brazilian scenario, check for research and investigations treated on restructuring processes of Oi telecommunications company.

However, the work is structured as follows: The first part is composed of this introduction; the second and third parts will understand the literature review, with discussion of the various concepts of "M & A" and "Globalization", the fourth part will consist in the context of the topics in the Brazilian context, describing some of the important operations that took place with the operator of telecommunications industry, Oi S / A; the fifth part will present the methodology to meet the objective of the research, and the sixth and final part will discuss the results and final considerations, suggesting some lines for future research.

II. Applied Methodology

This study was conducted initially through bibliographic and documentary, based on the review of the proposed literature on the subject elucidated. This literature review presented the main concepts of globalization, the approaches used in books, magazine articles and research. Then addressed the definitions relating to mergers and acquisitions, where it developed reports on M & A in the Brazilian context.

The analysis of the literature material comprises the literature on the issue, public documents and fonts involved in the matter, as explained Motta-Roth and Hendges (2010). However, there was a descriptive approach to answer the following question (or the research problem): What are the results obtained from M& A operations by the operator Oi S / A ?. Marion justified, Dias, Traldi& Marion (2010) when they say that research conducted in the fields of humanities and social sciences applied tend not to be experimental, as scientists seek observation, records and analyzes, avoiding interference with the object of study.

A study was conducted and context of the information reported in the investigation into the company Oi S / A, since he appeared on the market of telecommunications activities and its growth trajectory, alliances and business concentration.

It was subsequently proceeded analysis of all the information, one of the paths and technique suitable for the type of research. Thus, after the analysis of the researched literature, completion of the subjects studied and the relevant data was performed as a result of M & A transactions occurred with the company Oi S / A.

III. Mergers and Acquisitions

3.1 Reasons for the emergence of mergers and acquisitions (M & A)

Corporate re-organizations arise following the implementation of a strategy to retain or strengthen the competitive advantages of a company, in terms of cost structure and or product differentiation. Thus, reassignments are a means to achieve a target predetermined by the company or group of companies.

This goal can be the growth of the company, obtaining competitive advantages in existing products or potential or risk reduction

Thus, through reorganization of mergers and acquisitions (M & A) may have many reasons, among which we list the following:

- 1) Market share to obtain: the concentrations are the quickest way to immediate growth. The size brings great opportunities to cut unit costs and thus to generate greater results;
- 2) Search for economies of scale¹and synergies: fundamentally in terms of sharing customers and technological bases - information technology and processes. The synergies are due to the fact that the combined value of two or more companies or groups exceed the sum of the value of each company individually considered. Synergies

¹They obtain economies of scale when the average cost of production per unit falls as it grows production. One way to achieve economies of scale is to dilute the fixed costs over a higher output

can result from increases in income (due to greater efficiency in marketing, market share and reduced competition), reduced spending (due to economies of scale, vertical integration, better allocation of resources by eliminating procedures obsolete), reducing tax costs (in some law may be used the tax benefits of losses carried forward to the following year) and the cost of capital (due to economies of scale with the issuance of shares or bonds);

- 3) Acquisition of know-how: mergers and acquisitions between companies can be motivated by access to specific resources and expertise of a particular company and strategically important. The fact that it allows great recruit and retain the best people, either because they have different size media, either because of global groups can exchange experience and know-how
- 4) Critical size to face global competition. With globalization and internationalization it becomes essential to have a size capable of addressing the financial and international experience of companies with a supranational activity
- 5) Risk diversification when the cash flows of the acquiring company and the acquired have high positive correlation. Thus the variability of cash flows reduces be combined. According to Brandão (2001, p. 402), diversification does not necessarily lead to the creation of value if shareholders can achieve this value through intervention in the capital market. The reduction in the company's cash flow variability reduces the likelihood of financial distress and bankruptcy. The financial distress corresponds to situations where a company has difficulties in honoring its obligations and is forced to make optimal decisions not operating, investing and financing.
- 6) Surplus funds. If the company is generating a substantial amount of cash, but has few lucrative odds of investments in the sector in which it is and does not intend to distribute the surplus profits to its shareholders, or acquire its own shares, is an opportunity to acquire a company as a way to apply the money.
- 7) Additional resources. In this case, two companies that have what the other needs. The two companies are worth more together than apart, because each one takes something that does not have, and get it at a lower cost than if acted alone. The merger may also give rise to opportunities that no company could otherwise
- 8) Lower financial costs. When two companies merge will eventually get back to a more attractive rate than separately. While the two companies are separate, they do not guarantee the debt of each other, if one misses the loan holder may not require the other money. However, after the merger, each company serves as a guarantee for debt other: if one part fails, loan holders can still get your money back by the other party. Due to these mutual guarantees, debt has a lower risk, and lenders require a lower interest rate

However, the processes associated with M& A have some problems:

- 1) Cultural clashes, as there is always the danger of being bumper crops of the acquired company and the acquiring company or between the company cultures merging;
- 2) Inability to achieve economies of scale or synergies: a process of concentration, economies of scale and synergies are a gain in power and in this sense only exist if management knows the advantage. There are various examples of mergers, unsuccessful on the complexity of the processes does not allow synergies, with resulting company worse than the initial two companies separately. Some companies that merged still continue to function as a set of separate and sometimes competing activities, with different production facilities, research centers and department stores. Even in the central services (which potentially could benefit from greater economies of scale) these savings can be illusory. The complex cluster structure² can effectively lead to increased administrative framework
- 3) Customers leak: customers may abandon the object of the acquisition or merger by company aspects that relate to the image management of the concentration process.
- 4) Diversification may also constitute a risk. The question that arises is that diversification be simpler and cheaper for shareholders than to the company. It is shown that investors are willing to pay a premium for a diversified company. In fact, what happens is that they are ordinary discounts. Often, discounts disappear when the company announced the sale of their companies and distributes the results for its shareholders by focusing on its core business (core business)

Thus, the increase in size is not done with harmony and coordination costs of different cultures and internal dislocation can lead to serious problems and malfunctions.

² Conglomerate group of companies with unrelated lines of business

IV. Concepts and Economic Environment

To understand the framework and the contextualization is no need to address the scope and some concepts.

Says an old saying that "unity is strength". Many companies are betting that sentence and joining, seeking to unite strengths and neutralize weaknesses, in order to strengthen themselves in the market that is increasingly competitive and globalized. Therefore, many organizations are going through a process called Mergers & Acquisitions.

It is considered as merger, according to Gaughan (2011) cited by Bomfim and Callado (2016), the union of two companies in order to generate a new entity, assuming that all assets and liabilities of those companies contemplated in the merger; and acquisition, the purchase of a company by another. For Tanure & Caçado (2005) the merger is the emergence of a new company arising from the combination of two or more companies that are legally extinguished to give life and new identity to a third. In the acquisition, a company acquires ownership of the shareholding control of another company, requiring greater investment and control, with greater impact on the management, complex cultural integration and greater difficulties for reversal.

Mergers and Acquisition (M & A) are means by which businesses can grow and restructure, providing opportunities to obtain existing production capacity in the market, as well as marketing channels and more potential sales. (Magellan, Leal, Safatle, Aurea, Tomich, Silveira, Barbosa & Castro, 2003).

The negotiation of M & A's process can occur in two ways: friendly or hostile manner of corporate control. The friendly manner happens when management of the acquiring company makes a direct offer to purchase (tender offer) to the Directors or the target company's board of directors. The hostile exists when the acquiring company launches a takeover bid to the target company's shareholders seeking to acquire a portion of the shares of this company that gives you your corporate control. (Brealey & Myers, 1995 cited by Camargos & Barbosa, 2015).

In the economic context, M & A are usually performed to according to Hitt, Ireland and Hoskisson (2005); Evans, Pucik and Barsoux (2002) and Rourke (1992) both cited by Oliveira, Strong & Aragão (2007); market power, economies of scale, control over distribution channels, geographic expansion, acquisition or improvement of skills, acquisition of resources, need for diversification, improved market position, acquiring technologies and adjust to the competitive market. The most important economic reasons for major corporate restructuring are efficiency in the reduction of administrative costs, transactional and capital, and selling expenses, through technical and allocative improvement of the company; economies of scale and scope, product innovation and procedures and reduce costs with research and development. (Magellan et al., 2003).

M & A transactions in most cases represent part of a strategy that seeks to provide the company with a greater range in its market performance for both acquirers and for the acquired. (Bergmann, Savoia, Souza & Mariz, 2015).³

Pinto Junior & Looty (2005) cited by Camargos & Barbosa (2015) state, an economic vision that studies related to M & A's walk in two lines, one of which relates to the Industrial Economics, which checks accounting data of the companies involved in such operations in order to evaluate the performance of these M&A's; and the other line is the Financial, which performs the evaluation of the performance of these operations by observing the reaction of stock prices of the companies involved before and after the M & A's operations, compared to a control group.

4.1 M & A in the context of Internationalization / Globalization

According to Long (2015) cited by Bomfim and Callado (2016, p. 107), "M & As have gained importance due to globalization, competition and national and international integration of markets, driving companies to conduct M & As for more profits and increase shareholder wealth, among other reasons. "

The number of M & A has obtained a very strong growth in many emerging economies because of the economic liberalization process, which consisted of deregulation of local markets due to international trends toward globalization, enabling the purchase of Brazilian companies by foreign companies; the acquisition of public companies both Brazilian companies and by foreign companies through privatization programs, which resulted in achieving great business in the energy, telecommunication and banking sector; and finally, the fierce international competition that has developed in the market, including linked to rapid technological changes, which in turn has led many companies to M & A process. (Wood Jr., Vasconcelos & Caldas, 2004, cited by Oliveira, Strong & Aragão, 2007).

³ But may pose risks such as agency conflicts and overconfidence, hubris or effect as Berkovitch and Narayanan (1993) cited by Bergmann, Savoia, Souza & Mariz (2015).

Table No 1 - Origin of M & A's

Origin of M & A's - the North American market		
phases	Period	Characteristics
1st Wave	1893 and 1904	Realization of M & A's horizontal
2nd Wave	1919 and 1929	Numerous M & A vertical's operations
3rd Wave	1974 and 1989	Mergers conglomerate type: aimed at diversification of investments in different activities
4th Wave	--	hostile operations, mergers and corporate counterparts attacks: aimed at making of control
5th Wave	--	Large operations (mega mergers). Involving high volume of resources, and the formation of international conglomerates, through cross transactions
6th Wave	2003 and 2008	Globalization of these operations, as well as the encouragement of some governments, like France and Russia, to encourage the creation of large national companies through subsidized financing

Note. Source: Adaptation of "Analysis of Effects Caused by mergers and acquisitions in the Economic and Financial Performance of Brazilian Companies" Lipton, 2006; Camargos and Barbosa 2003; Gaughan, 2011, cited by Bomfim&Callado, 2016, Vista and Accounting Journal Magazine, 7, p. 109.

Tanure&Cançado (2005, p. 11) mention that "KPMG studies reveal the occurrence of 3,196 M & A operations in Brazil from 1994 to 2004, 58% of which with foreign capital investment."

Luo & Tung (2007) cited by Bortoluzzo, Garcia, Boehe& Sheng (2014) argue that M & A International's possible, particularly those of emerging companies, obtaining exclusive strategic resources that are not found in domestic markets and raise their competitiveness in all senses. In this context, the acquiring company can still absorb the reputation and status of the acquired company, which in turn will provide you with a better ability to give you problems like the disadvantage in competing in other countries (liability of foreignness) and more likely failure relative to incumbents (liability of newness) in the global market. (Eden & Miller (2004) cited by Bortoluzzo, Garcia, Boehe& Sheng (2014)). However, the management phases of M & A's is important as there are many implications for the process, such as cultural aspects of the acquirer and the acquiree. Japanese companies, for example, prefer the plurality and preservation; German prevent assimilation; US tend to absorption or assimilation; and the French already have centralized features. (Tanure&Cançado, 2005).

According to a study conducted by Datta and Puia (1995) that used transaction cost theory and resource-based view and cultural differences; M & A International's do not create value for the acquiring companies, and one of the facts that disaggregates value is the agency problem in the relationship between executives versus shareholders entitled as managerialism. (Bortoluzzo et al., 2014).

V. Globalization

The phenomenon of globalization has fostered a wave of M & A internationally.

5.1 Concepts and definitions

Humanity has experienced great advances in recent years, as technology, science, production processes, communication, information, among others. These advances have been spreading throughout the world thanks to the globalization process, which allowed access to places, goods, information and experiences that would never think about getting a day and walked places, people and organizations that are very far apart.

Globalization has shown how a growing interdependence between countries, geographic regions and its citizens. It was spread by the Roman Empire through networks of communication and transportation, as well as the Portuguese overseas expansion in an economic expansion process that promoted this interdependence between regions and states. (Turolla, 2004).

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For Zanella, Island & Seitenfus (2005, p. 34) globalization "is one of the phases of capitalist development characterized by the reorganization of production on a worldwide basis, international trade liberalization and deregulation of financial markets."

As for Pinto & Gonçalves (2015), the three characteristics that marked the globalization process have been financial liberalization, trade liberalization and production integration. Financial liberalization, according to Chesnais, 1997; McNally 1999; Salama, 2000; Carcanholo et al. (2008) cited by Pinto & Gonçalves (2015), occurred early in the 1970s, and enabled a quick and free movement and valuation of financial flows, strengthening the integration of markets, facilitating access to a positive return differential. Trade liberalization was due to the reduction of tariff and non-tariff barriers which in turn led to the rise of competition between national and multinational companies, which encouraged companies to seek to reduce costs and increase production. (Goncalves & Pinto, 2015). The productive integration process worldwide, which began in the 1980s, became widespread in the 2000s mainly in emerging Asia, with China was one of the main protagonists, and had the effect of reducing costs international operating transactions and the creation of new goods and services. (Sturgeon, 2002; Whittaker et al, 2008 cited by Pinto & Goncalves, 2015.).

Turola says:

The current globalization process impresses by its magnitude. The importance of international trade in goods rose from 32.5% to 40% of global income between 1990 and 2001. The capital flows experienced an even more significant increase: the importance in international private capital flows more than doubled, going from 10.3% for the unprecedented level of 21.6% of the global income. In the same period, foreign direct investment flows in the world increased from 2.7% to 5.1%. (Turola, p. 18, 2004).

Hardt and Negri (2001, p.45) cited in Brady, Beckfield & Zhao (2007), "Globalization ... must be understood as an identity system production and difference, or even homogenization and heterogeneity."

5.2 Economic Globalization

Brady et al. (2007) define economic globalization and international economic exchanges involving goods, services, people, information and capital, in order to refer specifically to a process operated by international trade and investment. Pinto & Gonçalves (2015) characterize this phenomenon through the simultaneous occurrence of three cases, namely: expansion of the internationalization of production and international capital flows; greater contestability of international goods market, services and capital and greater interdependence between national economic systems in commercial, productive, monetary and financial.

Orange & Lemos (2017) shows that the progressive growth of the industrial manufacturing capacity, specifically the production of parts, software and knowledge services, some emerging countries like China, India, and Brazil, among other changes, brings a new stage globalization, which in turn create the need for new economic policies and different strategies for international negotiations. According to Baldwin (2006) cited by Lemos (2017), this new stage would be a second major breakdown of the value chains on a global scale. In this sense, it may be of international companies to specialize in any of the value chain areas and establish other relationships and partnerships on a global level. (Orange & Lemos, 2017).

It appears therefore that economic globalization can present itself as a very unstable, unpredictable phenomenon, but it brought and brings great advances for business, for business, for the country, to the world.

VI. Brief history of mergers and acquisitions in Brazil

The phenomenon of M & A was an important feature of the economic globalization process, concluded Strike (2004). So it lets us understand that the operations will tend to every day to advance the borders and globally integrate the economies of the companies involved. "This phenomenon of economic globalization is a current reality that has generated a number of effects, in particular, changing the competitive strategy of companies," (Tomazette, 2011). Due to economic liberalization, any company in any country is to compete directly with any existing business in any other country.

In Brazil, the merger and acquisition operations were driven from changes in the strategic direction of the national economy. According to Wood Jr., Vasconcelos and Caldas (2004), cited by Ferreira and Callado (2015), mergers and acquisitions in the Brazilian market has typically strategic character, as aimed primarily (i) the protection of

competition, by extending market share and obtaining corporate know-how and technology (ii) preservation of profit, with operating earnings and productivity and (iii) increase in power over the market that act, expanding distribution and logistics networks.

This need was materialized with the Competition Act - Law No. 12.529 of 2011, which deals with "the prevention and repression of infractions against the economic order, guided by the constitutional principles of free enterprise, free competition, social function of property, defense consumers and restraint of abuses of economic power. "

The standard has brought changes mainly in the institutional aspect, and punish acts of business concentration, which analyzes the costs and benefits of the acts of restructuring, with a view to approval of those who generate non-negative net effect on the economic well-being, and the failure or corrective action against those who generate negative net impact to society. And introduces guidelines to CADE - Administrative Board and Economic Development, in order to make it an independent institution.

KPMG conducts research on Mergers and Acquisitions in Brazil since 1994, in one of its 2016 reports, did a survey of accumulated data of M & A transactions occurring in Brazil. Showed the annual evolution of the number of operations since 1996 - with 328 operations - reaching up to the end of the year 2015-723 operations.

In another report with transaction data from January to November 2016, the Price Waterhouse Coopers (PwC) of Brazil selected some highlights operations, as follows:

SuzanoPapel e Celulose made the purchase of forestry and real estate assets of Cia Siderurgica Vale do Pindaré and CosimaSiderurgica, steel based in Maranhão, for the amount USD 245 million; Klabin, a manufacturer of paper packaging, made the purchase of companies Embalplan Packaging, based in Paraná and Hevi Packaging company, an amount of R \$ 187 million; MCI Brazil, a company formed by the merger between Alatur JTB, the corporate travel industry and MCI Switzerland, specializes in events for companies, made the acquisition of P2com; The Southern Hemisphere Investments group performed the acquisition of 100% of the São Paulo Metro Tucuruvi Shopping, formerly of JHSF shares, for R \$ 440 million; The Australian company Karoon Gas Australia through its Brazilian subsidiary Karoon Oil and Gas made the purchase of 35% stake in offshore blocks in Brazil, for the amount USD 20.5 million. (PWC, 2016).

Fields and Canavezes (2007, p.48) pointed out that "the telecommunications sector is among the 25 types of activities transnational companies." Being a media linking and link people, businesses and cultures involved in the process of globalization. It is a movement of no return, is in constant progress.

We emphasize in the ranking of transactions by sector of the economy, the telecommunications features of the positions between the fifth and seventh place in number of operationalized negotiations from 1997 to 2016. It is also important that in Brazil developments in the telecommunications sector took especially with the issue of LGT - General Telecommunications Law from 1997 and the creation of Anatel - National Telecommunications Agency. Bodies with legal powers for regulation, control and supervision of violations of the economic order.

According to data from Anatel (2013) are four companies that hold 99.8% of the concentration of the telephony market in Brazil, Vivo, Tim, Claro and Oi. For the purposes purpose of this study, we will focus on information about the operator Oi.

6.1 M & A in the case of the Operator Oi S/A

On the article Rodrigues, Casari& Bastos (2014), we can understand how the company Oi has consolidated:

The Oi was established in 2002 as the mobile division of Tele Norte Leste SA, known as Telemar, a subsidiary of TNL Participações. Telemar was acting only in the fixed telephony segment, which made the Oi entered directly on the mobile phone acquiring licenses for PCS service. To strengthen the brand, in 2007, it was extinguished Telemar, forming a unique brand working in two areas: Oi Fixed and Oi Mobile. In December of the same year, the Oi bought Vivo and Amazônia Celular in 2008 was the acquisition of Brazil Telecom (BrT), which enabled the provision of services in all regions of the country. The company fully owned national capital until 2010, when the acquisition of 22.40% of its capital was held by Portugal Telecom. Currently covers 49,438,070 of customers forming 18.85% of the market. (Roberts,

Another study on the company's business concentrations Oi, Sampaio (2007), concluded that it gained competitiveness, synergy and cost reduction. According to Sethi, Chakraborty, Sethi& Duffy (2011), referenced in the study Wall (2014) "mergers and acquisitions in the telecommunications sector are considered positive by investors mostly about 56%, mainly due to economies of scale notions, or scope by the shareholders. "in agreement with the

authors, was appointed in Silva Filho (2015), before this scenario Oi decided to establish alliance with Souza Cruz, the desire to reduce operating costs and generate value, in order to become competitive in the telecommunications market.

The Oi managed to achieve their goals in consolidating the alliance with Souza Cruz, became more competitive in the market. However, it was not enough to ensure sustainability, according to the same author (Silva Filho, 2015), compared to other large multinational industry competitors.

The company Oi S / A is a provider of telecommunications services nationwide. The organization, according to information disclosed in the 2015 sustainability report, has as its primary objective the provision of services and telephony products fixed and mobile broadband, pay TV, pay phones, and solutions in information and communication technology.

Focusing on strategies such as reducing costs and expenses, on the other hand revenue maximization, has expanded the market segment. Since privatization in mid-1998, the company has sought partnerships and alliances in the acquisition of new business and adding value.

Only from 2007 to Oi S / A took over the brand Oi, and the following year acquired the control of Amazonia Celular and bought the shareholding control of Brasil Telecom, began the process of corporate restructuring, thus guaranteed coverage throughout National territory. After the incident restructuring process, 'Oi' it became, according to Vaz (2016), one of the largest operators in the world of the telephony market, the fourth largest in Brazil.

Among the years 2010 and 2011, the Oi S / A is the target of an acquisition by Portugal Telecom, as described in Gomes's work (2012). However, it was found that the strategic alliance between PT and Oi occurred as follows "... PT acquired 25.3% of the Oi both directly and indirectly a total investment of 8.35 billion reais, equivalent to 3.47 billion euros. "according to Santos (2014)," a result of the alliance with Portugal Telecom, Oi acquired 10% of the capital of that company. "Finally, only in 2013, it was consolidated the union the two companies.

The expectation with the integration of all activities and assets of the companies involved, according to Silva (2015), was to become an entity for the purpose of raising liquidity levels, provide value in the international market and visibility in the business of the companies. In strategic terms, the merged company would accelerate the development of Oi in Brazil, leveraging PT's innovation capability, enhance the development of synergies and reduce operational risk of the companies involved (Oi, 2015).

Following the acquisition process between Portugal Telecom and Oi S / A, by the end of 2014, companies falling out up, and Portugal Telecom was sold, leaving the Oi S / A with a debt of around R \$ 54,981 million. And Portugal Telecom resumed operations only in the domestic market of Portuguese telecommunications. So there was no success with the operation, and companies face complicated financial situations.

The company Oi S / A, announced on its website that:

On June 20, we filed an application for Judicial Recovery, in order to preserve the services provided by companies Oi to its customers while allowing the renegotiation of its debts, thus ensuring the sustainability of our business. On September 5 we present the Judicial Recovery Plan, and continue conducting the process within the legal deadlines. (Hi, 2016).

It is understood that the company had a result of corporate restructuring, increase in long-term debt, to improve the ability to comply with the short-term obligations. And with these shortcomings, the entity has suffered significant devaluation in their actions.

Final considerations

It is worth noting that even before the business combinations that occurred, the shareholding structure of the company Oi S / A has become a complex structure shareholder with a significant number of associated companies. see:

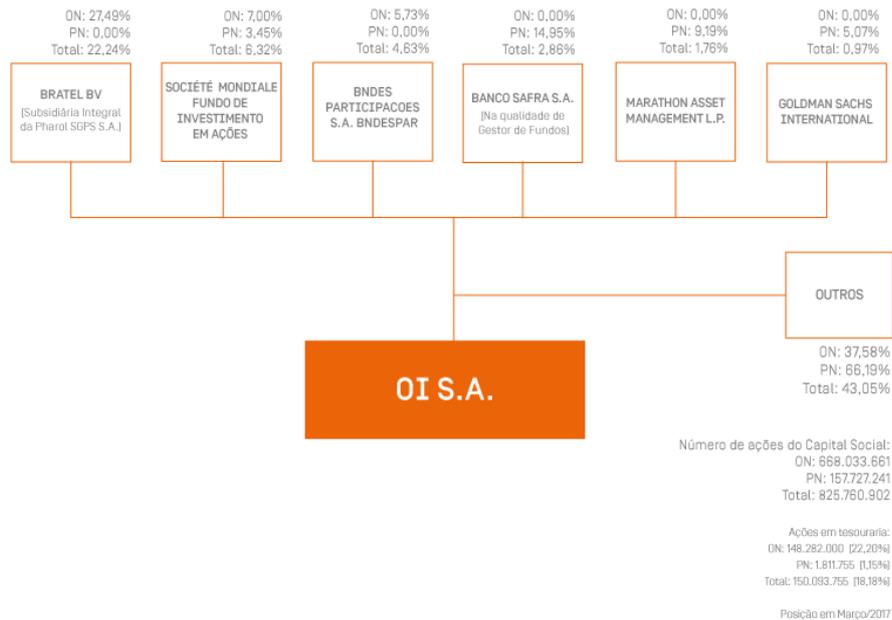


Figure 1 - Ownership of Oi S / A

Source: http://ri.oi.com.br/oi2012/web/conteudo_pt.asp?idioma=0&tipo=43310&conta=28

VII. Conclusions

Due to the economic liberation process, which consisted of deregulation of local markets and to international trends, enabled the emergence of the phenomenon of "globalization". Within this process results in the corporate restructuring that involves the expansion of business, competitiveness elevation, expansion in market performance, technological and strategic adjustments; characteristics implied in the merger and acquisition operations. However, all this has required renewal in economic policies and initiatives to provide differentiated strategies.

In one subdivision of globalization: the economic has been observed that the reorganization processes consist of mergers and acquisitions in order to achieve competitiveness and value gains to shareholders, among other positive results. However, the risk that the aims are not achieved, there.

In Brazil, the telecommunications industry has been prominent among economic groups that seek to expand the area of operation and generate new values in the equity of the entity. Realized through the analysis performed in various research and studies in the case of company Oi S / A, since the emergence of the company and some of the important operations incurred throughout its trajectory and its consequences. Information between the period 2002 to 2015 were observed, the first was a strategic alliance with the company Souza Cruz, which resulted positively, earned value and competitiveness in the phone market. In the second, there was the acquisition of Brazil Telecom, considered one of the largest M & A transactions in the Brazilian telecommunications market, consolidated brand "Oi" and ensured greater coverage throughout the national territory.

Following the approach described above, synthesized is a summary table of the processes in the company Oi S / A:

Table No. 2 - Synthesis of operations occurring with the Oi S / A

2002	privatization of Telemar	operator emergence Oi S / A.
2007	strategic alliance with Souza Cruz	Obtained value gains, enhanced competitiveness and performance in the phone market, etc.
2008	Acquisition of Brasil Telecom	Consolidation of the brand "Oi", and expanding coverage in the telecommunications sector throughout the country.
2010-2011	international strategic partnership with Portugal Telecom	There were no successful operation for both operators.
2015	It sold the stake with PT (Portugal Telecom)	Consequences: increasing debt and filed for bankruptcy protection.
2016	Status: bankruptcy	Fall in the value of shares, among other losses.

Source: Prepared

Not always the mergers and acquisition are beneficial to related parties due to complex traits involving such operations. These can be supported by additional efforts, especially regarding in-depth studies on the market performance, management of cultural and economic policy differences, experienced by the companies involved.

Thus, it can be suggested as future research lines, works that focus on scoring the key factors that influence the success and / or failure on transactions between companies of various nationalities as well, what steps are taken to mitigate exist differences. Another interesting line would address what business activities that occur over these restructuring processes, compared to countries such as European countries and Latin American countries, or between Asians and Americans.

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