Reimagining the Impact of Large Financial Deals: Toward a Holistic Evaluation of Economic and Societal Consequences

by

Apolline Dupont

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Submitted to the MIT Sloan School of Management in Partial Fulfillment of the Requirements of the Degree of

MASTER OF SCIENCE IN MANAGEMENT STUDIES

at the

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Abstract

This thesis reimagines the assessment of large financial deals, such as mergers and acquisitions (M&A), by proposing a holistic evaluation framework that considers economic, societal, and environmental consequences. Traditionally, these deals have been assessed primarily based on financial metrics, overlooking their broader impact on stakeholders and sustainability.

Through a mixed-method approach combining literature review and qualitative interviews with professionals, this research develops a theoretical framework integrating multiple dimensions into the analysis of M&A deals. The framework is applied to a case study of the contentious merger between French utility giants Veolia and Suez, highlighting the complexities and trade-offs involved in evaluating deals in the water and waste management sector.

The findings underscore the importance of comprehensive impact assessments, robust stakeholder engagement, and long-term value creation strategies. The Veolia Suez case reveals the need for effective risk management and the potential for synergies and unintended consequences in large financial deals.

Ultimately, this thesis argues that a holistic approach to impact assessment enables informed decision-making, promoting sustainable growth and safeguarding societal and environmental interests. The proposed framework offers a roadmap for enhancing practices and fostering a more responsible approach to financial transactions.

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I want to thank my thesis advisor for his guidance, trust and flexibility. From the knowledge I learnt in his 3 classes I followed this year about business and tech to the trust he gave me when agreeing to be my thesis advisor, it has been my honor to learn from him and to be able to get his input on my thesis. I also want to thank my family and friends for their support and comments on my thesis. Finally, I want to thank the MIT Sloan for giving me the opportunity to contribute to the research on this subject that truly inspires me.

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1. Preface

I decided to work on this thesis' subject after working around financial deals for a year. I have worked in two of the biggest banks in the world and two large cap investment funds. During these experiences, doing deals was never just about doing deals. Large cap deals, especially, can involve the government and can be driven by public issues. It was notably the case when I worked on the nationalization of EDF, French electricity company, as the Ukraine war was pushing energy prices up and the French population's purchase power was threatened, when I worked on the privatization of the audiovisual rights of the French soccer league that would have gone bankrupt otherwise or when I worked on the IPO of a carbon negative company not even profitable yet but hoping to make the world a better place. Through these experiences, I realized, specifically in large cap, interests can be bigger than just financials as companies tend to have a systemic position in the economy. This is why I have decided to devoid time to research how to evaluate the holistic impact of a M&A deal on society and not only its financial impact.

2. Introduction

Large financial deals, particularly mergers and acquisitions (M&A) involving multinational corporations, have become increasingly prevalent in today's globalized economy. These transactions, often involving staggering sums of money, have the power to reshape entire industries, alter competitive landscapes, and impact the lives of countless stakeholders, including employees, customers, suppliers, and local communities.

The sheer magnitude of these deals underscores their significance within the global economic landscape. M&A activity has consistently accounted for a substantial portion of global foreign direct investment flows, with deal values reaching trillions of dollars annually in recent years (UNCTAD, 2022). These transactions are not mere financial exercises but strategic moves that can profoundly influence market dynamics, technological innovation, and resource allocation on a global scale.

Traditionally, the success of large financial deals has been primarily evaluated through a narrow financial lens, with a heavy emphasis on financial metrics such as earnings per share, cost synergies, and shareholder returns. However, this conventional approach, while extremely important, fails to capture the broader, multidimensional impact these transactions can have on various stakeholders and the wider society.

Growing recognition of the limitations of this purely economic perspective has sparked a need for a more holistic evaluation framework that considers the social, environmental, and ethical implications of large financial deals. This holistic approach acknowledges that the consequences of these transactions extend far beyond financial statements and balance sheets, potentially influencing areas such as employment, local economies, environmental sustainability, and social equity.

The importance of adopting a holistic evaluation approach is further amplified by the increasing scrutiny and expectations placed on corporations by various stakeholders, including consumers, investors, regulators, and advocacy groups. In an era where corporate social responsibility and environmental, social, and governance (ESG) factors are gaining prominence, businesses can no longer afford to ignore the broader societal impacts of their strategic decisions.

One industry that exemplifies the urgent need for a holistic evaluation of large financial deals is the water and waste management sector. This sector plays a critical role in ensuring access to clean water, sanitation services, and responsible waste management – essential components of public health, environmental protection, and sustainable development. Deals within this industry have far-reaching implications for local communities, ecosystems, and the overall well-being of societies.

The acquisition of Suez by its French rival Veolia serves as a compelling case study to illustrate the complexities and nuances involved in evaluating the holistic impact of large financial deals. This contentious €13 billion deal, which sparked intense debates and legal battles, involves two of the world's largest environmental service companies operating in multiple countries and impacting millions of people globally.

The Veolia Suez case study provides a rich context to explore the various dimensions of impact assessment, including economic factors such as market concentration and pricing dynamics, environmental considerations related to sustainability and resource management, and societal implications concerning access to essential services, employment, and community well-being.

Moreover, this case study offers an opportunity to examine the perspectives and concerns of diverse stakeholders, ranging from shareholders and employees to government regulators, environmental advocacy groups, and local communities. By analyzing these diverse viewpoints, this research aims to shed light on the challenges and opportunities associated with effective stakeholder engagement and the integration of stakeholder perspectives into the decision-making process.

To address the need for a more comprehensive evaluation framework, this thesis proposes a novel methodology that integrates economic, social, and environmental dimensions into a cohesive model for assessing the impact of large financial deals. This methodology draws upon various theoretical foundations, including stakeholder theory, systems thinking, and sustainability frameworks, to develop a holistic lens through which the multifaceted consequences of these transactions can be analyzed and understood.

The proposed evaluation framework aims to provide a structured approach for decision-makers, enabling them to navigate the complexities involved in large financial deals and make more informed choices that balance economic considerations with societal and environmental interests. By adopting this holistic perspective, businesses can not only mitigate potential risks and negative impacts but also identify opportunities for creating long-term, sustainable value for all stakeholders involved.

The thesis is structured as follows: Chapter 2 presents a comprehensive literature review, exploring existing research and theoretical underpinnings related to the evaluation of economic, social, and environmental impacts of large financial deals. Chapter 3 outlines the proposed theoretical framework, detailing the integration of various dimensions and the underlying principles that guide the holistic evaluation approach.

Chapter 4 describes the mixed-method research methodology employed in this study, including data collection methods, participant selection criteria, and analytical techniques used to derive insights from qualitative interviews with industry professionals.

Chapter 5 delves into the Veolia Suez case study, providing a detailed analysis of the economic, societal, and environmental implications of this proposed acquisition. This chapter draws upon the theoretical framework and incorporates perspectives from various stakeholders to offer a nuanced understanding of the deal's multidimensional impact.

Chapter 6 presents the key findings and discusses their implications in relation to the theoretical framework and existing literature. This chapter also explores the trade-offs, synergies, and unintended consequences associated with large financial deals, highlighting lessons learned and areas for future research.

Finally, Chapter 7 concludes the thesis by summarizing the main findings and their significance for theory and practice. It reflects on the broader implications of reimagining the impact assessment of large financial deals through a holistic lens and provides recommendations for policymakers, businesses, and other stakeholders to enhance the evaluation and management of such deals in the future.

Through this comprehensive exploration of the Veolia Suez case study and the development of a novel evaluation framework, this thesis aims to contribute to the ongoing discourse on responsible business practices, stakeholder engagement, and the pursuit of sustainable value creation in the context of large financial transactions. By advocating for a more holistic understanding of the impact of these deals, this research endeavors to inform and shape decision-making processes, ultimately fostering a more equitable, socially conscious, and environmentally sustainable approach to corporate strategic decisions.

3. Literature Review

This chapter explores the existing literature and theoretical foundations relevant to the evaluation of economic, social, and environmental impacts of large financial deals, such as mergers and acquisitions. By critically reviewing prior research and scholarly works, this section aims to identify gaps, challenges, and opportunities for advancing our understanding of the holistic consequences of these transactions.

The literature review is organized into three main sections: economic impacts, societal impacts, and environmental impacts. Each section examines the prevailing theories, methodologies, and empirical studies that have shaped our current knowledge and perspectives on these respective dimensions.

3.1 Economic Impacts

The economic evaluation of large financial deals has been extensively studied, with a significant body of literature dedicated to financial metrics, shareholder value creation, and operational synergies. Seminal works in this area include studies on the wealth effects of mergers and acquisitions (Andrade et al., 2001; Moeller et al., 2005), post-merger operating performance (Healy et al., 1992; Devos et al., 2009), and the role of corporate governance in M&A transactions (Masulis et al., 2007; Bebchuk et al., 2009).

These studies have employed various methodologies, such as event studies, regression analyses, and case studies, to assess the impact of M&A deals on factors like stock prices, profitability, market share, and operational efficiency. While providing valuable insights into the financial aspects of these transactions, this literature has often been criticized for its narrow focus on shareholder value maximization and its limited consideration of broader stakeholder interests (Freeman, 1984; Jones, 1995).

3.2 Societal Impacts

The societal implications of large financial deals have received increasing attention in recent years, with scholars exploring the impact on various stakeholder groups, such as employees, local communities, and society at large. Relevant literature in this domain includes studies on employment effects (Conyon et al., 2002; Gugler & Yurtoglu, 2004), community impact assessments (Esteves et al., 2012; Vanclay, 2003), and the role of corporate social responsibility in M&A transactions (Aktas et al., 2011; Deng et al., 2013).

Theoretical frameworks such as stakeholder theory (Freeman, 1984; Donaldson & Preston, 1995) and corporate social performance models (Wood, 1991; Carroll, 1999) have been applied to evaluate the societal impacts of large financial deals. However, these studies often lack a comprehensive, integrated approach that considers the interrelationships between economic, social, and environmental factors.

3.3 Environmental Impacts

While the environmental consequences of large financial deals have been recognized as a critical area of concern, the literature in this domain remains relatively limited compared to economic and societal impacts. Existing studies have focused on topics such as environmental performance and regulatory compliance (Eyraud et al., 2011), green M&A and sustainable investing (Kayser & Zülch 2024), and the role of environmental, social, and governance (ESG) factors in M&A decisions (Arx & Ziegler, 2014; Teti et al, 2022).

Theoretical frameworks such as natural resource-based view (Hart, 1995; Russo & Fouts, 1997) and stakeholder theory (Freeman, 1984) have been applied to examine the environmental implications of large financial deals. However, these studies often lack a comprehensive integration of economic, social, and environmental dimensions, limiting their ability to provide a holistic understanding of the broader impacts of these transactions.

3.4 Gaps and Challenges

Despite the valuable contributions of existing literature, several gaps and challenges emerge when attempting to develop a comprehensive understanding of the holistic impact of large financial deals. These include:

- Fragmented Approach: Studies tend to focus on specific dimensions (economic, social, or environmental) in isolation, failing to capture the interrelationships and trade-offs between these various aspects.
- Methodological Limitations: Many studies rely heavily on quantitative methods, such as financial analysis and econometric modeling, which may overlook qualitative factors and stakeholder perspectives that are crucial for a holistic evaluation.
- Lack of Theoretical Integration: There is a need for a unifying theoretical framework that integrates diverse perspectives, such as stakeholder theory, sustainability frameworks, and systems thinking, to provide a more comprehensive lens for impact assessment.
- Context Specificity: The impact of large financial deals can vary significantly across industries, regulatory environments, and cultural contexts, making it challenging to develop generalizable frameworks and methodologies.
- Stakeholder Engagement: While stakeholder theory is widely acknowledged, there is a lack of guidance on effective stakeholder engagement practices and the integration of diverse stakeholder perspectives into the evaluation process.
- Long-term Impacts: Many studies focus on short-term or immediate impacts, overlooking the potential long-term consequences and intergenerational effects of large financial deals.

To address these gaps and challenges, this thesis aims to develop a novel theoretical framework and methodology that integrates economic, social, and environmental dimensions into a cohesive approach for evaluating the holistic impact of large financial deals. By drawing upon diverse theoretical foundations, incorporating stakeholder perspectives, and employing a mixed-method research approach, this study seeks to contribute to the advancement of our understanding and practices in this critical area.

Through a comprehensive literature review, this chapter has highlighted the existing knowledge base, identified gaps and limitations, and laid the foundation for the development of a more inclusive and integrative approach to impact assessment in the context of large financial deals.

4. Theoretical Framework

This chapter presents a novel theoretical framework that integrates economic and societal dimensions to provide a comprehensive lens for assessing the impact of large financial deals. By drawing upon relevant theories such as stakeholder theory, systems thinking, and sustainability frameworks, this framework aims to address the gaps and limitations identified in the existing literature and guide the analysis of the Veolia Suez case study.

4.1 Integrating Economic and Societal Dimensions

The proposed theoretical framework recognizes the interconnectedness of economic and societal dimensions in the context of large financial deals. It acknowledges that these transactions have far-reaching consequences that extend beyond financial metrics and affect various stakeholder groups, including employees, customers, suppliers, local communities, and the broader society.

To integrate these dimensions, the framework adopts a holistic approach that considers the interplay between economic factors, such as market dynamics, operational efficiency, and shareholder value creation, and societal factors, such as social equity, community well-being, and environmental sustainability. This integrated perspective allows for a more comprehensive understanding of the multifaceted impact of large financial deals.

The framework emphasizes the importance of examining the short-term and long-term implications of these transactions, recognizing that the true impact may manifest over an extended period. It also considers the potential trade-offs and synergies between economic and societal objectives, acknowledging that maximizing shareholder value may not always align with the interests of other stakeholders.

4.2 Stakeholder Theory

Stakeholder theory (Freeman, 1984) serves as a foundational element of the proposed framework. This theory posits that businesses should consider the interests of all stakeholders, not just shareholders, in their decision-making processes. It emphasizes the importance of identifying and engaging with diverse stakeholder groups to understand their perspectives, concerns, and expectations.

Within the context of large financial deals, stakeholder theory provides a lens to examine the impact of these transactions on various stakeholder groups. It highlights the need for effective stakeholder engagement mechanisms to ensure that the voices and interests of all affected parties are considered throughout the evaluation and decision-making process.

The framework incorporates stakeholder theory by advocating for a multi-stakeholder approach to impact assessment. It encourages the identification of key stakeholders, such as employees, customers, suppliers, local communities, regulators, and civil society organizations, and the development of engagement strategies to gather their insights and address their concerns.

Stakeholder theory also emphasizes the importance of balancing the needs and expectations of different stakeholder groups. The framework recognizes that large financial deals may have asymmetric impacts on various stakeholders, with some benefiting while others bear the costs. It calls for a careful consideration of these distributional effects and the development of strategies to mitigate negative impacts and promote equitable outcomes.

4.3 Systems Thinking

The theoretical framework will be based on systems thinking (Senge, 1990) to acknowledge the complex and interconnected nature of large financial deals. Systems thinking emphasizes the importance of understanding the relationships, feedback loops, and unintended consequences that emerge from the interactions between various elements within a system. Applying systems thinking to the evaluation of large financial deals involves considering the broader ecosystem in which these transactions occur. It requires examining the direct and indirect impacts on various sectors, industries, and communities, as well as the potential ripple effects that may arise over time. By adopting a systems perspective, the framework enables a more comprehensive assessment of the long-term and far-reaching consequences of these deals.

The framework draws upon systems thinking to explore the interconnections and dependencies between the merging entities, their value chains, and the wider socio-economic and environmental context in which they operate. It considers how the merger or acquisition may affect the competitive landscape, market power dynamics, and the bargaining positions of different stakeholders.

Systems thinking also highlights the importance of considering the potential unintended consequences and feedback loops that may emerge from large financial deals. For example, a merger that leads to market consolidation and reduced competition may have negative impacts on consumer welfare, innovation, and long-term economic resilience. The framework encourages a holistic analysis that captures these complex system dynamics.

4.4 Sustainability Frameworks

Sustainability frameworks, such as the triple bottom line (Elkington, 1997) and the United Nations Sustainable Development Goals (SDGs), must be integrated into the theoretical framework to emphasize the importance of balancing economic, social, and environmental considerations in the evaluation of large financial deals.

These frameworks provide a structured approach to assess the alignment of financial transactions with sustainable development objectives. They encourage the consideration of factors such as resource efficiency, social responsibility, and environmental stewardship in the decision-making process. By incorporating sustainability frameworks, the theoretical framework ensures that the long-term viability and resilience of businesses and societies are prioritized alongside short-term financial gains.

The triple bottom line framework, for instance, emphasizes the need to evaluate business performance across three dimensions: economic prosperity, social equity, and environmental quality. It recognizes that a narrow focus on financial metrics may overlook the broader societal and environmental impacts of business activities. The proposed framework integrates the triple bottom line approach to assess how large financial deals contribute to or detract from sustainable value creation.

The United Nations SDGs provide a global framework for addressing pressing sustainability challenges, such as poverty, inequality, climate change, and environmental degradation. The theoretical framework aligns with the SDGs by examining how large financial deals can support or hinder progress towards these goals. It considers the potential contributions of these transactions to sustainable development outcomes, such as job creation, infrastructure development, and low-carbon transition.

4.5 Towards a Practical Holistic Framework

Here are the key steps to apply practically the developed framework:

- Step 1: Identify Relevant Stakeholders

Based on stakeholder theory, the first step is to identify and engage with all relevant stakeholder groups affected by the financial deal. This includes:

- Shareholders and investors
- Employees and unions
- Customers and consumers
- Suppliers and subcontractors
- Local communities and civil society organizations
- Regulators and policymakers
- Environmental groups and sustainability advocates

Then, create a stakeholder map to visualize the relationships and power dynamics among these groups.

- Step 2: Define Impact Dimensions and Metrics

Drawing upon the triple bottom line approach and sustainability frameworks, the first thing is to define the key dimensions and metrics for assessing the holistic impact of the deal:

- Economic Dimension:
    - Financial performance (e.g., revenue, profit, ROI)
    - Market share and competitive advantage
    - Job creation and retention
    - Supply chain stability and resilience
- Social Dimension:
    - Labor relations and working conditions
    - Community well-being and social equity
    - Access to essential services and infrastructure
    - Stakeholder engagement and satisfaction
- Environmental Dimension:
    - Carbon footprint and emissions reduction

    - Resource efficiency and circular economy practices
    - Compliance with environmental regulations
    - Contribution to climate change mitigation and sustainability goals

Then, create a balanced scorecard or dashboard to track and measure these metrics over time.

- Step 3: Conduct Holistic Due Diligence

The idea is to integrate ESG factors and stakeholder considerations into the due diligence process:

- Assess the current ESG performance and practices of the target company
- Identify potential risks and opportunities related to social and environmental issues
- Engage with stakeholders to gather their insights and concerns
- Evaluate the alignment of the deal with sustainability principles and global goals (e.g., UN SDGs)

To do that, the aim is to use tools such as ESG ratings, sustainability assessments, and stakeholder consultation to inform the due diligence process.

- Step 4: Scenario Planning and Systems Thinking

Using systems thinking to map out the interconnections and potential cascading effects of the deal such as:

- Identifying the key drivers, feedback loops, and unintended consequences
- Developing scenario plans to assess the impact of the deal under different future conditions
- Evaluating the resilience and adaptability of the combined entity to social and environmental challenges
- Considering the long-term implications and intergenerational equity aspects of the deal

- Step 5: Stakeholder Engagement and Co-Creation

This consists of engaging stakeholders throughout the deal process to co-create shared value. This can be done by:

- Conducting stakeholder dialogues and consultations to understand their needs and expectations
- Involving stakeholders in the design and implementation of the integration plan
- Establishing partnerships and collaborations to address social and environmental challenges
- Creating mechanisms for ongoing stakeholder feedback and participation in decision-making

Then, this can be practically realized by using participatory methods such as multi-stakeholder forums, co-design workshops, and joint problem-solving sessions to facilitate stakeholder engagement.

- Step 6: Integration and Implementation

This means embedding the holistic impact assessment into the post-merger integration process:

- Aligning the ESG metrics and targets with the combined entity's strategy and operations
- Assigning clear roles and responsibilities for managing social and environmental performance
- Providing training and capacity building to employees on sustainability and stakeholder engagement
- Establishing governance structures and accountability mechanisms to monitor and report on progress

- Step 7: Monitoring, Reporting, and Continuous Improvement

The idea is to establish a framework for ongoing monitoring, reporting, and continuous improvement. The way to do is to regularly collect and analyze data on the defined impact metrics, engage with stakeholders to gather feedback and assess their satisfaction, publicly disclose the progress and challenges in achieving the holistic impact goals, conduct periodic reviews and audits to identify areas for improvement and course correction, share best practices and lessons learned with industry peers and stakeholders and use sustainability reporting standards (e.g., GRI, SASB) and assurance processes to enhance the credibility and comparability of the impact disclosures.

By following these steps and adapting them to the specific context of the financial deal, organizations can operationalize the theoretical framework and embed a holistic impact assessment approach into their M&A practices.

It is important to note that this framework should be tailored to the unique characteristics and priorities of each deal, and should be continuously refined based on new insights, stakeholder feedback, and emerging best practices in the field.

The practical application of this framework requires a commitment to transparency, accountability, and stakeholder inclusion, as well as the allocation of adequate resources and expertise to support the impact assessment process.

Ultimately, the goal is to create a virtuous cycle of value creation, where the pursuit of financial objectives is aligned with the generation of positive social and environmental impacts, leading to long-term sustainable success for all stakeholders involved.

This practical framework will guide the analysis of the Veolia Suez case study and the experts' interviews.

4.6 Guiding the Analysis of Veolia Suez Case Study

The proposed framework will guide the analysis of the Veolia Suez case study by providing a structured and comprehensive approach to evaluate the holistic impact of this large financial deal. The framework will be applied to examine the economic, societal, and environmental implications of the proposed acquisition, taking into account the perspectives of various stakeholder groups.

Stakeholder theory will inform the identification and engagement of relevant stakeholders, such as employees, customers, regulators, environmental groups, and local communities, to gather their insights and concerns regarding the deal. This stakeholder-centric approach will ensure that the analysis captures a diverse range of perspectives and addresses the potential impacts on different stakeholder groups.

The analysis will explore questions such as: How will the acquisition affect the job security and working conditions of employees? What are the potential impacts on customer service quality and pricing? How will the deal influence the bargaining power of suppliers and the sustainability of supply chains? What are the concerns and expectations of local communities regarding the environmental and social performance of the merged entity?

Systems thinking will be employed to explore the interconnections and dependencies between Veolia, Suez, and the broader water and waste management industry. The analysis will consider the potential ripple effects of the acquisition on market dynamics, infrastructure development, innovation, and sustainable resource management practices.

The case study will examine how the consolidation of market power may affect competition, prices, and the quality of services in the water and waste management sector. It will also explore the potential synergies and conflicts between the corporate cultures and sustainability strategies of Veolia and Suez, and how these may influence the merged entity's ability to drive positive change.

Sustainability frameworks will be utilized to assess the alignment of the Veolia Suez deal with sustainable development goals and principles. The analysis will examine how the acquisition may contribute to or hinder progress towards objectives such as clean water and sanitation, sustainable cities and communities, and responsible consumption and production.

The case study will evaluate the potential environmental impacts of the deal, such as its influence on water resource management, circular economy practices, and greenhouse gas emissions. It will also consider the social implications, including access to affordable and reliable water and sanitation services, particularly for vulnerable communities.

By applying the theoretical framework to the Veolia Suez case study, this research aims to demonstrate the practical utility of the framework in providing a comprehensive and nuanced understanding of the holistic impact of large financial deals. The insights derived from this analysis will contribute to the broader discourse on responsible business practices, stakeholder engagement, and sustainable value creation in the context of corporate strategic decisions.

Additionally, by adopting this framework, decision-makers can make more informed and socially conscious choices that balance economic considerations with the long-term well-being of stakeholders and the environment. The framework encourages a multi-stakeholder perspective, a systems-level understanding of interconnections and consequences, and a commitment to sustainable development principles.

The application of this theoretical framework to the Veolia Suez case study will provide valuable insights into the complexities and challenges of evaluating the holistic impact of large financial deals. It will contribute to the development of best practices and decision-making tools that can guide businesses, policymakers, and stakeholders in navigating the societal and environmental implications of corporate strategic decisions.

Ultimately, the theoretical framework presented in this chapter aims to advance our understanding of the role and responsibility of businesses in shaping a more sustainable and equitable future. By integrating economic and societal dimensions, it provides a foundation for reimagining the purpose and impact of large financial deals, moving beyond a narrow focus on financial gains towards a more inclusive and responsible approach to value creation.

5. Methodology

This chapter describes the research methodology employed in this study, which aims to develop a holistic framework for evaluating the impact of large financial deals. The chosen methodology is designed to address the research objectives and align with the theoretical framework outlined in the previous chapter. This section details the research approach, data collection methods, participant selection criteria, interview protocol, data analysis techniques, and ethical considerations.

5.1 Research Approach

To gain comprehensive insights into the research topic, this study adopts a mixed-method approach, combining a thorough literature review with qualitative interviews. The literature review, as presented in Chapter 2, provides a solid foundation for understanding the existing knowledge base, identifying gaps, and informing the development of the theoretical framework.

The qualitative interview component of the research enables the exploration of real-world perspectives, experiences, and insights from professionals directly involved in or knowledgeable about large financial deals and their impact assessment. This approach allows for a deeper understanding of the complexities, challenges, and opportunities associated with evaluating the holistic impact of such transactions.

The mixed-method approach is justified in relation to the research objectives, as it enables the integration of theoretical knowledge with practical insights, thus providing a more comprehensive and nuanced understanding of the research topic. The literature review informs the development of the theoretical framework, while the qualitative interviews help to validate, refine, and enrich the framework with real-world perspectives.

5.2 Data Collection Methods

The primary data collection method for this study is semi-structured interviews with professionals from relevant fields, such as finance, corporate governance, sustainability, and stakeholder management. Semi-structured interviews are chosen because they provide a flexible and conversational approach to gathering rich, detailed insights while allowing for the exploration of emergent themes and ideas.

The interviews are conducted either in-person, via video conferencing platforms, or through telephone, depending on the availability and preferences of the participants. Each interview lasts approximately 30 minutes.

5.3 Participant Selection

Participants for the interviews are selected using a purposive sampling technique, which involves identifying and recruiting individuals who possess relevant expertise, experience, and insights related to the research topic. The selection criteria for participants include:

a. Professionals with significant experience in mergers and acquisitions, particularly in large financial deals

b. Experts in corporate governance, sustainability, and stakeholder management

c. Individuals with knowledge of or involvement in the Veolia Suez case study

d. Professionals from diverse backgrounds, including finance, law, consulting, academia, and non-profit organizations

To ensure a diverse range of perspectives, the study aims to recruit participants from different geographic regions, industries, and organizational roles. A target sample size of 10-15 participants is set, with the understanding that data collection may continue until theoretical saturation is reached (i.e., no new themes or insights emerge from additional interviews).

5.4 Interview Protocol

The interview protocol is designed to explore professionals' views on the traditional and redefined measures of success in M&A transactions, as well as their insights on the broader impacts of such deals. The protocol consists of a set of open-ended questions, organized into the following themes:

a. Understanding of success factors in large financial deals

b. Perceptions of economic, social, and environmental impacts of M&A transactions

c. Experiences with and challenges in assessing the holistic impact of deals

d. Views on stakeholder engagement and integration of stakeholder perspectives

e. Insights on the Veolia Suez case study (if applicable)

f. Recommendations for improving the evaluation and management of large financial deals

The interview questions are designed to be flexible and adaptable, allowing for the exploration of emergent themes and the pursuit of relevant lines of inquiry based on the participants' responses.

5.5 Data Analysis

The data collected through the semi-structured interviews are analyzed using a thematic analysis approach. Thematic analysis is a qualitative data analysis method that involves identifying, analyzing, and reporting patterns or themes within the data set.

The analysis process begins with the detailed notes taken during the interviews, followed by a familiarization with the data through multiple readings of the notes. The next step involves the coding of the data, which entails assigning labels or codes to meaningful segments of the text that capture relevant ideas, concepts, or themes.

The coded data are then organized into potential themes, which are reviewed and refined through an iterative process to ensure their coherence, consistency, and relevance to the research objectives. The final themes are defined and named, and significant learnings from the interviews are selected to illustrate and support each theme.

The thematic analysis approach is justified in relation to the research objectives and theoretical framework, as it allows for the identification of patterns and insights that can inform the development and refinement of the holistic evaluation framework. The emergent themes from the interviews can be compared and integrated with the theoretical concepts and dimensions identified in the literature review, thus enhancing the robustness and practical applicability of the proposed framework.

5.6 Ethical Considerations

This study adheres to strict ethical guidelines to ensure the protection of participants' rights, privacy, and well-being. The following ethical considerations are addressed:

a. Informed Consent: All participants have talked about the purpose, procedures, risks, and benefits of the study.

b. Confidentiality: Participants' identities are kept confidential throughout the research process. Information are anonymized using pseudonyms or codes to protect participants' privacy.

c. Data Protection: All data collected during the study are securely stored in password-protected files and accessible only to the researcher.

d. Voluntary Participation: Participants are informed that their participation in the study is entirely voluntary, and they have the right to withdraw at any point without any adverse consequences.

e. Risk Assessment: The study is designed to minimize any potential risks or discomforts to participants. The interview questions are carefully crafted to avoid sensitive or potentially distressing topics, and participants are provided with the opportunity to skip questions or terminate the interview if they feel uncomfortable.

The ethical considerations outlined above are essential to ensure the integrity of the research process and the protection of participants' rights and well-being. By adhering to these ethical guidelines, the study aims to generate reliable and trustworthy insights while maintaining the highest standards of research ethics.

5.7 Limitations and Constraints

Despite the rigorous design and execution of the research methodology, certain limitations and constraints are acknowledged:

a. Sample Size: While the study aims to recruit a diverse sample of participants, the sample size may be limited by factors such as availability, willingness to participate, and time constraints. The findings from the interviews may not be fully representative of all professionals involved in large financial deals and impact assessment.

b. Subjectivity: The qualitative nature of the interviews may introduce a degree of subjectivity in the data collected, as participants' responses are based on their personal experiences, perceptions, and biases. The researcher's own interpretations and biases may also influence the analysis and presentation of the findings.

c. Case Study Specificity: The Veolia Suez case study, while providing valuable insights, may not be fully representative of all large financial deals across different industries and contexts. The findings from this specific case may have limited generalizability to other transactions.

d. Access to Information: The study relies on publicly available information and the insights shared by interview participants. Certain aspects of the Veolia Suez case study or other relevant transactions may not be accessible due to confidentiality or legal restrictions, thus limiting the depth and breadth of the analysis.

These limitations and constraints are acknowledged and considered throughout the research process. Efforts are made to mitigate their impact by ensuring a transparent and reflexive approach to data collection, analysis, and interpretation. The limitations will also be explicitly discussed in the presentation of the findings and the conclusions drawn from the study.

In conclusion, this chapter has outlined the research methodology employed in this study, which combines a comprehensive literature review with qualitative interviews to develop a holistic framework for evaluating the impact of large financial deals. The mixed-method approach, participant selection criteria, interview protocol, data analysis techniques, and ethical considerations have been detailed and justified in relation to the research objectives and theoretical framework.

While acknowledging the limitations and constraints of the study, the chosen methodology is designed to generate rich, nuanced insights that can inform the development of a more comprehensive and practically relevant framework for assessing the holistic impact of large financial transactions. The findings from this study are expected to contribute to the advancement of knowledge and practice in the field of M&A impact assessment and to provide valuable guidance for decision-makers, policymakers, and stakeholders involved in such transactions.

6. Case Study: Veolia Suez

This chapter presents an in-depth case study of the proposed merger/acquisition deal between Veolia and Suez, two major players in the water and waste management industry. The case study aims to apply the holistic evaluation framework developed in the previous chapters to assess the potential economic, societal, and environmental impacts of the deal. By analyzing the financial aspects, stakeholder perspectives, and broader consequences of the transaction, this case study seeks to demonstrate the practical application of the proposed framework and provide insights into the complexities and challenges of evaluating large financial deals.

6.1 Background Information on Veolia and Suez

Veolia and Suez are two French multinational corporations with a long history of operations in the water and waste management industry. Both companies have a significant global presence, serving millions of customers across numerous countries.

Veolia, founded in 1853, has grown to become a leading provider of water, waste, and energy management solutions. The company operates in three main business segments: water, waste, and energy. Veolia's water division manages water and wastewater services for municipal and industrial clients, while its waste division provides waste collection, treatment, and recycling services. The energy division focuses on energy efficiency solutions and renewable energy production.[1]

Suez, established in 1858, has a similar profile to Veolia, with operations in water and waste management. The company's water division provides drinking water and wastewater treatment services to municipalities and industries, while its waste division offers waste collection, sorting, recycling, and disposal services. Suez also has a presence in the renewable energy sector, particularly in the production of energy from waste.[2]

Both Veolia and Suez have played significant roles in shaping the water and waste management industry, pioneering new technologies, and expanding their operations through organic growth and acquisitions. The two companies have a long-standing competitive relationship, often vying for the same contracts and markets.

6.2 Financial Aspects of the Proposed Deal

In August 2020, Veolia announced its intention to acquire a 29.9% stake in Suez from Engie, a French energy company, as a first step towards a full merger. The proposed transaction valued Suez at approximately €11 billion. Veolia's initial offer was met with resistance from Suez's management, who viewed the unsolicited bid as hostile and undervalued.

The financial rationale behind Veolia's pursuit of Suez was based on several factors, including:

a. Synergies: Veolia estimated that the combination of the two companies could generate significant cost synergies, primarily through the optimization of operations, procurement, and administrative functions.

b. Market Consolidation: The merger would create a global leader in the water and waste management industry, with enhanced market power and a more comprehensive service offering.

c. Growth Opportunities: The combined entity would be well-positioned to capitalize on growth opportunities in emerging markets and to address global challenges such as climate change, resource scarcity, and urbanization.[3]

However, the proposed deal also raised concerns about the potential impacts on competition, employment, and service quality. Critics argued that the merger could lead to reduced competition, job losses, and potential price increases for consumers.[4]

6.3 Potential Economic Impacts

The proposed Veolia Suez merger has significant potential economic impacts on various stakeholders:

a. Shareholders: The merger could create value for shareholders of both companies through the realization of synergies, increased market power, and enhanced growth prospects. However, the terms of the deal and the allocation of benefits between the two sets of shareholders were subjects of intense negotiation and controversy.

b. Employees: The merger raised concerns about potential job losses, particularly in overlapping functions and geographies. While Veolia pledged to maintain employment levels, unions and employee representatives expressed skepticism and feared that the deal could lead to workforce reductions and deteriorating working conditions.

c. Consumers: The merger's impact on consumers was a key point of contention. Critics argued that the increased market concentration could lead to higher prices and reduced service quality, particularly in regions where Veolia and Suez had significant overlaps (no incentives to deliver a better service as the combined entity would not have serious competition anymore). Advocates of the deal, however, maintained that the merger would enable investments in innovation and infrastructure and share respective technical knowledge, ultimately benefiting consumers.

d. Suppliers and Subcontractors: The merger could have mixed impacts on suppliers and subcontractors. On one hand, the combined entity's increased bargaining power could put pressure on suppliers to reduce prices. On the other hand, the merger could create new opportunities for suppliers to expand their business with a larger, more globally integrated client.

6.4 Societal Consequences

The Veolia Suez merger also has significant societal consequences, particularly in terms of environmental sustainability, social equity, and community well-being:

a. Environmental Sustainability: Both Veolia and Suez have made commitments to environmental sustainability, investing in technologies and solutions to address challenges such as water scarcity, waste reduction, and renewable energy production. The merger could potentially accelerate progress towards these goals by combining the companies' expertise, resources, and innovation capabilities. However, critics raised concerns that the increased market power of the combined entity could reduce incentives for environmental innovation and lead to a focus on short-term profitability over long-term sustainability.

b. Social Equity: The merger's impact on social equity was a concern, particularly in developing countries where Veolia and Suez have significant operations. Critics argued that the merger could lead to reduced access to affordable water and sanitation services for low-income communities, as the combined entity may prioritize profitability over social responsibility. Advocates of the deal, however, maintained that the merger could enable investments in infrastructure and service expansion, ultimately improving access and quality of services for all.

c. Community Well-being: The merger's impact on communities was a complex issue, with potential benefits and risks. On one hand, the combined entity's increased resources and expertise could enable investments in community development projects, such as education, health, and environmental initiatives. On the other hand, the merger could lead to reduced local control over water and waste services, potentially undermining community participation and decision-making.

6.5 Stakeholder Perspectives

The Veolia Suez merger attracted significant attention and generated diverse perspectives from various stakeholders:

a. Government Regulators: Regulatory authorities, particularly in France and the European Union, closely scrutinized the proposed merger for its potential impacts on competition, employment, and public interest. The French government, which had a stake in both companies, played a key role in negotiating the terms of the deal and ensuring that public interest considerations were addressed.

b. Environmental Groups: Environmental organizations expressed mixed views on the merger. Some groups saw the potential for the combined entity to accelerate progress towards sustainability goals, while others feared that the increased market power could reduce incentives for environmental innovation and lead to a focus on short-term profitability over long-term sustainability.

c. Local Communities: Local communities, particularly in regions where Veolia and Suez had significant operations, had varied reactions to the merger. Some communities welcomed the potential for increased investment and service improvements, while others feared reduced local control and potential job losses.

d. Unions and Employee Representatives: Unions and employee representatives were generally opposed to the merger, fearing potential job losses and deteriorating working conditions. They called for strong employment guarantees and the protection of workers' rights in the merger process.

The diverse perspectives of these stakeholders highlight the complexity of evaluating the holistic impact of large financial deals such as the Veolia Suez merger. The proposed holistic evaluation framework aims to provide a structured approach to consider these multiple viewpoints and assess the potential trade-offs and synergies between economic, societal, and environmental considerations.

In conclusion, the Veolia Suez case study provides a rich context to apply the holistic evaluation framework and assess the multidimensional impacts of a large financial deal in the water and waste management industry. By analyzing the financial aspects, potential economic impacts, societal consequences, and stakeholder perspectives, this case study demonstrates the practical application of the proposed framework and highlights the challenges and opportunities of conducting a comprehensive impact assessment.

The insights gained from this case study can inform the broader discourse on the role and responsibility of corporations in addressing societal and environmental challenges, and the importance of considering multiple stakeholder perspectives in the evaluation and decision-making process for large financial deals. The case study also underscores the need for a more inclusive and transparent approach to corporate governance, one that balances economic objectives with societal and environmental considerations.

As the water and waste management industry continues to evolve and face new challenges, the Veolia Suez case study offers valuable lessons for companies, policymakers, and stakeholders seeking to navigate the complex landscape of large financial deals and their holistic impacts. By embracing a more comprehensive and stakeholder-centric approach to impact assessment, the industry can work towards creating sustainable value for all stakeholders and contributing to the achievement of global sustainability goals.

7. Interviews

This chapter presents the findings from the qualitative interviews conducted with professionals from relevant fields such as finance, corporate governance, sustainability and stakeholder management.

The purpose of this section is to provide insights into the perspectives, experiences, and opinions of these experts regarding the holistic evaluation of large financial deals, particularly in the context of the Veolia Suez case study.

7.1 Interview Participants

The interview participants were all professional confronted daily to the business world and especially financial concerns: it included finance professionals (people working in corporates, funds, consulting firms and banks) and academics. Most of them were French as Veolia Suez is a French deal but there was also British and American interviewees. They all had for than 10 years of experience and had all handle relatively closely financial transactions. They have been working for long enough to have reflected on the impact of their work and to have seen some evolution on the way a company is evaluated.

7.2 Interview Themes and Findings

a. Perceptions of the traditional and redefined measures of success in large financial deals

They all valued deeply the way companies are valued currently. Some even have difficulties to imagine an impact of a deal that is not financial (mostly depends on the age of the interviewee). They all insisted on the addition of new regulations these last years in the way a deal must be evaluated. They also noticed an increase in due diligences work such as sustainability or IT diligences that did not exist before. Even if they were still focused on a very financial evaluation of the impact of a deal, they all recognized that it is going to evolve in the coming years but slowly. Some even mentioned that everything is financial; even if it does seem financial, if people look at it for now it is because of financial purpose in the end.

b. Views on the economic, societal, and environmental impacts of the Veolia Suez merger

They all believe Veolia Suez was very particular because its business is ESG. The way it recycles water and distributes or takes care of garbage is key for sustainability. The way, people have access to water after the merger, especially in emerging countries, depends a lot on the way they decide to handle the financial operation and what their objectives are. They also mentioned that there was no fear of monopolistic behavior that could be put pressure on the price of a key sector for the populations. The industry is fragmented so even the two biggest players will not be in a monopole situation if they combine. They also believed that selling Suez France made the competition more intense and insured against any price pressure. Concerning employment, they believed Suez France was once again a solution as headquarters were not combined and support functions were the most likely ones to be impacted.

c. Challenges and opportunities in assessing the holistic impact of large financial deals

One interviewee mentioned a very specific issue about trying to include extra-financial criteria to the valorization of a deal. This challenge is the fact that the financial markets do not value it at all. When a deal happens, the fact that it is socially, economically or sustainability good does not seem to have a real impact on the reaction of the market. Most of them mentioned, that the market will punish them if a deal is not ethical, sustainable or does not respect any other ESG criteria but the market does not really reward them for having a good impact. They said it is an issue because companies lack incentives to take a more holistic approach to valorizing the impact of a deal as they will not get any financial benefit from it on the market, which is the main driver in a capitalist system. A point mentioned by another interview is that bankers do not have the tools right now to evaluate other impacts that the financial impact of a deal. He mentioned that this typically works as 2-steps job: first evaluating financially and then adjusting by looking at some other criteria. He also commented that bankers are here for the financial part and then valorizing should not only be a the banker's job or the banker's job should change to incorporate more aspects of a deal.

Another interesting point mentioned is the fact that everything is already included in the Business Plan, not only financial considerations or financial considerations just as a metric to measure everything else: societal impact, environmental impact. This interviewee reflected that financial metrics are just a measure of everything else a company is valued for.

In terms of opportunities, they mention that the due diligences they are doing right now and did not use to do are extremely helpful. Their cost is really small compared to the benefits (social, economical but mostly financial) that they can give. Funds for instance consider as a necessary investment, it allows to anticipate possible issues and to make a better assessment when evaluating an investment opportunity. They can also start to redact a cost plan post-closing of the transaction.

d. Perspectives on stakeholder engagement and the integration of stakeholder concerns

Some regulations make them take into account different stakeholders when valorizing a deal. Buy-side do it for instance because they do not want to buy a company that have employees who have issues (like do a lot of strikes). They also mentioned the State has an important stakeholder when evaluating the deal. It is especially the case for Veolia Suez, or other French deals they mentioned: the nationalization of a part of Atos, the nationalization of EDF or the privatization of a part of the audiovisual rights of the French soccer league (LFP). In France, they need to deal before investing with an entity called the "Work Council".

Another very important stakeholder is obviously the shareholders. They mentioned the majority shareholder of course but they also put a specific focus on the minority shareholders. Investors make sure minority shareholders are aligned with the majority shareholders. They do not want to get involved in a legal war so they want everyone to be on board with the project. Another stakeholder, one of the interviewee mentioned is the client or clients. When the company changes of owner, they have the right to go away. The interviewee mentioned that it is very important to make sure the clients are on board, especially when a company has few but very big clients. Losing one client could change the whole rational of the deal so making sure they agree with the deal and want to stay is extremely important financially speaking. None of them mentioned the community around the company (local population, family of the employees) as relevant stakeholders to take into account for the valorization of a deal.

e. Recommendations for improving the evaluation and management of large financial deals

They believe that what now is important is for instance the IRR (a way to valorize financially a company) but not only that. Investors talked a lot about the risk reward couple. They said they could accept a lower IRR (reward) if the risk was lower. Risk can often be societal, economical or about sustainability: that is also why regulations are emerging and due diligences are increasing sharply (to evaluate this risk).

7.3 Synthesis and Interpretation

The findings from the interviews provide valuable insights into the importance and challenges of conducting holistic impact assessments for large financial deals, particularly in the context of the Veolia Suez case study. By synthetizing and interpreting these findings, we can contribute to a more comprehensive understanding of the evaluation process and inform the application of the theoretical framework.

The key takeaways from the interviews regarding the importance and challenges of holistic impact assessment are:

- Holistic impact assessment is crucial for understanding the true value and consequences of large financial deals, beyond short-term financial metrics. The issue is that right now it is valorized correctly by the financial markets. Interviewees mentioned the short term vision of financial markets, looking for immediate gains, as an issue. One the interview mentioned the idea of introducing a premium on financial markets for a deal that has a positive impact for society. Concerning green bonds and other financial incentives to have a positive impact already existing, they did not seem to believe the incentive is strong enough. They still mentioned that caring about your impact onto the world today will have long term financial benefits (more resistant to regulations, ahead of future trends). They believe companies looking towards the future and caring about their environment will be more resilient. However they insisted on the fact that short term matters and this is not valued at all in the short term for now.
- Stakeholder engagement and the consideration of diverse perspectives are essential for conducting comprehensive impact assessments and making informed decisions. Interviewees talked about caring about all stakeholders to avoid future costs due to interest alignment issues with certain stakeholders. Most interviewees still see it with a financial end (avoiding costs) and not only as caring about your community as an end goal for a deal. Once again, the issue seems to be that it is not valorized them by the markets. If it was they would care. Which leads to another point: they would care if

the markets care because they could get financial gains from it, which once again results to the same idea that deals have only a financial purpose. Only deals involving the government seems to have a different purpose. Perhaps because the government has less profit limitations to comply by compared to companies who need to make profits to survive. This leads to another question: is making profit the only goal of a company? Making enough profit would then be a way to get free from this injunction and takes care of the community and other issues. Interviewees mentioned billionaires investing their own money for the greater good by creating foundations (with their company or their own money they earned thanks to their work). Another important point mentioned by one of the interviewee is to care about the stakeholders from the whole supply chain. They mentioned how some companies like Hermès tend to integrate vertically (to preserve unique know-how or secure your supply chain like Total did for instance). The best practices they referred to engage stakeholders is to sell them a common project (not an acquisition, a merger), the idea of building together a ultra-performant company, a leader of tomorrow (when talking about large cap deals). Two interviewees mentioned the idea of insuring a smooth integration after the deal, which can only happen if all stakeholders are on board with the deal so they need highlight the importance to care about as many stakeholders as possible.

- Challenges in holistic impact assessment include the lack of standardized metrics, short-term focus, data availability and comparability, and the complexity of balancing multiple stakeholder interests. One specific challenge concerns stakeholder engagement. One interviewee mentioned that you often want to engage most stakeholders but that it is not always possible to engage many people during a transaction because of confidentiality issues. Once again, one main challenge to highlight and seems key to progress towards a holistic valorization of the impact of a deal is how financial markets value it. They need to start valorize it positively and not only negatively.

- Successful impact assessment requires a strategic approach, robust frameworks and metrics, leadership commitment, and a culture of transparency and accountability. Transparency and accountability are two key words for the interviewees. They mentioned it multiple times, especially when talking about the stakeholders' engagement. Extensive due diligences and new regulations are also ways to make sure to assess more correctly the impact of a deal.

The findings support the assumptions and propositions of the theoretical framework as:

- The findings support the theoretical framework's emphasis on integrating economic, social, and environmental dimensions into the evaluation process, highlighting the need for a holistic approach to impact assessment
- The importance of stakeholder engagement and the consideration of diverse perspectives, as emphasized by the interviewees, aligns with the stakeholder theory and multi-stakeholder approach proposed in the framework
- The challenges identified in the interviews, such as the lack of standardized metrics and the difficulty in balancing multiple stakeholder interests, underscore the need for robust frameworks and methodologies, as suggested by the theoretical framework
- The findings also highlight the importance of systems thinking and considering the long-term implications of M&A deals, which is consistent with the propositions of the theoretical framework

The implications of the findings for the practice of impact assessment and decision-making in large financial deals are:

- Organizations need to develop comprehensive frameworks and metrics for evaluating the economic, social, and environmental implications of M&A deals, taking into account both quantitative and qualitative factors
- Sustainability and long-term value creation should be central considerations in M&A decision-making, recognizing the growing importance of ESG factors and the need to contribute to global goals such as the SDGs
- Effective impact assessment requires a culture of transparency, accountability, and continuous learning, with a willingness to adapt and improve practices based on stakeholder feedback and emerging best practices
- Decision-makers should prioritize stakeholder engagement and the incorporation of diverse perspectives throughout the M&A process to ensure a comprehensive understanding of the potential impacts and risks

The new insights and questions that emerge from the interviews are:

- The interviews highlight the need for further research on the development of standardized metrics and frameworks for holistic impact assessment, taking into account industry-specific factors and global sustainability goals
- The findings raise questions about the most effective strategies for balancing short-term financial pressures with long-term sustainability considerations in M&A decision-making
- The interviews also suggest the need for further exploration of the role of technology and data analytics in enhancing the quality and efficiency of impact assessment processes
- The Veolia Suez case study highlights the importance of considering the specific industry dynamics and regulatory contexts when evaluating the impact of large

financial deals, indicating the need for further research on sector-specific best practices and challenges

7.4 Limitations and Reflections

The interview process and findings provide valuable insights into the perspectives of professionals regarding the holistic evaluation of the impact of large financial deals. However, it is essential to acknowledge the limitations and challenges encountered during the interview process and reflect on their potential influence on the findings.

One of the main limitations of the interview process was the relatively small sample size. Due to factors such as availability, willingness to participate, and time constraints, the number of participants was limited to a select group of professionals. While efforts were made to ensure a diverse range of perspectives by including participants from different backgrounds and industries, the sample may not be fully representative of all professionals involved in large financial deals and impact assessment. This limitation could potentially affect the generalizability of the findings to the broader population of professionals in this field.

To mitigate this limitation, future research could aim to expand the sample size and diversity of participants. This could be achieved by allocating more time and resources to participant recruitment, leveraging professional networks and associations to identify potential interviewees, and offering incentives for participation. Additionally, conducting a larger-scale survey or questionnaire could help to validate and generalize the findings from the interviews to a broader population of professionals.

Another challenge encountered during the interview process was the potential for subjectivity and bias in the participants' responses. As the interviews relied on self-reported experiences, perceptions, and opinions, there is a risk that participants' responses may be influenced by their personal biases, motivations, or selective memory. Additionally, the researcher's own interpretations and biases may have inadvertently influenced the analysis and presentation of the findings, despite efforts to maintain objectivity and rigor in the research process.

To address this limitation, future research could employ techniques such as member checking, where participants are given the opportunity to review and validate the researcher's interpretations of their responses. This process can help to ensure that the findings accurately reflect the participants' perspectives and minimize the impact of researcher bias. Furthermore, involving multiple researchers in the data analysis and interpretation process could help to mitigate individual biases and enhance the reliability of the findings.

The specific focus on the Veolia Suez case study, while providing a rich context for exploring the complexities of evaluating the impact of large financial deals, may also present limitations in terms of generalizability. The findings and insights derived from this particular case study may not be fully applicable to other large financial deals across different industries and contexts. The unique characteristics and dynamics of the water and waste management industry, as well as the specific regulatory and cultural environment in which the Veolia Suez deal took place, may limit the transferability of the findings to other sectors or regions.

To mitigate this limitation, future research could explore multiple case studies across different industries and geographical contexts. This approach would allow for a more comprehensive understanding of the common themes, challenges, and best practices in evaluating the impact of large financial deals. Additionally, conducting comparative analyses between case studies could help to identify industry-specific factors and contextual influences that shape the impact assessment process.

Furthermore, the study relied primarily on publicly available information and the insights shared by interview participants. Certain aspects of the Veolia Suez case study or other relevant transactions may not have been accessible due to confidentiality or legal restrictions, potentially limiting the depth and breadth of the analysis. The lack of access to internal documents, decision-making processes, or confidential discussions among key stakeholders could have constrained the ability to fully capture the nuances and complexities of the impact assessment process.

To address this limitation, future research could seek to establish partnerships or collaborations with organizations involved in large financial deals, subject to appropriate confidentiality agreements. This approach could provide researchers with access to a wider range of internal documents and insights, enabling a more comprehensive analysis of the impact assessment process. Additionally, triangulating data from multiple sources, such as public reports, media coverage, and stakeholder testimonies, could help to corroborate and enrich the findings derived from the interviews and case study analysis.

Despite these limitations, several steps were taken to mitigate their impact on the research findings. The researcher aimed to ensure transparency and reflexivity throughout the data collection, analysis, and interpretation process. The limitations and challenges encountered were explicitly acknowledged and considered when drawing conclusions and making recommendations based on the findings. The researcher also sought to triangulate the interview findings with other sources of data, such as the literature review and case study analysis, to enhance the credibility and robustness of the insights.

Reflecting on the overall value and significance of the interviews for this research, it is evident that they provided a rich and nuanced understanding of the perspectives, experiences, and challenges faced by professionals in evaluating the impact of large financial deals. The interviews shed light on the evolving landscape of impact assessment, highlighting the growing recognition of the need for a more holistic approach that goes beyond purely financial considerations. The insights gained from the interviews also revealed the complex interplay of stakeholder interests, regulatory pressures, and societal expectations that shape the decision-making process in large financial transactions.

The interviews served as a valuable complement to the theoretical framework and case study analysis, providing real-world perspectives that both supported and challenged the assumptions and propositions of the research. The findings from the interviews highlighted the practical challenges and opportunities associated with implementing a holistic impact assessment framework, such as the need for standardized metrics, the importance of stakeholder engagement, and the role of leadership commitment in driving change.

Moreover, the interviews raised important questions and areas for further exploration, such as the development of industry-specific best practices, the alignment of short-term financial pressures with long-term sustainability goals, and the potential for technology and data analytics to enhance the impact assessment process. These insights can inform future research directions and contribute to the ongoing dialogue on responsible and sustainable business practices in the context of large financial deals.

In conclusion, while acknowledging the limitations and challenges encountered during the interview process, the value and significance of the interviews for this research cannot be overstated. The insights gained from the interviews provide a rich tapestry of perspectives and experiences that contribute to a more comprehensive understanding of the complexities and opportunities associated with evaluating the holistic impact of large financial deals. By implementing the suggested mitigation strategies, such as expanding the sample size and diversity, employing techniques to minimize bias, exploring multiple case studies, and seeking collaborations for access to internal data, future research can build upon the findings of this study and further advance knowledge and practice in the field of impact assessment. The findings from the interviews, in conjunction with the theoretical framework and case study analysis, offer a robust foundation for promoting more responsible and sustainable decision-making in the realm of corporate finance.

8. Results and Discussion

This chapter presents the findings of the Veolia Suez case study analysis and the insights gained from the qualitative interviews with professionals in the field. The results are organized according to the economic and societal dimensions of the holistic evaluation framework developed in this thesis. The implications of these findings are discussed in relation to the theoretical framework and existing literature, exploring the trade-offs, synergies, and unintended consequences associated with large financial deals like the Veolia Suez merger. Finally, key lessons learned and areas for future research are highlighted.

8.1 Economic Dimension

The case study analysis reveals that the proposed Veolia Suez merger has significant economic implications for various stakeholders. The financial aspects of the deal, such as the potential for cost synergies, market consolidation, and enhanced growth prospects, suggest that the merger could create value for shareholders of both companies. However, the terms of the deal and the allocation of benefits between the two sets of shareholders were subjects of intense negotiation and controversy.

The interviews with professionals in the field support these findings, with participants highlighting the importance of financial metrics and shareholder value creation in the evaluation of large financial deals. However, they also emphasize the need to consider the long-term sustainability of these benefits and the potential risks associated with market concentration and reduced competition.

The case study also highlights the potential economic impacts of the merger on other stakeholders, such as employees, consumers, suppliers, and subcontractors. While Veolia pledged to maintain employment levels, concerns were raised about potential job losses and deteriorating working conditions. Similarly, critics argued that the increased market concentration could lead to higher prices and reduced service quality for consumers, while advocates maintained that the merger would enable investments in innovation and infrastructure, ultimately benefiting consumers.

These findings align with the existing literature on the economic consequences of M&A deals, which emphasizes the importance of considering the distributional effects and potential trade-offs between different stakeholder groups (Conyon et al., 2002; Gugler & Yurtoglu, 2004). The interviews with professionals further underscore the complexity of balancing these competing interests and the need for a more comprehensive approach to evaluating the economic impacts of large financial deals.

8.2 Societal Dimension

The Veolia Suez case study analysis reveals significant societal consequences of the proposed merger, particularly in terms of environmental sustainability, social equity, and community well-being. Both companies have made commitments to environmental sustainability, and the merger could potentially accelerate progress towards these goals by combining their expertise, resources, and innovation capabilities. However, concerns were raised about the potential impact of increased market power on incentives for environmental innovation and the prioritization of short-term profitability over long-term sustainability.

The interviews with professionals highlight the growing importance of environmental, social, and governance (ESG) factors in the evaluation of large financial deals. Participants emphasize the need for a more holistic approach that considers the long-term societal and environmental implications of these transactions, beyond mere financial metrics. They also stress the importance of stakeholder engagement and the integration of diverse perspectives in the decision-making process.

The case study analysis also reveals potential social equity concerns, particularly in developing countries where Veolia and Suez have significant operations. Critics argued that the merger could lead to reduced access to affordable water and sanitation services for low-income communities, while advocates maintained that the merger could enable investments in infrastructure and service expansion, ultimately improving access and quality of services for all.

These findings resonate with the existing literature on the societal impacts of large financial deals, which emphasizes the importance of considering the distributional effects and potential trade-offs between economic and social objectives (Aktas et al., 2011; Deng et al., 2013). The interviews with professionals further highlight the challenges of balancing these competing priorities and the need for robust frameworks and metrics to assess the societal implications of M&A deals.

8.3 Synergies, Trade-offs, and Unintended Consequences

The Veolia Suez case study analysis and the insights from the interviews reveal the complex interplay of synergies, trade-offs, and unintended consequences associated with large financial deals. On one hand, the merger could potentially generate significant synergies, such as cost savings, market consolidation, and enhanced innovation capabilities, which could create value for shareholders and enable investments in infrastructure and sustainability initiatives. On the other hand, the increased market power of the combined entity could lead to reduced competition, job losses, and potential price increases for consumers.

The interviews with professionals highlight the importance of considering these trade-offs and unintended consequences in the evaluation of large financial deals. Participants emphasize the need for a more nuanced and context-specific approach that takes into account the specific industry dynamics, regulatory environments, and stakeholder concerns. They also stress the importance of scenario planning and sensitivity analysis to assess the potential risks and opportunities associated with different outcomes.

These findings align with the existing literature on the complexities and challenges of evaluating the holistic impact of large financial deals (Razul et al, 2024; Teti et al., 2022). The case study analysis and the insights from the interviews underscore the need for a more comprehensive and integrated approach that considers the interrelationships between economic, social, and environmental factors and the potential for unintended consequences.

8.4 Lessons Learned and Future Research

The Veolia Suez case study and the insights from the interviews offer valuable lessons for the evaluation and management of large financial deals from a holistic perspective. First, they highlight the importance of adopting a multi-stakeholder approach that considers the interests and concerns of various stakeholder groups, beyond mere shareholders. Second, they emphasize the need for a long-term perspective that balances short-term financial objectives with long-term sustainability and societal well-being. Third, they underscore the importance of robust frameworks and metrics that integrate economic, social, and environmental dimensions and enable a more comprehensive assessment of the impact of these transactions.

The findings also point to several areas for future research. First, there is a need for further development and refinement of standardized metrics and frameworks for holistic impact assessment, taking into account industry-specific factors and global sustainability goals. Second, future research could explore the role of technology and data analytics in enhancing the quality and efficiency of impact assessment processes. Third, there is a need for more comparative studies that examine the impact of large financial deals across different sectors, geographies, and regulatory environments, to identify best practices and common challenges.

In conclusion, the results and discussion presented in this chapter highlight the complex and multifaceted nature of evaluating the impact of large financial deals from a holistic perspective. The Veolia Suez case study and the insights from the interviews underscore the importance of adopting a more comprehensive and integrated approach that considers the interrelationships between economic, social, and environmental factors and the potential for unintended consequences. The lessons learned and areas for future research identified in this chapter provide valuable guidance for practitioners, policymakers, and researchers seeking to enhance the evaluation and management of large financial deals in a way that promotes sustainable value creation for all stakeholders.

9. Conclusion

This thesis has explored the critical need for reimagining the impact assessment of large financial deals, advocating for a more comprehensive and holistic evaluation framework that considers not only financial factors but also the broader economic, societal, and environmental consequences. By developing a novel theoretical framework, conducting a thorough literature review, analyzing the Veolia Suez case study, and gathering insights from qualitative interviews with industry professionals, this research has shed light on the complexities, challenges, and opportunities associated with evaluating the multidimensional impact of M&A transactions.

The main findings of this study, as discussed in the Results and Discussion chapter, underscore the importance of adopting a holistic approach to impact assessment, one that integrates economic, social, and environmental dimensions and takes into account the perspectives of diverse stakeholders. The Veolia Suez case study demonstrated the practical application of the holistic evaluation framework, revealing the complex interplay of economic, societal, and environmental factors in a real-world context. The analysis exposed the potential trade-offs, synergies, and unintended consequences that can arise from such transactions, emphasizing the need for robust stakeholder engagement, long-term value creation, and a commitment to sustainable development.

The insights gained from the qualitative interviews with industry professionals further reinforced the significance of holistic impact assessment, while also shedding light on the practical challenges and opportunities associated with its implementation. Interviewees highlighted the growing recognition of the importance of ESG factors and the need for more comprehensive due diligence processes, while also acknowledging the persistent short-term focus of financial markets and the lack of standardized metrics for evaluating non-financial impacts.

The implications of these findings for theory and practice are substantial. From a theoretical perspective, this research contributes to the growing body of literature on responsible and sustainable finance, offering a novel framework that integrates diverse disciplinary perspectives and advances our understanding of the holistic impact of M&A transactions. The study also highlights the need for further research on industry-specific best practices, the development of standardized metrics and reporting frameworks, and the potential of technology and data analytics to enhance impact assessment processes.

From a practical standpoint, the findings of this study have significant implications for businesses, policymakers, and other stakeholders involved in large financial deals. For businesses, the research underscores the importance of embedding holistic impact assessment into core decision-making processes, engaging proactively with diverse stakeholders, and aligning short-term financial objectives with long-term sustainability goals. The study also highlights the need for strong leadership commitment, organizational culture change, and the development of robust internal capabilities for conducting comprehensive impact evaluations.

For policymakers, the research suggests the need for more proactive and targeted interventions to promote responsible and sustainable finance practices. This could include the development of regulatory frameworks that mandate comprehensive impact reporting, the provision of incentives for businesses that prioritize ESG considerations, and the promotion of multi-stakeholder collaboration and knowledge sharing. Policymakers can also play a crucial role in fostering the development of standardized metrics and methodologies for holistic impact assessment, ensuring comparability and transparency across industries and jurisdictions.

Other stakeholders, such as investors, civil society organizations, and local communities, can also benefit from the insights generated by this research. Investors can use the holistic evaluation framework to inform their investment decisions, engaging more actively with companies on ESG issues and promoting responsible stewardship practices. Civil society organizations can leverage the findings to advocate for greater corporate accountability and transparency, while local communities can use the framework to articulate their concerns and expectations regarding the impact of large financial deals on their well-being and environment.

Looking ahead, the future research directions emerging from this study are numerous and promising. One key area for further exploration is the development of a comprehensive set of holistic success factors for large financial deals, taking into account the specific challenges and opportunities of different industries and geographic contexts. This could involve the identification of best practices in stakeholder engagement, the development of industry-specific metrics and benchmarks, and the analysis of successful case studies that demonstrate the value of holistic impact assessment.

Other potential avenues for future research include the examination of the role of technology and data analytics in enhancing impact assessment processes, the exploration of the links between holistic impact assessment and long-term financial performance, and the investigation of the potential for integrating holistic impact considerations into regulatory and policy frameworks at the national and international levels.

In conclusion, this thesis has provided a compelling case for reimagining the impact assessment of large financial deals from a holistic perspective. By developing a novel theoretical framework, analyzing a high-profile case study, and gathering insights from industry professionals, the research has shed light on the complexities, challenges, and opportunities associated with evaluating the multidimensional impact of M&A transactions.

The findings of this study, as discussed in the Results and Discussion chapter, have important implications for businesses, policymakers, and other stakeholders, highlighting the need for more comprehensive and inclusive approaches to impact assessment, stronger leadership commitment to sustainable value creation, and more proactive and targeted policy interventions to promote responsible finance practices.

As the world continues to grapple with pressing social and environmental challenges, the importance of holistic impact assessment in large financial deals will only continue to grow. By embracing the insights and recommendations of this research, businesses, policymakers, and other stakeholders can work together to build a more sustainable, equitable, and resilient future, one in which the success of large financial deals is measured not only by their financial returns but also by their broader contributions to the well-being of people and the planet.

Another research direction would then be to assess the key holistic success factors for evaluating the impact a large financial deal or even key holistic success factors of a M&A deal. Some factors that have seemed to emerge are:

- Comprehensive stakeholder engagement: Actively involving and considering the perspectives of all relevant stakeholders, including employees, customers, suppliers, local communities, regulators, and civil society organizations.
- Long-term value creation: Focusing on creating sustainable value over the long term, taking into account the potential risks and opportunities associated with ESG factors and the changing expectations of society.

- Robust impact measurement and reporting: Developing and implementing comprehensive metrics and reporting frameworks for measuring and communicating the holistic impact of the deal, including both financial and non-financial indicators.
- Strong leadership commitment: Demonstrating visible and sustained leadership commitment to responsible and sustainable finance practices, setting the tone from the top and embedding holistic impact considerations into core decision-making processes.
- Collaborative partnerships: Engaging in collaborative partnerships with industry peers, policymakers, academia, and civil society organizations to share knowledge, develop best practices, and drive systemic change towards more sustainable and responsible finance.
- Adaptive and resilient strategies: Developing adaptive and resilient business strategies that can respond effectively to the dynamic and uncertain context of large financial deals, taking into account the potential for disruptive events and the need for continuous learning and improvement.
- Alignment with global sustainability goals: Aligning the objectives and outcomes of the deal with global sustainability goals, such as the United Nations Sustainable Development Goals (SDGs), and contributing positively to the broader agenda of sustainable development.
- Transparency and accountability: Maintaining high levels of transparency and accountability throughout the deal process, regularly communicating with stakeholders and the public about the progress, challenges, and outcomes of the transaction.

- Integration of ESG considerations: Systematically integrating ESG considerations into all aspects of the deal process, from initial screening and due diligence to post-merger integration and long-term value creation.
- Continuous improvement and learning: Fostering a culture of continuous improvement and learning, regularly reviewing and updating impact assessment processes based on new insights, feedback from stakeholders, and emerging best practices in the field.

Finally, as a parting thought, looking toward the future, data science and AI could play a significant role in improving the evaluation of the impact of M&A deals. By leveraging advanced data analytics and machine learning techniques, companies can process and analyze vast amounts of structured and unstructured data to gain a more comprehensive understanding of the potential consequences of a deal.

AI-powered tools could help filter and prioritize the most relevant criteria for assessing the economic, societal, and environmental impacts of a transaction. For example, natural language processing algorithms could be used to analyze news articles, social media posts, and stakeholder feedback to identify key concerns and sentiment around a proposed deal. Predictive modeling could forecast the likely outcomes of a merger or acquisition across various dimensions, such as market share, job creation or loss, carbon emissions, and community well-being.

Moreover, AI could enable real-time monitoring and adjustment of integration strategies post-deal, allowing companies to quickly adapt to changing circumstances and stakeholder needs. By continuously collecting and analyzing data on the performance and impact of the merged entity, AI systems could provide early warning signs of potential issues and suggest corrective actions.

However, it is important to recognize that while data science and AI can be powerful tools for enhancing the evaluation of M&A deals, they are not a panacea. The insights generated by these technologies are only as good as the data they are trained on and the assumptions underlying their models. Human judgment, expertise, and ethical considerations will always be essential in interpreting and acting upon the outputs of AI systems.

Furthermore, as the thesis has emphasized, the pursuit of a truly holistic evaluation of M&A impact is an ongoing journey rather than a final destination. As new social, environmental, and governance issues emerge and societal expectations evolve, companies must continually refine and expand their assessment frameworks. Regularly engaging with diverse stakeholders, staying attuned to shifting industry dynamics, and embracing a culture of continuous learning and improvement will be key to keeping pace with the complexities of evaluating M&A deals in an ever-changing world.

Ultimately, by combining the power of data science and AI with human insight, empathy, and adaptability, companies can strive toward a more comprehensive and responsible approach to M&A decision-making – one that creates lasting value for shareholders while also contributing to a more sustainable, equitable, and resilient future for all.

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11. Appendix

11.1 Interviews’ structure (list of questions asked)

1. **Background and Expertise**

   a. Can you briefly introduce yourself and your professional background ?

   b. What experiences or insights do you bring to the table regarding the evaluation of economic and societal consequences of large financial deals?

2. **Perspectives on Impact**
   a. How do you define the concept of "impact" in the context of large financial deals (M&A)?
   b. What criteria or metrics do you consider most important when evaluating the economic and societal consequences of such deals?
   c. From your experience, what are some common challenges or limitations associated with current practices in impact assessment?
3. **Stakeholder Engagement and Perspectives**
   a. How important is stakeholder engagement in the evaluation process of large financial deals?
   b. Can you provide examples of key stakeholders typically involved in such evaluations, and how their perspectives are taken into account?
   c. What strategies or best practices do you recommend for effectively engaging stakeholders and incorporating their perspectives into impact assessments?
4. **Decision-Making Processes**
   a. How are decisions regarding large financial deals typically made within organizations, considering economic, environmental and social factors?
   b. What role do financial considerations play compared to non-financial considerations in the decision-making process? What role do you think it should play?
   c. Are there specific frameworks or methodologies that you find particularly useful in guiding decision-making around impact assessment?
5. **Sustainability and Long-term Value Creation**
   a. How do considerations of sustainability and long-term value creation factor into the evaluation of economic and societal consequences of large financial deals?

b. In your opinion, what are the potential risks or opportunities associated with prioritizing sustainability in financial decision-making?
c. Can you share examples of successful cases where sustainability considerations have been integrated effectively into the evaluation process?

6. **Challenges & Opportunities**
    a. What are some of the main challenges or obstacles that organizations face when trying to conduct holistic evaluations of economic and societal impacts?
    b. Conversely, what opportunities or benefits can organizations derive from adopting a more comprehensive approach to impact assessment?
    c. Are there any emerging trends or developments in the field of impact assessment that you believe will shape future practices?
7. **Lessons Learned and Recommendations**
    a. Based on your experiences, what are some key lessons learned or insights gained regarding the evaluation of economic and societal consequences of large financial deals?
    b. What recommendations or advice would you offer to organizations seeking to improve their practices in this area?
    c. Looking ahead, what do you see as the future direction of impact assessment in the context of large financial deals?

Veolia Suez

1. **Background and Context**
    a. Can you provide an overview of your understanding of the Veolia Suez case, including the motivations behind Veolia's proposed acquisition of Suez?
    b. How familiar are you with the industries and markets in which Veolia and Suez operate, particularly in the water and waste management sectors?
2. **Rationale for the Deal**
    a. From your perspective, what strategic rationale do you believe drove Veolia's decision to pursue the acquisition of Suez?
    b. How do you think this proposed deal aligns with Veolia's long-term business objectives and growth strategy?
3. **Economic Impact Assessment**

a. What are the economic consequences, both positive and negative, of the proposed Veolia Suez deal for stakeholders such as shareholders, employees, and customers?
b. How might this deal impact market competition and pricing dynamics within the water and waste management industries?

4. **Societal and Environmental Implications**
   a. How do you assess the potential societal and environmental impacts of the proposed Veolia Suez deal, considering factors such as environmental sustainability, community well-being, and stakeholder engagement?
   b. Are there specific social or environmental concerns associated with this deal that you believe warrant closer attention?
5. **Stakeholder Perspectives**
   a. What are the perspectives of various stakeholders, such as government regulators, environmental advocacy groups, and local communities, regarding the proposed Veolia Suez deal?
   b. How important is it for Veolia to engage with these stakeholders and address their concerns as part of the deal evaluation process?
6. **Integration and Synergies**
   a. How do you anticipate Veolia and Suez integrating their operations and realizing synergies if the deal were to proceed?
   b. Are there potential challenges or obstacles that Veolia may encounter during the integration process, and how might these be addressed?
7. **Risk Management and Mitigation**
   a. What risks do you perceive as being associated with the proposed Veolia Suez deal, and how should Veolia approach risk management and mitigation strategies?
   b. Are there specific regulatory or legal considerations that Veolia should take into account when evaluating this deal?
8. **Long-Term Value Creation**
   a. In your opinion, what are the potential long-term implications of the proposed Veolia Suez deal for both companies and their stakeholders?

b. How should Veolia assess the potential for creating sustainable value through this acquisition, beyond immediate financial gains?

9. Contingencies

a. How might Veolia adapt its strategic approach or pursue alternative growth opportunities in response to changing market conditions or stakeholder dynamics?

10. Lessons Learned and Recommendations

a. Based on your analysis of the Veolia Suez case, what lessons can other companies learn about the importance of conducting holistic evaluations of economic and societal consequences in large financial deals?

b. What recommendations would you offer to Veolia and other organizations seeking to enhance their practices in this area?