

Impact Factor: **7.8**

5-Year Impact Factor:

By clicking "Accept Non-Essential Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

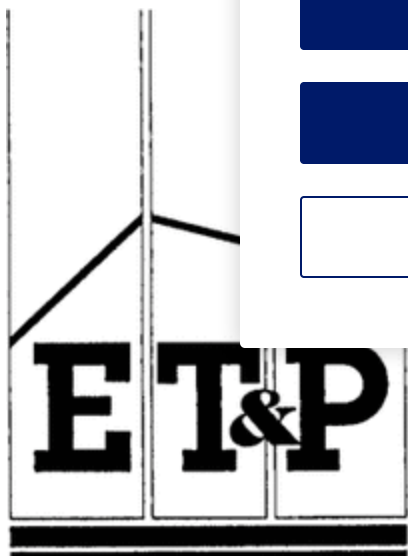
Accept Non-Essential Cookies

Reject Non-Essential Cookies

Manage Cookies

Contents

More



Harvesting and the Longevity of Management Buy-outs and Buy-ins: A Four-Country Study

Mike Wright
Ken Robbie
Yves Romanet
Steve Thompson
Robert Joachimsson
Johan Bruining
Artur Herst

The last decade has seen the development of a buy-out market in Europe, both building on techniques used initially in the US and developing new ones specific to individual countries (Wright, Thompson, & Robbie, 1992). The backgrounds to improvements arising from buy-outs can be seen in consideration of both agency cost theory and entrepreneurship theory (Bull, 1989). The latter may have particular relevance to smaller buy-outs where management teams typically have majority equity stakes. While much attention has focused on large transactions, many US and especially European buy-outs are relatively small. Indeed, in the UK, the second most developed

European buy-outs are relatively small. Indeed, in the UK, the second most developed buy-out market after the US, some 92% of transactions are completed for purchase prices of less than the approximate equivalent of \$20 million.

As buy-out markets have developed, both in Europe and the US, key attention has focused upon the longevity of such structures and the means and timing of harvesting investments by the parties concerned. Considerable debate has arisen concerning the length of time elapsing between the completion of the buy-out and the realization of conflicting views. For example, in the UK, the first buy-out was completed in 1989; Rappaport (1992) (reviewed and simplified since then) has argued that buy-outs are often completed by financiers, and managers in a variety of ways, as indicated by the following examples:

By clicking "Accept Non-Essential Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

Accept Non-Essential Cookies

Reject Non-Essential Cookies

Manage Cookies

90

and PRACTICE

Get full access to this article

View all access and purchase options for this article.

Get Access 

References

Bull I. (1989). Management performance in leveraged buy-outs: An empirical analysis. *Journal of Business Venturing*, 3(2), 263–278.

[Crossref](#)

[Google Scholar](#)

Chiplin B., Wright M., & Robbie K. (1992). *UK management buy-outs in 1992—Annual review from CMBOR*. Nottingham: CMBOR.

[Google Scholar](#)

Cooke T. (1988). *International mergers and acquisitions*. Oxford: Blackwell.

[Google Scholar](#)

Ennew C., Robbie K., Wright M., & Thompson S. (1992). *Entrepreneurial characteristics of buy-in managers and the link with post buy-in performance*. Paper presented at the Babson Entrepreneurship Conference, INSEAD, Fontainebleau, July 1992.

[Google Scholar](#)

Franks J., & Mayer C. (1990). Capital markets and corporate control: A study of France, Germany and the UK. *Economic Policy*, 10, (April), 191–231.

[Google Scholar](#)

Green S., & Berry D. (1991). *Cultural structural and strategic change in management buy-outs*. London: MacMillan.

[Google Scholar](#)

Heuze C. (1991). *Management buy-outs* (6th ed.). London: Economic

By clicking “Accept Non-Essential Cookies”, you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

Accept Non-Essential Cookies

Reject Non-Essential Cookies

Manage Cookies

[Google Scholar](#)

Jensen M. C. (1989). *Free cash flow and corporate performance*, 61–74.

[Google Scholar](#)

Joachimsson R. (1991). *Management buy-outs* (6th ed.). London: Economic

[Google Scholar](#)

Jones C. S. (1992). *Accounting, Organisations and Society*, 17(2), 151–166.

[Crossref](#)

[Google Scholar](#)

Kaplan S. (1991). The staying power of leveraged buyouts. *Journal of Financial Economics*, 29, 287–313.

[Crossref](#)

[Google Scholar](#)

Kelly J. M., Pitts R. A., & Shin B. (1986). Entrepreneurship by leveraged buy-out: Some preliminary hypotheses. In Ronstadt R., Hornaday J. A., Peterson R., and Vesger K. H. (Eds.), *Frontiers of entrepreneurship research*, pp. 281–292. Wellesley, MA: Babson College.

[Google Scholar](#)

Malone S. (1989) Characteristics of smaller company leveraged buy-outs. *Journal of Business Venturing*, 4(3), 349–359.

[Crossref](#)

[Google Scholar](#)

MacMillan I., Kulow D., & Khoylan R. (1989). Venture capitalists’ involvement in their investments: Extent and performance. *Journal of Business Venturing*, 4(1), 27–47.

[Crossref](#)

[Google Scholar](#)

Mueller D. (1988). The corporate life-cycle. In Thompson S., & Wright M. (Eds.), *Internal organisation, efficiency and profit*, ch. 3. Oxford: Philip Allan.

[Google Scholar](#)

Rappaport A. (1990). The staying power of the public corporation. *Harvard Business Review*, Jan/Feb., 96-104.

[Google Scholar](#)

Robbie K., Wright M. & Thompson S. (1990). Management buy-outs in the UK. *Journal of Business Finance & Accounting*, 17(4), 445-456.

[Crossref](#)

[Google Scholar](#)

Ronstadt R. (1986). The impact of retirement. *Journal of Financial Economics*, 14(1), 1-15.

[Crossref](#)

[Google Scholar](#)

Sahlman W. (1990). The economics of venture capital. *Journal of Financial Economics*, 27(2), 47-78.

[Crossref](#)

[Google Scholar](#)

Singh H. (1990). Management buy-outs and shareholder value. *Strategic Management Journal*, 11(5), 111-129.

[Google Scholar](#)

Sweeting R. (1991). Early-stage new technology-based business: Interactions with venture capitalists and the development of accounting techniques and procedures. *British Accounting Review*, 23, 3-21.

[Crossref](#)

[Google Scholar](#)

Thompson S., & Wright M. (Eds.). (1988). *Internal organisation, efficiency and profit*. Oxford: Philip Allan.

[Google Scholar](#)

Thompson S., & Wright M. (1991). UK management buy-outs: Debt, equity and agency cost implications. *Managerial and Decision Economics*, 12(1), 15-26.

[Crossref](#)

[Google Scholar](#)

Thompson S., Wright M., & Robbie K. (1990). Management buy-outs and privatisation: Ownership structure and incentive issues. *Fiscal Studies*, 11(3), 71-88.

[Crossref](#)

[Google Scholar](#)

Wright M., & Coyne J. (1985). *Management buy-outs*. Beckenham: Croom-Helm.

By clicking "Accept Non-Essential Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

Accept Non-Essential Cookies

Reject Non-Essential Cookies

Manage Cookies

[Google Scholar](#)

Wright M., & Desbrieres P. (1992). Buy-outs in France. *Acquisitions Monthly Buy-out Supplement*, October, 102-104.

[Google Scholar](#)

Wright M., & Robbie
Jenkins P. (Eds.), *The*

[Google Scholar](#)

Wright M., Thompsc
European evidence.

[Crossref](#)

[Google Scholar](#)

Wright M., Thompsc
management. Lond

[Google Scholar](#)

Wright M. (Ed.). (1991). *Economist guide to buy-outs* (5th ed.). London. ECONOMIST Publications.

[Google Scholar](#)

✕

By clicking "Accept Non-Essential Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

Accept Non-Essential Cookies

Reject Non-Essential Cookies

Manage Cookies

rierson J., &

eraged buy-outs:

egies in corporate

Similar articles:



Restricted access

[Institutionalizing College Networks for Student Success](#)

Show Details ▾



Restricted access

[The Focus of Entrepreneurial Research: Contextual and Process Issues](#)

Show Details ▾



Restricted access

[Small Business Entrepreneurs and Performance: Evidence from Management Buy-ins](#)

Show Details ▾

[View More](#)

Sage recommends:

SAGE Knowledge

Video

[Fundraising Consult](#)

Show Details ▾

SAGE Knowledge

Book chapter

[Inspirational Leader](#)

Show Details ▾

SAGE Knowledge

Book chapter

[Environmental Man](#)

Show Details ▾

By clicking "Accept Non-Essential Cookies", you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

Accept Non-Essential Cookies

Reject Non-Essential Cookies

Manage Cookies

You currently have no access to this content. Visit the [access options](#) page to authenticate.

[Download PDF](#)

Also from Sage

CQ Library

Elevating debate

Sage Data

Uncovering insight

Sage Business Cases

Shaping futures

Sage Campus

Unleashing potential

Sage Knowledge

Sage Research Methods

Sage Video

Technology from Sage

Str



S

By clicking “Accept Non-Essential Cookies”, you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. [Privacy Policy](#) [Cookie Policy](#)

Accept Non-Essential Cookies

Reject Non-Essential Cookies

Manage Cookies