

**APPENDICES**

**APPENDIX I. ROUND 1 QUESTIONNAIRE**

<b>FACSIMILE TRANSMITTAL SHEET</b>
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**TO:** **FROM:** Kyung-Hwan Kim

**COMPANY:** **DATE:**

**FAX NUMBER:** **SENDER'S FAX NUMBER:** (540) 961-4231

**TOTAL NO. OF PAGES INCLUDING COVER:** [8]

<b>RE:</b> Delphi Study: Round 1 Questionnaire
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*Notes/Comments:*

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May 15, 1998

Dear Mr.:

We are writing to ask for your assistance with a study we are conducting regarding mergers and acquisitions (M&A) in the lodging industry. Please regard this letter as an invitation to participate in this research exercise. We are requesting involvement of only a limited number of people, such as yourself, for this project. More specifically, the purpose of this research is to uncover the most critical success factors that impact the value adding potential of corporate acquisitions in the lodging industry. The results of this study will be used to contribute to an ongoing stream of research by the International Hotel and Restaurant Association (IH&RA) that is designed to build the industry's knowledge base on this important topic.

The Delphi technique is employed as the methodology for this research. This method utilizes a consensus building approach among individuals with recognized experience and advanced knowledge in a particular subject area. It is a recognized scientific method of gathering data pertaining to an important industry wide trend. This study will be conducted utilizing up to three rounds of questionnaires. Your participation will be needed in each round over the next three weeks. After finishing each round, we will send you a summary of the results of your input and that of the other participants, along with the next round's questionnaire to answer.

The questionnaire is comprised of 60 critical success factors included in three phases of the corporate acquisition process: pre-acquisition management, post-acquisition integration, and post-acquisition performance evaluation. We would like to request that you rank these 60 factors in terms of their importance to the total acquisition process. If you feel that we have missed an important factor that you feel is critical, please list it in the blank space provided. We estimate that completing the questionnaire will take 10 to 15 minutes of your time. Please send the completed questionnaire by FAX (540-961-4231) by June 17, if possible, or sooner.

We recognize that you have many demands on your time. We also recognize that there is very limited information available to assist owners, investors, and other stakeholders in understanding the dynamics of this important industry phenomenon. Thus, we hope that you will give just a small bit of your very valuable time to assist in building the badly needed body of knowledge in this industry.

Sincerely,

Michael D. Olsen, Ph.D.  
Director of Research  
IHRA  
Paris, France

Kyung-Hwan Kim, Ph.D. Candidate  
Department of Hospitality & Tourism Management  
Virginia Tech  
Blacksburg, Virginia USA

June 11, 1998

Dear Mr.:

Recently we sent you a survey questionnaire, by Fax, regarding issues about mergers and acquisitions (M&A) in the lodging industry. We hope you have had time to look over the material. Your input is critical to validate what will be the first empirical study about the acquisition process in the lodging industry. We are depending upon your participation to identify accurately the most critical success factors that impact the value-adding potential of corporate acquisitions in the lodging industry. Please help support this research by completing the questionnaire.

If you haven't already filled out your questionnaire, would you please take a little time to do so? Your opinions are very important and will help guide us in improving the industry's knowledge base. Please send the completed questionnaire by FAX (540-961-4231) by June 5, if possible.

Thank you very much for your help.

Respectfully,

Kyung-Hwan Kim

P.S. If you need another copy of the questionnaire, please call or Fax me at 540-961-4231, and I will send you a copy immediately.

## INSTRUCTIONS

As mentioned in the cover letter, your feedback is requested to assist the lodging industry in providing practical knowledge for both practitioners and academics. Please take a few minutes to complete this survey. Each item is to be ranked according to the degree of importance you assign relative to each phase of the acquisition process. A score of one (1) represents least in importance (not relevant) and four (4), the item that is most important (relevant) to a successful acquisition as measured by its value adding result.

### What are the Acquisition Intents/Objectives?

In looking back over the past five years of acquisition activity in the lodging industry worldwide, how important have the following different motives and objectives been? (Please circle one number for each item).

1: Unimportant      2: Slightly Important      3: Important      4: Very Important

Intents/Objectives				
1. Accelerate growth of the acquiring company	1	2	3	4
2. Utilize synergistic attributes of the acquired company with reference to the acquiring company	1	2	3	4
3. Achieve the personal goals, vision, and particular objectives of the acquiring company's chief executive	1	2	3	4
4. Broaden the acquiring company's customer base by extending products and services (i.e., application of portfolio management, globalization)	1	2	3	4
5. Capture scale economies to save costs through combining two firms within an industry	1	2	3	4
6. Expand capacity at less cost than constructing new hotel properties	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4

## Pre-Acquisition Management

What are the most important factors in a successful acquisition deal that must be considered by hotel acquirers during the pre-acquisition management phase? Please rank the following factors in terms of their importance for consideration in the pre-acquisition management phase.

1: Unimportant      2: Slightly Important      3: Important      4: Very Important

<b>Information: A decision on the information necessary to purchase a target firm</b>				
7. Identify strategic relatedness between the acquirer and the target	1	2	3	4
8. Identify the target's distinctive cultural aspects compared to the acquiring company	1	2	3	4
9. Identify the trend of target's cash flow from operations	1	2	3	4
10. Identify the target's property locations of market served	1	2	3	4
11. Identify the trend of target's overall performance (i.e., occupancy, RevPAR, free cash flow, and ADR)	1	2	3	4
12. Identify the target's connectivity and compatibility with the acquirer's information systems infrastructure	1	2	3	4
13. Identify the target's capital structure and cost of capital	1	2	3	4
14. Identify the target's management fees and franchise fees	1	2	3	4
15. Identify the target's capital expenditure requirements (i.e., properties' potential renovation costs)	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
<b>Value: A decision on what the actual worth of the acquisition transaction should be</b>				
16. Identify potential financial synergy (i.e., lower cost of capital, lower tax rate)	1	2	3	4
17. Identify potential operating synergy (i.e., improved operating efficiency)	1	2	3	4
18. Identify potential managerial synergy (i.e., enhanced target's competitive position by transferring management expertise by the acquirer)	1	2	3	4
19. Identify potential demand for products/services of combined firm over the next five years	1	2	3	4
20. Identify potential improvements in brand & reputation	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4

<b>Price: A decision on the extent of financial resources expected for the acquisition deal</b>				
21. Amount of acquisition premium	1	2	3	4
22. Identify the fact that the present value of anticipated synergies will be greater than the premium paid	1	2	3	4
23. Bidding price is based upon the target's competitive position in the lodging industry	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
<b>Approach: A decision on the form and content of the acquisition deal regarding the relationship between the acquiring firm and the target firm</b>				
24. Mode of acquisition (i.e., merger, hostile takeover, etc)	1	2	3	4
25. Method of payment (i.e., cash, stock, etc)	1	2	3	4
26. Multiple bidders (i.e., contested bid)	1	2	3	4
27. Due diligence	1	2	3	4
28. Getting advice from best investment bankers	1	2	3	4
29. Broad involvement throughout of the acquirer's key staffs and employees in the planning of an acquisition	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4

## Post-Acquisition Integration

What are the most important factors for a successful acquisition deal that must be considered by hotel acquirers during the post-acquisition integration phase? Please rank the following factors in terms of their importance for consideration in the post-acquisition integration phase.

1: Unimportant      2: Slightly Important      3: Important      4: Very Important

<b>Approach: A decision on the development of effective post-acquisition transition management practices, particularly for immediately after the deal is completed</b>				
30. Establish a post-acquisition strategy early in the process	1	2	3	4
31. Determine the degree of post-acquisition integration (i.e., extensive, moderate, no interruption of the target's autonomy)	1	2	3	4
32. Develop a formal integration plan by top management teams of both companies	1	2	3	4
33. Move rapidly as planned	1	2	3	4
34. Inject new management people into the target firm immediately	1	2	3	4
35. Establish an effective communication strategy to keep the target's employees well informed	1	2	3	4
36. Provide sufficient resources for post-acquisition integration	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
<b>People: A decision on the effective management of the human component</b>				
37. Link compensation to improvements in cash flows	1	2	3	4
38. Immediate announcement of career influencing post-acquisition plans (i.e., key roles and responsibilities, layoff plans, etc)	1	2	3	4
39. Identify and retain key employees and managers of the target	1	2	3	4
40. Establish new performance appraisal programs	1	2	3	4
41. Establish new training and development programs	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4

<b>Culture: A decision on the effective integration of two different cultural systems</b>				
42. Differences in management style between merging firms	1	2	3	4
43. Degree of centralization and autonomy of the target's employees	1	2	3	4
44. Assimilate the acquirer's cultural systems (i.e., values, norms) into the target's culture	1	2	3	4
45. Establish a sense of unity between the two firms	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
<b>Organization: A decision to build a new and stronger organization</b>				
46. Establish an efficient resource allocation system	1	2	3	4
47. Establish procedures for building common tools, practices, processes, and languages	1	2	3	4
48. Establish appropriate internal mechanisms for transferring competencies and assets across the business units	1	2	3	4
49. Integration of information systems infrastructure between merging firms	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
<b>Strategy: A decision to achieve the strategic intent of the acquisition deal</b>				
50. Align acquisition intent and operating strategy	1	2	3	4
51. Identify a new set of opportunities for enhancement of competitive position of merged firm	1	2	3	4
52. Establish a new set of competitive methods (i.e., portfolios of products/services)	1	2	3	4
53. Establish new procedures for competitor analyses	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4



## Post-Acquisition Performance Evaluation

What are the most appropriate post-acquisition performance evaluation criteria for determining whether or not an acquisition in the lodging industry will be successful? Please rank the following factors in terms of their relevance for consideration in the post-acquisition performance evaluation.

1. Not Relevant      2. Slightly Relevant      3. Relevant      4. Very Relevant

	1	2	3	4
<b>Accounting Profits:</b>				
54. Accounting Profits (i.e., ROE, ROI, ROA, ROS)	1	2	3	4
<b>Stock Returns:</b>				
55. Stock price changes surrounding the deal announcement dates	1	2	3	4
56. Stock price changes at 1 or more years after the deal is announced	1	2	3	4
<b>Cash Flow:</b>				
57. Operating Cash Flow (i.e., Sales, minus cost of goods/services sold and selling administrative expenses, plus depreciation and goodwill expenses)	1	2	3	4
58. Free Cash Flow Per Share	1	2	3	4
<b>Operating Efficiency:</b>				
59. Traditional lodging industry performance evaluation criteria (i.e., Changes in occupancy, RevPAR, and ADR)	1	2	3	4
<b>Market Share:</b>				
60. Market share gains (or losses)	1	2	3	4
<b>Additions:</b>	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4
	1	2	3	4

**APPENDIX II. ROUND 2 QUESTIONNAIRE**

**FACSIMILE TRANSMITTAL SHEET**

**TO:** Mr.

**FROM:** Kyung-Hwan Kim

**COMPANY:**

**DATE:**

**FAX NUMBER:**

**SENDER'S FAX NUMBER:** (540) 961-4231

**TOTAL NO. OF PAGES INCLUDING COVER:** [8]

**RE:** Delphi Study: The 2<sup>nd</sup> Round Questionnaire

Notes/Comments:

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**Researcher:**

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Director of Research  
IH&RA  
Paris, France  
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Email: [Olsenmd@vt.edu](mailto:Olsenmd@vt.edu)

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June 22, 1998

Dear Mr.:

Many thanks for agreeing to participate in the Delphi study to uncover the critical success factors that impact the value adding potential of corporate acquisitions in the lodging industry.

We are pleased to share a summary of findings with you in our Round II questionnaire, which is enclosed. Please accept our apologies for the delay in commencing Round II of the study. Although it had took little longer than anticipated to obtain the optimum panel size needed to assure validity of the study, we are pleased that this has now been achieved.

In Round II our task is to explore further the assessment begun in Round I of the diverse critical success factors of corporate acquisitions in the lodging industry. Therefore, in the enclosed questionnaire, in addition to the statistical summary of all the responses received in Round I, we have provided each panelist with the results of his/her response, which gives each panelist the opportunity to reaffirm or change their earlier input. Panelists are encouraged to provide an explanation of their input in the event that it deviates substantially from the majority view.

We have attempted to minimize your time to complete the questionnaire as much as possible. Therefore, please take a little time and send the completed questionnaire by FAX (540-961-4231) by June 29.

We would greatly appreciate your help with this survey.

Respectfully,

Kyung-Hwan Kim, Ph.D. Candidate  
Researcher

June 29, 1998

Dear Mr.:

Recently we sent you a summary of findings of Round I of the Delphi study on M&A along with the Round II questionnaire by Fax. We hope you have had time to look over the material. Your input is critical to validate what will be the first empirical study about the acquisition process in the lodging industry. We are depending upon your participation. Please help support this research by completing the questionnaire. Please accept our sincere apologies if the time frame to answer the Round II questionnaire was too short.

If you haven't already filled out your questionnaire, would you please take a little time to do so? Please send the completed questionnaire by FAX (540-961-4231) by July 3, if possible.

Thank you very much for your help.

Respectfully,

Kyung-Hwan Kim

P.S. If you need another copy of the 2<sup>nd</sup> Round questionnaire, please call or Fax me at 540-961-4231, and I will send you a copy immediately.

## INSTRUCTIONS

Each item is to be ranked according to the degree of importance you assign relative to each phase of the acquisition process. A score of one (1) represents least in importance (not relevant) and four (4), the item that is most important (relevant) to a successful acquisition as measured by its value adding result. In this stage, you are asked to either reaffirm your Round 1 rating or enter a new rating as you deem appropriate. In the event that your position deviate greatly from the emerging majority view in certain variables, please provide your explanations in the blank space provided with variables' ID numbers (i.e., 1, 23, 54, etc).

### What are the Acquisition Intents/Objectives?

In looking back over the past five years of acquisition activity in the lodging industry worldwide, how important have the following different motives and objectives been? Please write the number in the last column.

1: Unimportant      2: Slightly Important      3: Important      4: Very Important

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	1 <sup>st</sup> Rd	2 <sup>nd</sup> Rd
<b>Intents/Objectives</b>										
1. Accelerate growth of the acquiring company	0	1	6	19	26	3.69	4	0.55		
2. Utilize synergistic attributes of the acquired company with reference to the acquiring company	0	9	9	8	26	2.96	2, 3	0.82		
3. Achieve the personal goals, vision, and particular objectives of the acquiring company's chief executive	7	6	9	4	26	2.38	3	1.06		
4. Broaden the acquiring company's customer base by extending products and services (i.e., application of portfolio management, globalization)	3	5	13	5	26	2.77	3	0.91		
5. Capture scale economies to save costs through combining two firms within an industry	1	4	14	7	26	3.27	3	0.77		
6. Expand capacity at less cost than constructing new hotel properties	1	4	8	13	26	3.31	4	0.87		
A1**. Improve credit capacity of resultant company			1		1	3				
A8**. Acquire accretively to enhance stockholders' value				1	1	4				
<b>Explanations:</b>										

Footnotes:

\* The lower the SD (standard deviation), the higher the consensus on particular variables among participants.

**Pre-Acquisition Management**

*What are the most important factors in a successful acquisition deal that must be considered by hotel acquirers during the pre-acquisition management phase?*

1: Unimportant      2: Slightly Important      3: Important      4: Very Important

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	1 <sup>st</sup> Rd	2 <sup>nd</sup> Rd
<b>Information: A decision on the information necessary to purchase a target firm</b>										
7. Identify strategic relatedness between the acquirer and the target	1	3	9	13	26	3.31	4	0.84		
8. Identify the target's distinctive cultural aspects compared to the acquiring company	2	11	9	4	26	2.58	2	0.86		
9. Identify the trend of target's cash flow from operations	0	0	9	17	26	3.65	4	0.49		
10. Identify the target's property locations of market served	1	1	12	11	25	3.32	3	0.75		
11. Identify the trend of target's overall performance (i.e., occupancy, RevPAR, free cash flow, and ADR)	0	1	12	13	26	3.46	4	0.58		
12. Identify the target's connectivity and compatibility with the acquirer's information systems infrastructure	7	11	6	2	26	2.12	2	0.91		
13. Identify the target's capital structure and cost of capital	1	11	9	5	26	2.69	2	0.84		
14. Identify the target's management fees and franchise fees	2	6	15	3	26	2.73	3	0.78		
15. Identify the target's capital expenditure requirements (i.e., properties' potential renovation costs)	0	3	11	12	26	3.35	3	0.69		
<b>Explanations:</b>										
<b>Value: A decision on what the actual worth of the acquisition transaction should be</b>										
16. Identify potential financial synergy (i.e., lower cost of capital, lower tax rate)	1	3	11	10	25	3.20	3	0.82		
17. Identify potential operating synergy (i.e., improved operating efficiency)	0	3	7	15	25	3.48	4	0.71		
18. Identify potential managerial synergy (i.e., enhanced target's competitive position by transferring management expertise by the acquirer)	0	5	15	5	25	3.00	3	0.65		
19. Identify potential demand for products/services of combined firm over the next five years	1	6	11	7	25	2.96	3	0.84		
20. Identify potential improvements in brand & reputation	1	6	7	11	25	3.12	4	0.93		

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	1 <sup>st</sup> Rd	2 <sup>nd</sup> Rd
<b>Price: A decision on the extent of financial resources expected for the acquisition deal</b>										
21. Amount of acquisition premium	0	1	13	12	26	3.42	3	0.58		
22. Identify the fact that the present value of anticipated synergies will be greater than the premium paid	0	4	12	10	26	3.23	3	0.71		
23. Bidding price is based upon the target's competitive position in the lodging industry	1	4	12	9	26	3.12	3	0.82		
A2**. Extent of accretion or dilution of stock/Cash Flow/FFO				1	1	4				
<b>Explanations:</b>										
<b>Approach: A decision on the form and content of the acquisition deal regarding the relationship between the acquiring firm and the target firm</b>										
24. Mode of acquisition (i.e., merger, hostile takeover, etc)	0	4	12	10	26	3.23	3	0.71		
25. Method of payment (i.e., cash, stock, etc)	0	3	9	14	26	3.42	4	0.70		
26. Multiple bidders (i.e., contested bid)	1	3	13	9	26	3.15	3	0.78		
27. Due diligence	0	2	11	13	26	3.42	4	0.64		
28. Getting advice from best investment bankers	1	8	11	6	26	2.85	3	0.83		
29. Broad involvement throughout of the acquirer's key staffs and employees in the planning of an acquisition	2	8	9	7	26	2.81	3	0.94		
A3**. Understanding how various constituents will react to the deal (i.e., shareholders)				1	1	4				
<b>Explanations:</b>										

**Post-Acquisition Integration**

**What are the most important factors for a successful acquisition deal that must be considered by hotel acquirers during the post-acquisition integration phase?**

*1: Unimportant      2: Slightly Important      3: Important      4: Very Important*

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	1 <sup>st</sup> Rd	2 <sup>nd</sup> Rd
<b>Approach: A decision on the development of effective post-acquisition transition management practices, particularly for immediately after the deal is completed</b>										
30. Establish a post-acquisition strategy early in the process	1	1	7	17	26	3.54	4	0.76		
31. Determine the degree of post-acquisition integration (i.e., extensive, moderate, no interruption of the target’s autonomy)	0	2	10	14	26	3.46	4	0.65		
32. Develop a formal integration plan by top management teams of both companies	1	1	13	11	26	3.31	3	0.74		
33. Move rapidly as planned	0	7	6	12	25	3.20	4	0.87		
34. Inject new management people into the target firm immediately	3	11	10	2	26	2.42	2	0.81		
35. Establish an effective communication strategy to keep the target’s employees well informed	0	3	9	14	26	3.42	4	0.70		
36. Provide sufficient resources for post-acquisition integration	0	2	15	9	26	3.27	3	0.60		
A4**. Identify the value drivers of the acquisition and focus on these				1	1	4				
A5**. Public Relations – Orchestrate effective communication with the public				1	1	4				
<b>Explanations:</b>										
<b>People: A decision on the effective management of the human component</b>										
37. Link compensation to improvements in cash flows	0	3	18	5	26	3.08	3	0.56		
38. Immediate announcement of career influencing post-acquisition plans (i.e., key roles and responsibilities, layoff plans, etc)	1	4	13	8	26	3.08	3	0.80		
39. Identify and retain key employees and managers of the target	0	0	13	13	26	3.50	3, 4	0.51		
40. Establish new performance appraisal programs	4	15	5	2	26	2.19	2	0.80		
41. Establish new training and development programs	5	14	5	2	26	2.15	2	0.83		
A6**. Deal with the people you are not retaining firmly, fairly and quickly				1	1	4				
<b>Explanations:</b>										



VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	1 <sup>st</sup> Rd	2 <sup>nd</sup> Rd
<b>Culture: A decision on the effective integration of two different cultural systems</b>										
42. Differences in management style between merging firms	3	5	14	4	26	2.73	3	0.87		
43. Degree of centralization and autonomy of the target's employees	2	8	9	7	26	2.81	3	0.94		
44. Assimilate the acquirer's cultural systems (i.e., values, norms) into the target's culture	1	10	11	4	26	2.69	3	0.79		
45. Establish a sense of unity between the two firms	1	3	9	13	26	3.31	4	0.84		
<b>Explanations:</b>										
<b>Organization: A decision to build a new and stronger organization</b>										
46. Establish an efficient resource allocation system	1	7	10	8	26	2.96	3	0.87		
47. Establish procedures for building common tools, practices, processes, and languages	1	9	10	6	26	2.81	3	0.85		
48. Establish appropriate internal mechanisms for transferring competencies and assets across the business units	1	7	13	5	26	2.85	3	0.78		
49. Integration of information systems infrastructure between merging firms	0	6	11	9	26	3.12	3	0.77		
<b>Explanations:</b>										
<b>Strategy: A decision to achieve the strategic intent of the acquisition deal</b>										
50. Align acquisition intent and operating strategy	2	0	12	12	26	3.31	3, 4	0.84		
51. Identify a new set of opportunities for enhancement of competitive position of merged firm	1	6	12	7	26	2.96	3	0.82		
52. Establish a new set of competitive methods (i.e., portfolios of products/services)	2	10	12	2	26	2.54	3	0.76		
53. Establish new procedures for competitor analyses	5	14	7	0	26	2.08	2	0.69		
<b>Explanations:</b>										

**Post-Acquisition Performance Evaluation**

*What are the most appropriate post-acquisition performance evaluation criteria for determining whether or not an acquisition in the lodging industry will be successful?*

1. Not Relevant    2. Slightly Relevant    3. Relevant    4. Very Relevant

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	1 <sup>st</sup> Rd	2 <sup>nd</sup> Rd
<b>Accounting Profits:</b>										
54. Accounting Profits (i.e., ROE, ROI, ROA, ROS)	0	3	9	14	26	3.42	4	0.70		
<b>Stock Returns:</b>										
55. Stock price changes surrounding the deal announcement dates	2	8	8	8	26	2.85	2, 3, 4	0.97		
56. Stock price changes at 1 or more years after the deal is announced	1	5	8	12	26	3.19	4	0.90		
<b>Cash Flow:</b>										
57. Operating Cash Flow (i.e., Sales, minus cost of goods/services sold and selling administrative expenses, plus depreciation and goodwill expenses)	1	1	7	17	26	3.54	4	0.76		
58. Free Cash Flow Per Share	0	0	8	18	26	3.69	4	0.47		
<b>Operating Efficiency:</b>										
59. Traditional lodging industry performance evaluation criteria (i.e., Changes in occupancy, RevPAR, and ADR)	0	2	14	10	26	3.31	3	0.62		
<b>Market Share:</b>										
60. Market share gains (or losses)	0	5	10	11	26	3.23	4	0.76		
<b>A7**, Return on Total Invested Capital (Relative to WACC)</b>										
				1	1	4				
<b>Explanations:</b>										

## APPENDIX III. ROUND THREE QUESTIONNAIRE

FACSIMILE TRANSMITTAL SHEET
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**TO:** **FROM:** Kyung-Hwan Kim

**COMPANY:** **DATE:**

**FAX NUMBER:** **SENDER'S FAX NUMBER:** (540) 961-4231

**TOTAL NO. OF PAGES INCLUDING COVER:** [8]

<b>RE:</b> Delphi Study: The Final Round Questionnaire
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*Notes/Comments:*

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**Researcher:**

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July 10, 1998

Dear Mr.:

Many thanks for participating in the first two rounds of this M&A Delphi study. Your contribution and cooperation certainly has been invaluable to us.

We are pleased to share a summary of the findings of Round 2 with you in our Round 3 (Final) questionnaire, which is enclosed. In the Final Round, our task is to finalize the assessment begun in Round 1 of the diverse critical success factors of corporate acquisitions in the lodging industry, by providing each panelist a final opportunity to reaffirm or change her or his earlier input. Please remember that our initial 60 variables have been increased to 68 variables, which are represented by variables A1 through A8.

For your convenience, if you haven't any further changes in your answers after reviewing the Round 2 results, please feel free to send a short memo that includes a confirmation message, rather than the whole questionnaire. Therefore, please take a little time and send either the completed questionnaire or the short memo by FAX (540-961-4231) by July 21, if possible.

During the survey, we have realized that you have tremendous demands on your time. Again, we greatly appreciate your generous contribution to this survey.

Respectfully,

Kyung-Hwan Kim, Ph.D. Candidate  
Researcher

## INSTRUCTIONS

Each item is to be ranked according to the degree of importance you assign relative to each phase of the acquisition process. A score of one (1) represents least in importance (not relevant) and four (4), the item that is most important (relevant) to a successful acquisition as measured by its value adding result. In this stage, you are asked to either reaffirm your Round 2 rating or enter a new rating as you deem appropriate. Variables A1 through A8 were added by the panelists because these variables were identified as critical success factors not addressed by the researcher. Please remember to rate them in the Final Round.

### What are the Acquisition Intents/Objectives?

In looking back over the past five years of acquisition activity in the lodging industry worldwide, how important have the following different motives and objectives been? Please write the number in the last column.

1: Unimportant      2: Slightly Important      3: Important      4: Very Important

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	2 <sup>nd</sup> Rd	3 <sup>rd</sup> Rd
<b>Intents/Objectives</b>										
1. Accelerate growth of the acquiring company	0	1	3	17	21	3.76	4	0.54		
2. Utilize synergistic attributes of the acquired company with reference to the acquiring company	0	8	6	7	21	2.95	2	0.86		
3. Achieve the personal goals, vision, and particular objectives of the acquiring company's chief executive	4	6	9	2	21	2.43	3	0.93		
4. Broaden the acquiring company's customer base by extending products and services (i.e., application of portfolio management, globalization)	2	3	11	5	21	2.90	3	0.89		
5. Capture scale economies to save costs through combining two firms within an industry	0	3	13	5	21	3.10	3	0.62		
6. Expand capacity at less cost than constructing new hotel properties	0	2	5	14	21	3.57	4	0.68		
<b>A1.</b> Improve credit capacity of resultant company	1	6	8	2	17	2.65	3	0.79		
<b>A8.</b> Acquire accretively to enhance stockholders' value	0	1	3	12	16	3.69	4	0.60		
<b>Explanations:</b>										

Footnotes:

\* The lower the SD (standard deviation), the higher the consensus on particular variables among participants.

**Pre-Acquisition Management**

*What are the most important factors in a successful acquisition deal that must be considered by hotel acquirers during the pre-acquisition management phase?*

1: Unimportant      2: Slightly Important      3: Important      4: Very Important

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	2 <sup>nd</sup> Rd	3 <sup>rd</sup> Rd
<b>Information: A decision on the information necessary to purchase a target firm</b>										
7. Identify strategic relatedness between the acquirer and the target	1	1	8	11	21	3.38	4	0.80		
8. Identify the target's distinctive cultural aspects compared to the acquiring company	1	12	6	2	21	2.43	2	0.75		
9. Identify the trend of target's cash flow from operations	0	0	5	16	21	3.76	4	0.44		
10. Identify the target's property locations of market served	0	0	8	13	21	3.62	4	0.50		
11. Identify the trend of target's overall performance (i.e., occupancy, RevPAR, free cash flow, and ADR)	0	1	8	12	21	3.52	4	0.60		
12. Identify the target's connectivity and compatibility with the acquirer's information systems infrastructure	4	9	7	1	21	2.24	2	0.83		
13. Identify the target's capital structure and cost of capital	1	7	10	3	21	2.71	3	0.78		
14. Identify the target's management fees and franchise fees	1	4	11	5	21	2.95	3	0.80		
15. Identify the target's capital expenditure requirements (i.e., properties' potential renovation costs)	0	2	7	12	21	3.48	4	0.68		
<b>Explanations:</b>										
<b>Value: A decision on what the actual worth of the acquisition transaction should be</b>										
16. Identify potential financial synergy (i.e., lower cost of capital, lower tax rate)	1	2	10	8	21	3.19	3	0.81		
17. Identify potential operating synergy (i.e., improved operating efficiency)	0	2	5	14	21	3.57	4	0.68		
18. Identify potential managerial synergy (i.e., enhanced target's competitive position by transferring management expertise by the acquirer)	0	5	12	4	21	2.95	3	0.67		
19. Identify potential demand for products/services of combined firm over the next five years	0	6	8	7	21	3.05	3	0.80		
20. Identify potential improvements in brand & reputation	0	2	7	12	21	3.48	4	0.68		
<b>Explanations:</b>										

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	2 <sup>nd</sup> Rd	3rd Rd
<b>Price: A decision on the extent of financial resources expected for the acquisition deal</b>										
21. Amount of acquisition premium	0	1	12	8	21	3.33	3	0.58		
22. Identify the fact that the present value of anticipated synergies will be greater than the premium paid	0	4	7	10	21	3.29	4	0.78		
23. Bidding price is based upon the target's competitive position in the lodging industry	0	4	10	7	21	3.14	3	0.73		
<b>A2. Extent of accretion or dilution of stock/Cash Flow/FFO</b>	0	1	4	10	15	3.60	4	0.63		
<b>Explanations:</b>										
<b>Approach: A decision on the form and content of the acquisition deal regarding the relationship between the acquiring firm and the target firm</b>										
24. Mode of acquisition (i.e., merger, hostile takeover, etc)	0	1	13	7	21	3.29	3	0.55		
25. Method of payment (i.e., cash, stock, etc)	0	1	9	11	21	3.48	4	0.61		
26. Multiple bidders (i.e., contested bid)	1	2	12	6	21	3.10	3	0.79		
27. Due diligence	0	0	8	13	21	3.62	4	0.50		
28. Getting advice from best investment bankers	1	5	12	3	21	2.81	3	0.77		
29. Broad involvement throughout of the acquirer's key staffs and employees in the planning of an acquisition	1	5	9	6	21	2.95	3	0.85		
<b>A3. Understanding how various constituents will react to the deal (i.e., shareholders)</b>	0	0	6	11	17	3.65	4	0.49		
<b>Explanations:</b>										

**Post-Acquisition Integration**

*What are the most important factors for a successful acquisition deal that must be considered by hotel acquirers during the post-acquisition integration phase?*

*1: Unimportant      2: Slightly Important      3: Important      4: Very Important*

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	2 <sup>nd</sup> Rd	3 <sup>rd</sup> Rd
<b>Approach: A decision on the development of effective post-acquisition transition management practices, particularly for immediately after the deal is completed</b>										
30. Establish a post-acquisition strategy early in the process	0	0	4	17	21	3.81	4	0.40		
31. Determine the degree of post-acquisition integration (i.e., extensive, moderate, no interruption of the target’s autonomy)	0	1	6	14	21	3.62	4	0.59		
32. Develop a formal integration plan by top management teams of both companies	0	0	12	9	21	3.43	3	0.51		
33. Move rapidly as planned	0	4	7	10	21	3.29	4	0.78		
34. Inject new management people into the target firm immediately	1	12	7	1	21	2.38	2	0.67		
35. Establish an effective communication strategy to keep the target’s employees well informed	0	2	7	12	21	3.48	4	0.68		
36. Provide sufficient resources for post-acquisition integration	0	0	14	7	21	3.33	3	0.48		
<b>A4.</b> Identify the value drivers of the acquisition and focus on these	0	0	10	7	17	3.41	3	0.51		
<b>A5.</b> Public Relations – Orchestrate effective communication with the public	0	1	11	6	18	3.28	3	0.57		
<b>Explanations:</b>										
<b>People: A decision on the effective management of the human component</b>										
37. Link compensation to improvements in cash flows	0	3	15	3	21	3.00	3	0.55		
38. Immediate announcement of career influencing post-acquisition plans (i.e., key roles and responsibilities, layoff plans, etc)	0	1	15	5	21	3.19	3	0.51		
39. Identify and retain key employees and managers of the target	0	0	7	14	21	3.67	4	0.48		
40. Establish new performance appraisal programs	3	12	6	0	21	2.14	2	0.65		
41. Establish new training and development programs	3	13	4	1	21	2.14	2	0.73		
<b>A6.</b> Deal with the people you are not retaining firmly, fairly and quickly	1	1	9	6	17	3.18	3	0.81		
<b>Explanations:</b>										



VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	2 <sup>nd</sup> Rd	3 <sup>rd</sup> Rd
<b>Culture: A decision on the effective integration of two different cultural systems</b>										
42. Differences in management style between merging firms	1	3	13	4	21	2.95	3	0.74		
43. Degree of centralization and autonomy of the target's employees	0	6	9	6	21	3.00	3	0.77		
44. Assimilate the acquirer's cultural systems (i.e., values, norms) into the target's culture	0	9	9	3	21	2.71	2, 3	0.72		
45. Establish a sense of unity between the two firms	0	1	10	10	21	3.43	3, 4	0.60		
<b>Explanations:</b>										
<b>Organization: A decision to build a new and stronger organization</b>										
46. Establish an efficient resource allocation system	0	5	10	6	21	3.05	3	0.74		
47. Establish procedures for building common tools, practices, processes, and languages	0	6	12	3	21	2.86	3	0.65		
48. Establish appropriate internal mechanisms for transferring competencies and assets across the business units	0	5	10	6	21	3.05	3	0.74		
49. Integration of information systems infrastructure between merging firms	0	3	10	8	21	3.24	3	0.70		
<b>Explanations:</b>										
<b>Strategy: A decision to achieve the strategic intent of the acquisition deal</b>										
50. Align acquisition intent and operating strategy	1	0	9	11	21	3.43	4	0.75		
51. Identify a new set of opportunities for enhancement of competitive position of merged firm	0	5	12	4	21	2.95	3	0.67		
52. Establish a new set of competitive methods (i.e., portfolios of products/services)	1	9	10	1	21	2.52	3	0.68		
53. Establish new procedures for competitor analyses	4	12	5	0	21	2.05	2	0.67		
<b>Explanations:</b>										

**Post-Acquisition Performance Evaluation**

*What are the most appropriate post-acquisition performance evaluation criteria for determining whether or not an acquisition in the lodging industry will be successful?*

1. Not Relevant    2. Slightly Relevant    3. Relevant    4. Very Relevant

VARIABLE	Frequencies					Statistics			Your Contribution	
	1	2	3	4	Total Resp.	Mean	Mode	SD*	2 <sup>nd</sup> Rd	3 <sup>rd</sup> Rd
<b>Accounting Profits:</b>										
54. Accounting Profits (i.e., ROE, ROI, ROA, ROS)	0	2	8	11	21	3.43	4	0.68		
<b>Stock Returns:</b>										
55. Stock price changes surrounding the deal announcement dates	1	9	6	5	21	2.71	2	0.90		
56. Stock price changes at 1 or more years after the deal is announced	1	3	7	10	21	3.24	4	0.89		
<b>Cash Flow:</b>										
57. Operating Cash Flow (i.e., Sales, minus cost of goods/services sold and selling administrative expenses, plus depreciation and goodwill expenses)	1	0	7	13	21	3.52	4	0.75		
58. Free Cash Flow Per Share	0	0	6	15	21	3.71	4	0.46		
<b>Operating Efficiency:</b>										
59. Traditional lodging industry performance evaluation criteria (i.e., Changes in occupancy, RevPAR, and ADR)	0	1	11	9	21	3.38	3	0.59		
<b>Market Share:</b>										
60. Market share gains (or losses)	0	4	7	10	21	3.29	4	0.78		
A7. Return on Total Invested Capital (Relative to WACC)	0	0	3	12	15	3.80	4	0.41		
<b>Explanations:</b>										

## APPENDIX IV. STUDY RESULTS ROUND BY ROUND

### Survey Data by Survey Round (Acquisition Intents/Objectives)

VARIABLE	Round 1			Round 2			Round 3 (Final)		
	Rank	Mean	SD	Rank	Mean	SD	Rank	Mean	SD
Accelerate growth of the acquiring company	1	3.69	0.55	1	3.76	0.54	<b>1</b>	3.86	0.48
Acquire accretively to enhance stockholders' value	-	-	-	2	3.69	0.60	<b>2</b>	3.69	0.60
Expand capacity at less cost than constructing new hotel properties	2	3.31	0.87	3	3.57	0.68	<b>3</b>	3.57	0.68
Capture scale economies to save costs through combining two firms within an industry	3	3.27	0.77	4	3.10	0.62	<b>4</b>	3.14	0.65
Utilize synergistic attributes of the acquired company with reference to the acquiring company	4	2.96	0.82	5	2.95	0.86	<b>5</b>	2.95	0.80
Broaden the acquiring company's customer base by extending products and services (i.e., application of portfolio management, globalization)	5	2.77	0.91	6	2.90	0.89	<b>5</b>	2.95	0.86
Improve credit capacity of resultant company	-	-	-	7	2.65	0.79	<b>7</b>	2.65	0.79
Achieve the personal goals, vision, and particular objectives of the acquiring company's chief executive	6	2.38	1.06	8	2.43	0.93	<b>8</b>	2.43	0.93

### Survey Data by Survey Round (The Pre-Acquisition Management Phase)

VARIABLE	Round 1			Round 2			Round 3 (Final)		
	Rank	Mean	SD	Rank	Mean	SD	Rank	Mean	SD
Identify the trend of target's cash flow from operations	1	3.65	0.49	1	3.76	0.44	<b>1</b>	3.76	0.44
Identify potential operating synergy (i.e., improved operating efficiency)	2	3.48	0.71	6	3.57	0.68	<b>2</b>	3.67	0.58
Extent of accretion or dilution of stock/Cash Flow/FFO	-	-	-	5	3.60	0.63	<b>2</b>	3.67	0.59
Identify the target's property locations of market served	8	3.32	0.75	3	3.62	0.50	<b>4</b>	3.62	0.50
Due diligence	4	3.42	0.64	3	3.62	0.50	<b>4</b>	3.62	0.50
Understanding how various constituents will react to the deal (i.e., shareholders)	-	-	-	2	3.65	0.49	<b>6</b>	3.58	0.51
Identify the trend of target's overall performance (i.e., occupancy, RevPAR, free cash flow, and ADR)	3	3.46	0.58	7	3.52	0.60	<b>7</b>	3.52	0.60
Identify the target's capital expenditure requirements (i.e., properties' potential renovation costs)	7	3.35	0.69	8	3.48	0.68	<b>7</b>	3.52	0.68
Identify potential improvements in brand & reputation	14	3.12	0.93	8	3.48	0.68	<b>7</b>	3.52	0.68
Method of payment (i.e., cash, stock, etc)	4	3.42	0.70	8	3.48	0.61	<b>10</b>	3.48	0.60
Identify strategic relatedness between the acquirer and the target	9	3.31	0.84	11	3.38	0.80	<b>11</b>	3.38	0.80
Identify the fact that the present value of anticipated synergies will be greater than the premium paid	10	3.23	0.71	13	3.29	0.78	<b>12</b>	3.33	0.80
Amount of acquisition premium	4	3.42	0.58	12	3.33	0.58	<b>13</b>	3.29	0.56
Mode of acquisition (i.e., merger, hostile takeover, etc)	10	3.23	0.71	13	3.29	0.55	<b>13</b>	3.29	0.56
Identify potential financial synergy (i.e., lower cost of capital, lower tax rate)	12	3.20	0.82	15	3.19	0.81	<b>15</b>	3.24	0.83
Bidding price is based upon the target's competitive position in the lodging industry	14	3.12	0.82	16	3.14	0.73	<b>16</b>	3.14	0.73
Multiple bidders (i.e., contested bid)	13	3.15	0.78	17	3.10	0.79	<b>17</b>	3.10	0.77
Identify potential demand for products/services of combined firm over the next five years	17	2.96	0.84	18	3.05	0.80	<b>18</b>	3.05	0.80
Identify potential managerial synergy (i.e., enhanced target's competitive position by transferring management expertise by the acquirer)	16	3.00	0.65	19	2.95	0.67	<b>19</b>	2.95	0.67
Identify the target's management fees and franchise fees	20	2.73	0.78	19	2.95	0.80	<b>19</b>	2.95	0.80
Broad involvement throughout of the acquirer's key staffs and employees in the planning of an acquisition	19	2.81	0.94	19	2.95	0.85	<b>19</b>	2.95	0.86
Getting advice from best investment bankers	18	2.85	0.83	22	2.81	0.77	<b>22</b>	2.81	0.75
Identify the target's capital structure and cost of capital	21	2.69	0.84	23	2.71	0.78	<b>23</b>	2.76	0.83
Identify the target's distinctive cultural aspects compared to the acquiring company	22	2.58	0.86	24	2.43	0.75	<b>24</b>	2.43	0.75
Identify the target's connectivity and compatibility with the acquirer's information systems infrastructure	23	2.12	0.91	25	2.24	0.83	<b>25</b>	2.24	0.83

Survey Data by Survey Round (The Post-Acquisition Integration Phase)

VARIABLE	Round 1			Round 2			Round 3 (Final)		
	Rank	Mean	SD	Rank	Mean	SD	Rank	Mean	SD
Establish a post-acquisition strategy early in the process	1	3.54	0.76	1	3.81	0.40	<b>1</b>	3.81	0.40
Identify and retain key employees and managers of the target	2	3.50	0.51	2	3.67	0.48	<b>2</b>	3.67	0.48
Determine the degree of post-acquisition integration (i.e., extensive, moderate, no interruption of the target's autonomy)	3	3.46	0.65	3	3.62	0.59	<b>3</b>	3.62	0.59
Develop a formal integration plan by top management teams of both companies	5	3.31	0.74	5	3.43	0.51	<b>4</b>	3.48	0.51
Establish an effective communication strategy to keep the target's employees well informed	4	3.42	0.70	4	3.48	0.68	<b>4</b>	3.48	0.68
Establish a sense of unity between the two firms	5	3.31	0.84	5	3.43	0.60	<b>6</b>	3.43	0.60
Align acquisition intent and operating strategy	5	3.31	0.84	5	3.43	0.75	<b>6</b>	3.43	0.75
Identify the value drivers of the acquisition and focus on these	-	-	-	8	3.41	0.51	<b>8</b>	3.40	0.50
Provide sufficient resources for post-acquisition integration	8	3.27	0.60	9	3.33	0.48	<b>9</b>	3.33	0.48
Public Relations – Orchestrate effective communication with the public	-	-	-	11	3.28	0.57	<b>10</b>	3.30	0.57
Move rapidly as planned	9	3.20	0.87	10	3.29	0.78	<b>11</b>	3.29	0.78
Integration of information systems infrastructure between merging firms	10	3.12	0.77	12	3.24	0.70	<b>12</b>	3.24	0.70
Immediate announcement of career influencing post-acquisition plans (i.e., key roles and responsibilities, layoff plans, etc)	11	3.08	0.80	13	3.19	0.51	<b>13</b>	3.19	0.51
Deal with the people you are not retaining firmly, fairly, and quickly	-	-	-	14	3.18	0.81	<b>14</b>	3.15	0.93
Establish an efficient resource allocation system	13	2.96	0.87	15	3.05	0.74	<b>15</b>	3.10	0.70
Establish appropriate internal mechanisms for transferring competencies and assets across the business units	15	2.85	0.78	15	3.05	0.74	<b>16</b>	3.05	0.74
Link compensation to improvements in cash flows	11	3.08	0.56	17	3.00	0.55	<b>17</b>	3.00	0.55
Differences in management style between merging firms	18	2.73	0.87	19	2.95	0.74	<b>17</b>	3.00	0.71
Degree of centralization and autonomy of the target's employees	16	2.81	0.94	17	3.00	0.77	<b>17</b>	3.00	0.77
Identify a new set of opportunities for enhancement of competitive position of merged firm	13	2.96	0.82	19	2.95	0.67	<b>20</b>	2.95	0.67
Establish procedures for building common tools, practices, processes, and languages	16	2.81	0.85	21	2.86	0.65	<b>21</b>	2.86	0.65
Assimilate the acquirer's cultural systems (i.e., values, norms) into the target's culture	19	2.69	0.79	22	2.71	0.72	<b>22</b>	2.71	0.72
Establish a new set of competitive methods (i.e., portfolios of products/services)	20	2.54	0.76	23	2.52	0.68	<b>23</b>	2.52	0.68
Inject new management people into the target firm immediately	21	2.42	0.81	24	2.38	0.67	<b>24</b>	2.38	0.67
Establish new training and development programs	23	2.15	0.83	25	2.14	0.73	<b>25</b>	2.19	0.75
Establish new performance appraisal programs	22	2.19	0.80	25	2.14	0.65	<b>26</b>	2.14	0.65
Establish new procedures for competitor analyses	24	2.08	0.69	27	2.05	0.67	<b>27</b>	2.10	0.62

Survey Data by Survey Round (Post-Acquisition Performance Evaluation Criteria)

<b>VARIABLE</b>	<b>Round 1</b>			<b>Round 2</b>			<b>Round 3 (Final)</b>		
	Rank	Mean	SD	Rank	Mean	SD	Rank	Mean	SD
Return on Total Invested Capital (Relative to WACC)	-	-	-	1	3.80	0.41	<b>1</b>	3.83	0.38
Free Cash Flow Per Share	1	3.69	0.47	2	3.71	0.46	<b>2</b>	3.76	0.44
Operating Cash Flow (i.e., Sales, minus cost of goods/services sold and selling administrative expenses, plus depreciation and goodwill expenses)	2	3.54	0.76	3	3.52	0.75	<b>3</b>	3.57	0.75
Accounting Profits (i.e., ROE, ROI, ROA, ROS)	3	3.42	0.70	4	3.43	0.68	<b>4</b>	3.43	0.68
Traditional lodging industry performance evaluation criteria (i.e., Changes in occupancy, RevPAR, and ADR)	4	3.31	0.62	5	3.38	0.59	<b>5</b>	3.38	0.59
Market share gains (or losses)	5	3.23	0.76	6	3.29	0.78	<b>6</b>	3.29	0.78
Stock price changes at 1 or more years after the deal is announced	6	3.19	0.90	7	3.24	0.89	<b>7</b>	3.24	0.89
Stock price changes surrounding the deal announcement dates	7	2.85	0.97	8	2.71	0.90	<b>8</b>	2.71	0.90

## APPENDIX V. DELPHI PANELISTS

<b>Name</b>	<b>Position</b>	<b>Company</b>	<b>FAX No.</b>
Ronald E. Eastman	Group Vice President – Lodging Development	Marriott International, Inc.	301-380-6699
William R. Tiefel	Vice Chairman		301-380-5798
Terry W. O’Malley	Vice President – Managed Development	Promus Hotel Corporation	901-374-5190
William W. Evans III	President & Chief Operating Officer	Patriot American Hospitality, Inc.	212-355-7772
Anne L. Raymond	Executive Vice President and Chief Financial Officer		214-863-1812
Ted Middleton, Jr.	Senior Vice President, Development & Finance	Hilton Hotels Corp.	310-205-4611
Randall L. Churchey	Senior Vice President, Chief Financial Officer and Treasurer	Felcor Suite Hotels, Inc.	972-444-4949
Larry J. Mundy	Vice President/Director of Hotel Acquisitions		972-444-4949
Jay S. Witzel	President and Chief Operating Officer	Extended Stay America, Inc.	954-713-1695
Michael R. Beck	Vice President - Real Estate		954-713-1695
James Calder	Senior Vice President, Finance	CapStar Hotel Company	202-295-2248
John Emery	Chief Financial Officer		202-295-2248
Richard C. Conti	Chief Operating Officer	Boykin Lodging Company	216-430-1201
Jeffrey P. Mayer	Senior Vice President & CFO	Bristol Hotel Company	972-391-3799
<b>NON-HOTELIER</b>			
Mark Patterson	Managing Director	Salomon Smith Barney	212-816-7491
Jackson Hsieh	Principal	Morgan Stanley, Dean Witter	212-761-0225
Michael Mueller	Managing Director	Montgomery Securities	415-913-5545
M. Chase Burritt	National Director	E&Y Kenneth Leventhal	305-350-1424
Mark Mutkoski	Principal, Senior Lodging Analyst	BT Alex. Brown	212-250-0171
Peter C. Krause	Managing Director	Greenhill & Co	212-408-0684
Stephen J. Braun	Manager	KPMG Peat Marwick	305-381-6529