

# ENGINEERING & CONSTRUCTION RISK INSTITUTE

Document number: <b>ECRI-EP-003 (DESC)</b>	<b>Enterprise Risks Posed by Mergers, Acquisitions and Disposals of E&amp;C Companies</b>	Page: 1 of 1
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## Purpose:

The purpose of this document is to highlight major lessons learned and serious pitfalls and issues to be avoided by Buyer and Seller in E&C mergers, acquisitions and disposals.

## Summary.

This document notes the major risk areas identified by ECRI Sponsors based upon their experience and risk themes currently highlighted by prominent M&A consultants to the E&C industry including the centrality of what are called “cultural and people” issues. Among the other themes touched upon are: hidden risks unique to the E&C industry; risks to a buyer posed by a target’s involvement in corruption and anticompetitive conduct; risks related to HR issues and environmental liabilities; and potential newly evolving risks noted at ECRI Sponsors’ meetings. The paper notes methods for assessing and mitigating these risks but avoids immersion in the myriad, well-publicized mechanical details for executing mergers, acquisitions and disposals.

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