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**T**HE *BRUNSWICK REVIEW* ALWAYS FOCUSES ON A CRITICAL ISSUE FOR our clients, and one where we have deep expertise within the firm. This has never been truer than with the M&A edition. Brunswick built much of its reputation working on the toughest M&A transactions and we have fought to be at the top of league tables all over the world. It was through M&A that we learned about combative campaigns under pressure, rapid response, and a commitment to accuracy and veracity. It was where we got to work with many of the great advisory firms of the world and alongside our clients at some of the most critical times.

The other day, I was given a copy of the *Financial Times* from the 28th February 1987, the day we founded Brunswick. It was full of news on the growth of investment banking, reforms in China, and 11 percent interest rates, but there was also a half-page feature on the increasing recognition of the value of internal communications in takeovers. *Plus ça change ...*

The biggest change in recent times is the recognition of not just internal but also societal and national interests. This is not isolated to deals. Increasingly it is accepted that top executives need a strong social narrative alongside their financial narrative. What is the value of a company to society? CSR alone is not an adequate response and can prove a distraction if it is not properly wired to a company's wider social narrative and accompanied by a strong commitment and ability to listen. Unions, politicians, employees and customers all have a view, and all have a voice that must be heard alongside that of shareholders.

At the same time, we are seeing national interests become a critical part of the conversation around transactions. In many different countries and jurisdictions, both formally and informally, there is much greater political and regulatory debate. The article on CFIUS by Neal Wolin, Brunswick's new CEO and the former chairman of that committee, highlights how technology and the rise of Chinese acquirers are presenting new challenges to regulators, even amid an enduring desire for inbound investment. This is a trend we are seeing not just in the US but in cross-border deals across Europe and the UK. The impact of the changing thinking in China will doubtless become clearer in the year ahead.

In a world where it is no longer enough to be big, one must be enormous, and there are a number of sectors, like media and technology, where scale has become a deal-driving issue. At the same time we are seeing a subtle, but clear, shift from regulation being based around consumer interest to focus more on market or platform dominance. This trend shows no sign of retreating. So, while getting shareholder and media support is as challenging as ever, ensuring regulatory approval in this new environment is significantly different. Good for shareholders alone is now too narrow a test for any major transaction. This shift toward a more holistic stakeholder model is also one of the reasons we believe activism will increasingly be challenged, and I would recommend Marty Lipton's fascinating interview on this topic.

This complex external environment requires a vast set of skills from an advisory firm. Our digital team is extraordinarily creative, our public affairs and regulatory teams are deeply experienced, knowledgeable and integrated, and nearly every major transaction we tackle requires the expertise of our employee engagement and research teams. It may now be stating the obvious, but while the complexity and range of stakeholders and issues continues to grow, the value of good advice is as high as ever. We are experiencing nothing short of a paradigm shift. Deal risk has been transformed, and we all have to adapt to the new world. This could be a huge and positive step forward if a broader and deeper understanding of real value creation can support the next generation of M&A.



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