1 Revenue synergies

- Cross-selling
- Accelerated geographical expansion given broader geographical footprint of a combined company

- More bundling options
- More pricing power given the higher market share

- Better product innovation given combined R&D forces
- Better customer experience given adoption of the best practices from each other
- More appealing value proposition given a wider range of products

- More efficient sales given exchange of the best practices
- Higher marketing ROI
- More appealing loyalty program due to wider opportunities to collect and spend points

1 Cost synergies

Fixed costs

- Decrease in overhead costs due to the consolidation of overlapping functions like IT, HR, marketing, finance, etc. (incl. headcount reduction, consolidation of purchasing products/services for overhead ops)
- Lower rent after the consolidation of the production facilities and closing some of them
- Lower maintenance costs due to
  - The exchange of the best practices
  - Consolidation of in-house maintenance services (e.g. headcount reduction)
  - Volume discounts for consolidated purchasing of spare parts, outsourced maintenance services, etc.
  - Freeing up some equipment following the higher utilization rate of the equipment
- More efficient marketing to avoid competition between two firms

Variable costs

- Decrease in raw material costs due to the volume discounts for consolidated purchasing
- Decrease in labor costs due to:
  - Increase in labor efficiency after exchange of the best practices in operations
  - Consolidation of the production facilities that might free up some labor
- Lower transportation costs due to:
  - Route optimization (in case of geographical footprint overlap)
  - Volume discounts for consolidated purchasing of outsourced transportation services, fuel, etc.
- Lower distribution and credit card fees given higher negotiation power (in case of similar distribution channels)

1 Other synergies

Balance sheet synergies

- Lower costs for borrowed capital
- Access to more financial resources
- Capex rationalization
- Improvement in accounts receivable (AR) and accounts payable (AP)
- Better inventory management

Tax synergies

- Optimized taxes (e.g. combined operating losses)