

3 important issues to resolve in Post Merger Integration

These are common questions regarding Post Merger Integration:

1. How to ensure that **the acquired management team** (and sometimes middle management) is **fully committed** to executing the strategy behind the acquisition?

Our answer is: You cannot have a “wait and see” approach as you will lose time and money if there are management members that are passive giving lip service or worse, working against the strategy. The worst case is when someone has a big stay-on bonus but is actively sabotaging the merger, a double lose. In our mind this needs to be flushed out as soon as possible without ruining a positive merger climate. Probing commitment to strategy starts already in the Due Diligence process with the more intensive activities just after closing. One way is to use risk assessments as a vehicle for a more open discussion on acquisition strategy execution to find out how committed individual management team members are.

2. Customers, partners and employees need to understand the rationale behind the acquisition, the benefits to them and the progress during the integration project, **how do you communicate?**

Our answer is: Most companies are well equipped to handle External and Internal communication on signing/closing and to customers and partners/suppliers. The challenge is to inform and to minimize disconnects in integration. A communication resource attached to the integration project is a good first step. Using web-based communication tools to create the awareness over time across the new organization is a second step. And third, that executives and “acquisition evangelists” regularly meet the new organization face-to-face.

3. The management team of a company is daily involved in analysis, decisions and follow-up of a number of important activities. When embarking on an M&A project the number of such **activities are increased by a factor of 10x during integration planning and execution**. You will have the acquired company management and employees involved in these activities often in a new organization coming from a slightly different corporate culture. How can you deal with this?

Our answer is: Setup a clear rigorous structure and process for the Post Merger Integration project. This includes regular progress checks, reporting, escalation routines, functional/workstream accountability, internal communication, risk management, synergy tracking and a Project Management Office to manage the project planning and execution. A structured project will ensure that you can handle the 10x increase in activities over a relatively short period of time.