

# DO YOU HAVE YOUR EYE ON AN ACQUISITION OR MERGER?

The current business environment is already leading to an increase in strategic action from surviving companies as they move forward and adapt. An acquisition or merger may be the appropriate way forward, but how do you maximise the chances of a healthy return?

High expectations can rapidly diminish, and opportunities can be lost early in the game if approached incorrectly. Research shows that a high percentage of acquisitions or mergers fail to realise their overall intended value. So, what should you do if you are contemplating such a move?

## COMMON CHALLENGES TO FACE INTO

There will be many moving parts, multiple internal and external stakeholders and a huge barrage of information to contemplate. There are likely to be differences of opinion, maybe on the scale of transformation possible, or the speed at which things can happen. Clashes between organisational culture and ways of working usually surface early on and, if not dealt with, can fuel an overall resistance to change and progress. Our advice is to break the problem down and focus on five key areas:

### 1. Treat this as a change programme from the start

Whatever its scale or complexity, acquisition or merger activity is not business as usual, therefore don't treat it as such. You will need a dedicated team from the start, with the key people focused on the required activity and their operational roles properly backfilled.

Focus on the outcomes you need to achieve and map out clear transition states; think about integration first then transformation. Be clear on what success looks like and obtain agreement on this from your stakeholders.

As the dust settles on the initial announcements, have a proper kick-off event to ensure everyone is briefed and pointing in the same direction.

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## 2. Take an agile approach

Complex acquisitions or mergers can drown in overly bureaucratic governance and reporting, so make sure you have the control you need without over engineering. There will be many unknowns at the start, and potentially many great ideas. Consider creating a backlog of activity and adopting an agile approach to unlocking the value required.

Tackling some early quick wins while planning out the more complex activity will help to bring confidence to the team and some momentum to progress.

## 3. Focus on your people and your customers

You will need a clearly defined and executed people plan, for the acquired people and for your current teams. As much transparency from the outset and a really strong focus on communication.

Work will be needed to align any cultural differences, and you should take the opportunity to find a blend of the best from both organisations. Any personal agendas will need to be surfaced and dealt with quickly.

Customers will need to be reassured and new customer journeys defined to ensure an ongoing seamless service.

## 4. Drive with passion

It must be really clear who is in charge and that person needs to demonstrate incredibly strong and open leadership, bringing a real enthusiasm for the change and driving the necessary confidence, direction and pride to be part of the new organisation.

Spend time up-front to pick the right person for this role, considering options from across both organisations. Leadership style and approach is often more important than operational knowledge.

## 5. Ask for help

This will be a critical undertaking, so don't be one of the statistics of acquisitions or mergers that fail to realise the potential value. Use your own operational and leadership experts in the right places, but also consider engaging independent, professional change leadership support to prepare for and drive the change.

### DO YOU NEED CHANGE EXPERTISE?

At Project One, we are passionate about change and we have deep experience of driving successful transformations, including acquisitions, mergers and divestments. If any of the topics covered resonate, please get in touch for a discussion.

[David.knappett@projectone.com](mailto:David.knappett@projectone.com), Consulting Director