Tools for LARGE Businesses

Level 3 Question 10: Do we have a model for intgrating acquired companies?

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| **Title** | Post Merger Integration - Model |
| **Why** | Mergers and acquisitions (M&A) bring together companies through complete changes in ownership. It has been used by companies for centuries and remains a major way for companies to expand rapidly |
| **What** | * **Business extension:** M&A can be used to extend the reach of a firm in terms of geography, products, or markets * **Building capabilities:** M&A may increase a company’s capabilities * **Increase market power** by reducing competition and increasing bargaining power with suppliers * **Increase efficiency:** by sharing resources and capabilities * **Speed:** M&A allows acquirers to act fast * **Financial efficiency:** by combining the 2 balance sheets * **Tax efficiency** |
| **How** | Three step plan for executing PMI   1. **I. Define strategy & establish organizational structure**    1. Communicate the Merger Strategic Objectives    2. Create an integration office    3. Define the Post merger integration guiding principles    4. Define the organizational structure and appoint leaders    5. Help managers set their new teams up for success    6. Create an integrated synergy baseline    7. Build and communicate synergy targets 2. **Plan**    1. Identify all the potential integration & synergy initiatives    2. Prioritize integration & synergy initiatives    3. Create an integration & synergy roadmap    4. Create an integration & synergy Plan 3. **Execute & monitor**    1. Execute the integration & synergy initiatives    2. Follow and measure the progress of the integration & synergy initiatives    3. Gather the whole company on a regular basis    4. Institutionalize the approach by creating a Playbook |
| **Template** | See next pages |

Identify Synergyies and calculate benefits



Calculate the benefits per area



Target organizational Chart



The First Day Plan



The 3 months plan





Change Management, the ADKAR model page 1 of 2



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