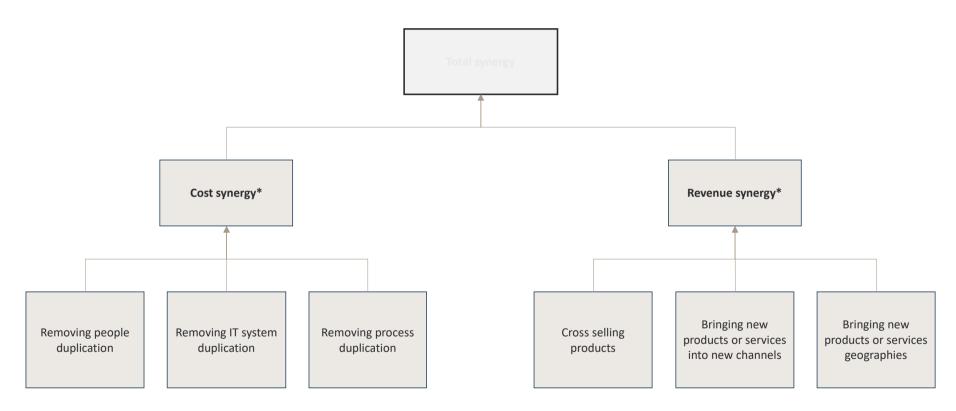
Tools for LARGE Businesses

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

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									
	I. Define strategy & establish organizational structure									
	a. Communicate the Merger Strategic Objectives									
	b. Create an integration office									
	c. Define the Post merger integration guiding principles									
	d. Define the organizational structure and appoint leaders									
	e. Help managers set their new teams up for success									
	f. Create an integrated synergy baseline									
	g. Build and communicate synergy targets									
	2. Plan									
	a. Identify all the potential integration & synergy initiatives									
	b. Prioritize integration & synergy initiatives									
	c. Create an integration & synergy roadmap									
	d. Create an integration & synergy Plan									
	3. Execute & monitor									
	a. Execute the integration & synergy initiatives									
	b. Follow and measure the progress of the integration & synergy									
	initiatives									
	c. Gather the whole company on a regular basis									

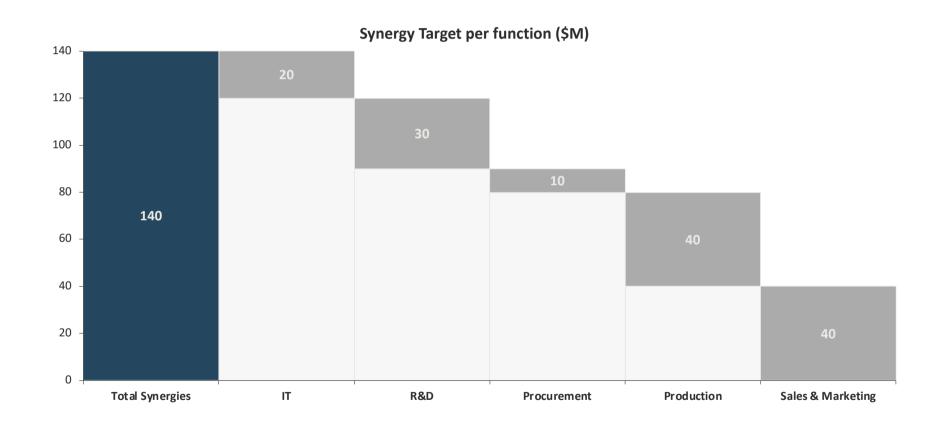
	d. Institutionalize the approach by creating a Playbook
Template	See next pages

There are 2 types of synergy: Cost synergy and Revenue synergy (2/2)

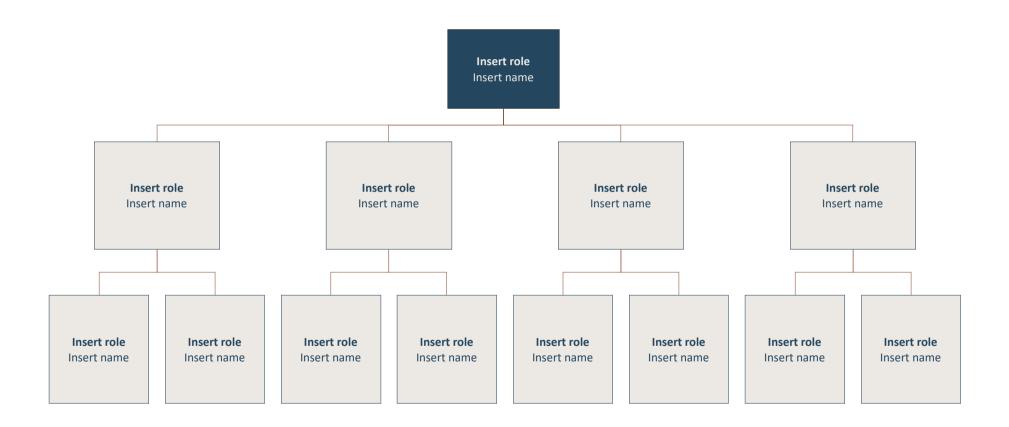


^{*}The break down of the cost synergy and revenue synergy is not comprehensive

See below a simple example on how to breakdown your synergy target per function



Organizational chart template



The First Day Plan

	Status	Owner	-9	-8	-7	-6	-5	-4	-3	-2	-1	0
Prepare internal communications		AD										
Prepare external communications		JF										
Define pricing policy		AD										
Integrate General ledger		JF										
Prepare welcome drink for new employees		JF										
Adjust sales pitch		JF										
Align marketing messages		JF										
Define the synergy targets		JF										
Integrate brands		MJ										
Integrate products & services		JF										
Integrate reporting		JF										
Define employee retention strategy		JF										
Rationalize employee compensations		JF										
Insert name of initiative / activity		JF										

The 3 months plan

								We	eks -					
	Status	Owner	1	2	3	4	5	6	7	8	9	10	11	12
Share new company vision		AD												
Identify new organizational structure		JF												
Appoint top management		AD												
Communicate on the synergy targets		JF												
Prioritise opportunities		JF												
implement quick wins		JF												
Address cultural issue		JF												
Integrate brands		JF												
Integrate sales force		MJ												
Integrate channel and supplier		JF												
Integrate process and system		JF												
Integrate technology systems		JF												
Insert name of initiative / activity		JF												
Insert name of initiative / activity		JF												

Keeping track of synergy realization

	Status	Owner	Planned synergy	Actual synergy reached so far	Deadline	Key Risks	Key Issues	Inter-dependencies
Insert name of the initiative		AD						
Insert name of the initiative		JF						
Insert name of the initiative		AD						
Insert name of the initiative		JF						
Insert name of the initiative		JF						
Insert name of the initiative		JF						
Insert name of the initiative		JF						
Insert name of the initiative		JF						
Insert name of the initiative		MJ						

Change Management, the ADKAR model page 1 of 2

Each one of the ADKAR Model 5 elements represents a particular objective that the Change Manager will try to achieve:

Awareness	of the need to change
Desire	to participate and support the change
Knowledge	of how to change (and what the change looks like)
Ability	to implement the change on a day-to-day basis
Reinforcement	to keep the change in place

Change Management, the ADKAR model page 2 of 2

Enablers

Awareness	Management communications Customer input	 Marketplace changes Ready-access to information	
Desire	Fear of job lossDiscontent with current stateEnhanced job security	Career advancementAcquisition of powerIncentive or compensation	 Affiliation and sense of belonging Hope in future state Trust and respect for leadership
Knowledge	Training and educationInformation accessExamples and roles models		
Ability	Practice applying new skillsPractice applying new processesCoaching	Mentoring Removal of barriers	
Reinforcement	Incentives and rewardsCompensation changes	CelebrationsPersonal recognition	