



*When Time Matters.*

## Cultural Integration – Post Acquisition



# Cultural Integration

Cultural Integration is one of the critical components why so many M&A transactions fail to achieve the full potential.

Why?

- Arrogance
  - Refuse to believe that the issues are present
- Avoidance
  - Too difficult to fix
- Focus
  - Management team focused on financial synergies
- Measurement
  - Hard to measure



# Best Practices – Cultural Integration

- Due Diligence Phase
  - Complete cultural assessment before signing transaction
    - Both organizations
  - Identify plans (retention, recognition)
- Post Transaction Phase
  - Dedicated focused team
    - Address both organizations immediately following the closing
  - Align deal drivers to cultural integration



# Three Critical Elements

- Identify Key Measures
  - Define what the company measures, why, and what happens as a result
    - Determines what motivates executives, employees, and customers
- Company Infrastructure
  - Define how the company will be organized
    - Responsibility, Accountability, Reporting
- Leadership and Management Practices
  - Define leadership and management practices
    - Management to staff communication?
    - Employees basic value systems?
    - Employee treatment?
    - Business plan execution ?
    - Decision making process?