

M&A Integration

Our Services

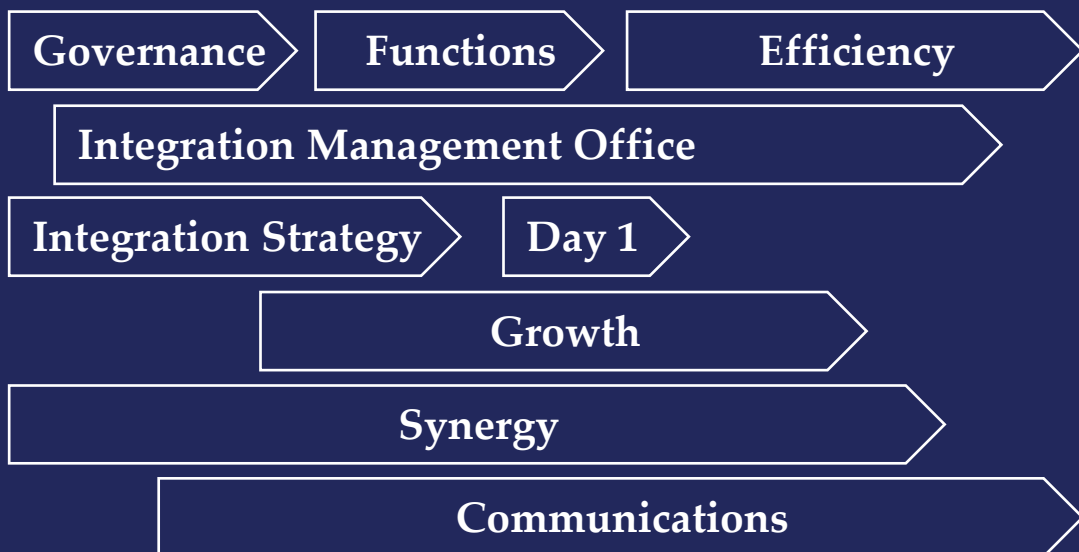
Due Diligence

Sign

Close

Interim State

End State



Why do you need Integration help?

If you are thinking about buying another company, you will know your business and what you want to achieve with the acquisition, therefore, you will probably believe you do not need help.

You have quality systems and people, whether they have M&A experience or not you will expect them to identify all the potential issues of an integration, understand their importance and produce a comprehensive plan.

So why is it then that approximately 80% of mergers and acquisitions fail to deliver value. Failure is not only expensive, but, can also impact on future growth (or even viability) and will certainly add significant stress to your systems and employees.

That is why you need Integration help.

Why should you get this help from DD Consulting?

We believe that DDC's successful history of helping clients deliver real value from M&A activity is driven by the quality of our people, their industry and M&A experience, but, also by the way we help and support our client's teams.

Over a number of years we have used our experience to develop integration methodologies, tools, checklist, and playbooks which help us maximise not only our value to you, but also, the value that your team can deliver.

We do not "flood" you with junior staff but look to develop and support you in delivering a successful outcome.



Day 1

Day 1 is a key stepping stone to ensuring that an integration delivers maximum value and minimum disruption. It requires a clear focus on critical items, communication with all stakeholders and interim processes that ensure it is “business as usual”.

Given the inherent stresses that will occur across all stakeholders, it can be a challenging time for your teams if they do not have successful integrations experience (and sometimes even if they do), a clear detailed Day 1 plan is essential.

You should understand and deliver clear, relevant Communications, with all stakeholders. These stakeholders will be concerned about the impact on their own businesses (suppliers and customers), and their jobs. Good communication will ensure they support your business during integration and beyond.

Functions such as Finance, HR, IT, Procurement, Facilities have to ensure that systems run, items flow in, processes and controls are in place and the lights will stay on Day 1 and beyond.

Sales and Marketing, are responsible for ensuring a seamless Day 1 for the sales force and customers alike. Taking immediate action on risks and ensuring growth can start.

Day 1 tools and checklists should be used to ensure good, reliable, stress tested detailed Day 1 plans are in place, ensuring all objectives are met.

Governance

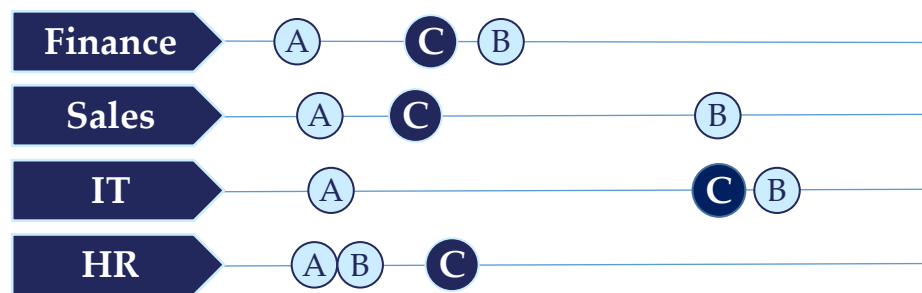
The structure of the integration needs to be agreed and put in place at the start, adequately resourced and maintained. Good decisions need to be made in a timely manner. People need to know who to turn to when facing issues they cannot resolve. Without good guidance, direction and decision making the planning will not go well and delivery will be poor and slow. All should be fit for purpose, communicated and managed.

Integration Strategy

For each part of the newly designed company you need to understand where the desired end state is. Taking a high level view of the company and then also each functions, divisions, departments, country's and understanding where each part is today and where it should be in the future. Current state and end state wanted. Each company is A and B current state with C being the desired end state.

Once you have a clear detailed understanding of current ways of working for the businesses and details of the end point, the IMO can ensure that there is a sound business case and that planning and timing will deliver it. Interim scenarios for Day 1, Day 90 and Day 180 are prepared and road maps, milestones and potential roadblocks to delivery designed/assessed.

Functions, Divisions, Departments, Countries



Integration Management Office

The IMO not only provides co-ordination, tools, checklists and standardisation for all of the functional, operational integration teams it also ensures that the higher level core requirements of a successful integration are in place. Often resourced with integration skills and knowledge.

The IMO ensures all of the Steering Groups and integration teams have adequate resource, skills and cultural mix with the correct overall structure to provide risk management, set-up and governance for all of the integration projects.

The integration high level plan and its cascade to detailed planning and checklists need to be developed with integration teams and clear RACI structure communicated. Business case approvals and change management processes, systems to monitor progress and ensure synergy delivery is visible to business management (in business performance and results).

Growth

To ensure enhanced growth following Day 1, the understanding of how the businesses operate now and the end point must be converted to sales and marketing plans (including branding, materials, and training).

The key elements include customer analysis to avoid customer overlap, or loss, and identify cross sell and up sell opportunities. Product analysis to identify opportunities for a more efficient portfolio, new product development and cost/pricing strategy.

Marketing Strategy development by reviewing Channels, Alliances, & Partnerships; retention or deletion of existing brands; market targeting.

Define changes required to the sales and marketing teams and processes to meet the requirements of the interim and end point.

Of course as you change, your competitors will try to use the opportunity to grow their businesses, you must be able to respond.



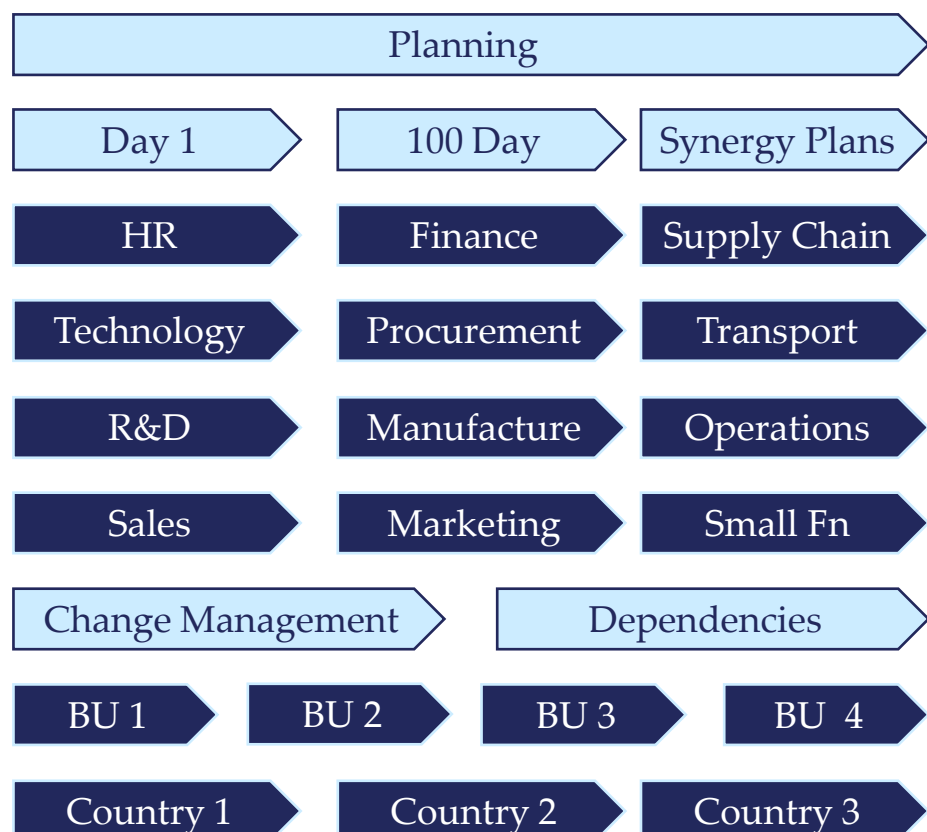
Efficiency & Effectiveness

The Interim state and end state business model must ensure that the opportunities to improve both efficiencies and effectiveness are delivered. This means not just identified synergies, but, overlap, duplication, waste, inconsistencies due to the changing strategic direction, standardisation, bottlenecks. The independent integration teams must be able to cut through the politics and constantly review promised delivery to ensure improvements are captured throughout the integration.

Functions

Integration teams for each of the functional areas need to be set up and work within and across boundaries ensuring dependencies are identified, communicated and clearly understood.

Interface points and regular cross functional meetings must be part of the functional plans in addition to being a monitoring process. Synergies and changes are delivered through the functional and business integration plans.



Synergy



Synergies can be identified with integration strategic options, ways of working and costs. Then high level values developed and allocated to streams (function, divisions, businesses and countries).

Workstreams can then prepare individual Business Cases for review and approval via the IMO to ensure they are challenging, achievable, and when consolidated, support the high level deliverables.

Delivery of synergy projects can be complex and you must understand how early decisions affect them longer term. Therefore, a robust and accurate tracking and reporting process within the internal control framework must be implemented to ensure that delivery is kept on track (or the cost of additional support evaluated if slippage occurs). To support this a constant review of potential additional synergies should be part of the framework.

Communications

With plans made in each area, the communications plans need to be created. Communication channels to all stakeholders developed checked and activated.

Communication guidelines prepared. Thinking about what will be delivered, by whom and how are laid down, as well as feedback process set up.

Communications are about retaining people, reducing uncertainty, delivering the business day to day and changes to it, ensuring customers and suppliers understand and the deal is seen as a success on Day 1, Day 180 and beyond. People need to be fully engaged in the business and the integration with a special focus on Day 1.

As communication is a common issue for employees during normal day to day operations, getting it right during such transformational change is a difficult task. Getting it wrong is expensive.

Are you ready for M&A?

Do you fully understand the ramifications of early decisions? What is your integration Strategy? Do you have the resources in house? What does Day 1 look like? Who will do what on Day 1 and do they know it? What interdependencies exist and who owns them? Do you have a communications plan? How will you take control of the company? Do you understand all the synergies and how to deliver them? How will integration workstreams be resourced and governed? Can you see all the risks that will appear? How do you keep day to day operating effectively? Do you have agreement on integration approach for each department and division? Do you know who your good people are? Do all the 100 Day Plans work together and pull in the same direction?

Why DD Consulting?

DD Consulting specialises in M&A integration and carve-out. With corporate, big four and private equity backgrounds, our team has supported clients of all sectors, through some of the most iconic acquisitions of the last 20 years. We are passionate about planning, mobilising and delivering deals. We're different because we work with you in smaller, agile, highly experienced teams and take the time to transfer our knowledge to improve your capability. Whatever the brief, DD Consultants bring with us:

- M&A experience, key knowledge and skills learnt from numerous previous deals.
- A library of tools, templates, check-lists and methods which have been refined over years of engagements. We will share these with you, but more importantly, we will teach you how best to apply them.
- An outside and objective point of view, free from agenda, incentive or bias.
- A history of delivering client engagements to the highest standards, on time and on budget.
- We work in small teams together with you, not trying to sell more, not trying to spread out.
- M&A it's our bag, we don't do anything else.

Some of our deals



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