

# M&A Integration Governance

## Our Services

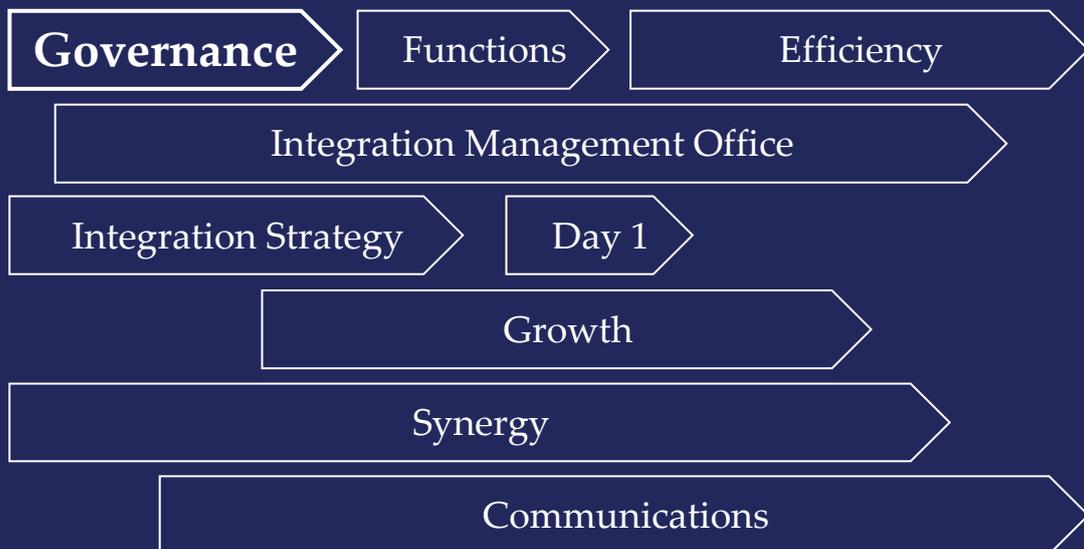
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# Why do you need Integration help?

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.



# Introduction

The structure of the integration needs to be agreed and put in place at the start, adequately resourced and maintained. 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. We provide the support to ensure the structure, RACI process and controls are fit for purpose, communicated and managed.



How do we set up our integration structure? Who makes what decisions? Who runs the budget? Who is accountable for delivering the synergies? Who is responsible for changing the business? How will you know what is going on? How will you know if everything is going according to plan? When should governance be set up? How should workstream work? Where does each type of decision get made?

Do you understand the risks and mitigating actions of an integration?

# Decision Making

Who can make decisions? Not as easy for people to understand before the organisational structure has been put in place from top to bottom and people changes made.

Who is responsible and accountable for what within the integration? from the HQ level, to functions, divisions and countries across all the current state organisations.

Where do budgets sit and who can sign off at each stage of the integration.

Understand the current governance structure, create an inventory of all decisions. To what extent are strategies and goals used as guidelines for decision-making? What are the decision rights and accountabilities assigned at the global, regional and local levels? Are decision-making processes well-defined, clearly understood and followed? Are decisions based on fact-based analysis and executed on a timely basis? Are decisions consistently communicated across the organisation?

## Structure

Establish a governance structure, committees and other decision-making bodies. Assign appropriate decision rights at each level of the organisation (e.g. P&L ownership and control). Roll-out decision rights, what tools and data do people need to facilitate decisions.

## Guidance

There are policies and guidance in place across both organisations at any one time. These are written, verbal and historic. Which policies are in affect at any one point in time? How does anyone know. Without a review of what is in place and explicitly saying what we want, we will get managers making it up as they go. We cant cover everything but we need to have principles in place across all functional and business areas

# Structure

Integration is best managed by a Steering Committee that advises an Integration Management Office (IMO) that is responsible for planning and implementing the integration. The integration work is performed by each functional area (Human Resources, Finance, Operations, etc.).



The steering committee set strategic direction for Integration, define guiding principles, priorities & goals, sets the scope for transformation, sets expectations makes decisions and resolves conflict.

The workstream and BU leads, ensure project management standard, drive project delivery, delivery the objectives on time and on budget, communicate with and report status to IMO, prepare & maintain business plans, project timelines and manage risks & issues. They ensure communications, performance metrics are hit, and manage change control, scope control and resource requirements.

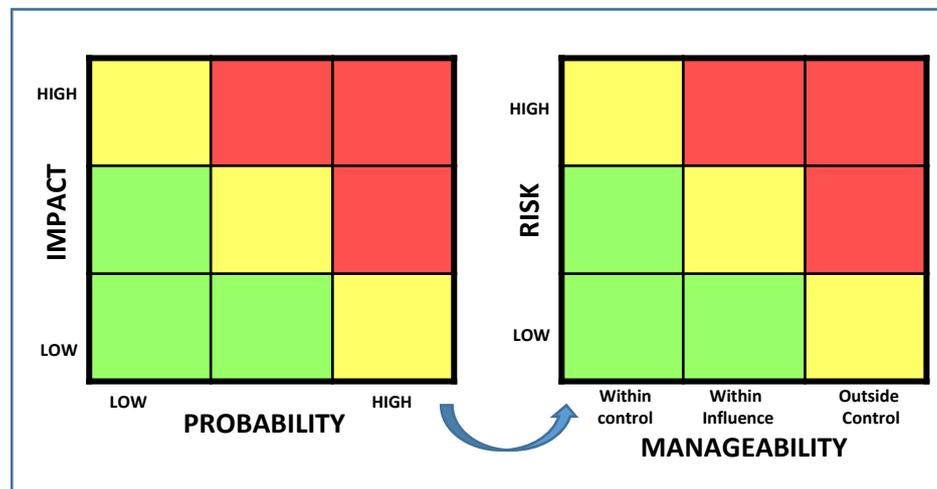
# People

Knowledge and experience of the integration and functional areas, business area's to enable good information collection, analysis and business cases to be pulled together for good and rapid decision making.

# Risk Workshop

It is critical to understand the risks posed by the integration, business and the decisions we take. Having a risk workshop is a great idea, get all the risks out in the open and then have a plan to mitigate them. Tracking of the risks as we go through the deal can be done by the IMO and reported on. At timely intervals these should be updated with new risks that have popped up.

A number of risks have been identified, given the amount of work needed during deals (especially pre-deal), some or many of these are not catalogues, remembered, planed and resolved or mitigated correctly. It is often the case that issues that have been spotted or at least questioned, come back to bit us eventually. There is a large chunk of integration work associated with risk and their management



## 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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