

## LEADING SUCCESSFUL INTEGRATIONS

Mergers and acquisitions, and the resulting integration, are an integral part of the business landscape – whether in private, non-profit or public sector organisations. However, studies have consistently shown that only 10 – 30% of M&As are truly successful in delivering the expected business benefits. The reasons for the failures are more often than not associated with the intangibles – leadership, culture and engagement.

At Serac we work with senior teams to help them forge shared identity, shared strategy and shared direction, but most of all shared excitement and commitment to the future – we focus on the “how” of making integrations happen.

In our experience of leading and supporting M&A there are some key pointers that can help maximise the chance of success

### **Leadership – is the key**

Leadership from the top is the greatest factor determining successful outcome. It is vital to provide clarity of purpose, strategy, structure, clear decision-making processes, effective communication – all of which needs to join up - plus hands on involvement. Easy to say, difficult to do at the best of times, let alone in the heat of the action!

This requires a genuine congruence and authenticity in the relationship between leaders and their teams. This then enables the team to “hold” the rest of the organisation and set tone through uncertain times.

### **Purpose & Business Strategy – know the why and the what**

Creating a clear understanding of why we are doing the merger/acquisition and what the real focus needs to be to deliver the outcomes is essential. This gives a framework within which the whole organization can

align their efforts. Don't take this for granted – it might be obvious to the deal makers but real clarity to those involved and responsible can go missing.

### **Structure & Decision making – connect the whole**

It is critical that the integration is “held”, and managed as a whole not just as a disparate set of individual parts. The day to day running of the work should be the accountability of a single senior team under an Integration Lead who is responsible to the top.

### **It's a discontinuity – get real**

Organizations facing integration cannot afford to pretend it's business as usual. Employees are distracted, customers are nervous and competitors are swift. But in all this, integration is an opportunity to set a new tone for how the combined business will operate in the future.

## **It is truly about the people – attend to reason and emotion**

Defining what needs to be done and doing it effectively is difficult enough, it becomes impossible if you don't take your people with you. How you treat your people and how well you engage with them, to join you on the journey, will determine the outcome.

## **Control the resources – focus them**

Control the resources (e.g. money) in integrations and you control the decision making and the outcome. Allocate resources on the important areas and then empower their use within the framework of purpose and strategy. Also, properly fund integration activity – it is unrealistic to expect transformation through existing operational budgets

## **Day 1 – set the foundation**

Be absolutely clear and focused on what is needed for "day 1" – what does the customer need to see when the transaction is completed. Plan for Day 1 and post Day 1 separately. Be realistic; what are the essential elements that are needed for Day 1. A chaotic first few months in the market place as a result of over ambitious plans takes an awfully long time to recover from.

## **A transformational opportunity – use it!**

Notwithstanding the challenges, integrations are significant opportunities to generate the culture of the future that is greater than the sum of the parts. If you don't shape culture, it will inevitably shape you; as has been said "Culture eats strategy (and indeed integrations) for breakfast" every time. Culture emerges through doing real work together. Integrations are a chance to demonstrate that doing business in the future can be different. How you define purpose, how you co-create strategy and the like are all opportunities to show a new way of working. Cultural integration should not be seen as a separate workstream but an 'outcome' of a well choreographed and progressive approach to integration.

**Our expertise is in the "how" of making this happen. We believe that you can't transform organisations from the outside, so we work through leaders in ways that makes change stick and creates sustainable value.**

**Our core expertise is in helping senior teams build a genuine commitment at the top that enables them to engage the whole organization on a brighter future.**

**If you have an integration related challenge that you think we can help with or you just want to chat about the challenges and opportunities of combining businesses please get in touch.**

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