

Business Integration Solution

The vast majority of mergers, acquisitions, and large-scale reorganizations are not successful. The reasons for this can be many but research shows that integration planning and action tend to be the greatest risk and single largest factor in success when engaged properly. We work to uncover and capitalize on the hidden opportunities in the integration of two or more organizations. When organizations are combined, maintaining the things that each does best while building higher value can be very confusing. That is why we created this a set of solutions to engage leadership teams in a process by which they can lead the business through transformation. It begins by developing an understanding of the origins of the organizations being combined. It results in a path toward integration becoming clearer and easier to execute. The end result of this solution is to create a coherent set of actions that will capture and build value in the organization moving forward. The benefit of this solution is applicable to mergers between companies, combining business units, or creating matrix organizations. Here is an example of what we provide.

Business Challenge

A multi-billion dollar client company was acquired by a large conglomerate with the intention of merging it with an existing division. The executive team needed a way of identifying the risks and issues of merging the two entities in such a way as to maximize value capture. There was a significant overlap in product lines and geographic representation between the organizations. Both organizations were successful and had been performing well for years. The opportunity was to combine the two organizations and generate value by reducing duplication of effort in the marketplace, strengthening the overall product offering and reduction of costs. The major obstacle was that the two organizations were of vastly different histories. Each had developed in a different cultural and structural fashion. The conflict level that would result from a full and immediate integration of operations was seen as unacceptable. The executive team needed a way of proceeding with minimum risk and maximum return. The onboard skill in the team lacked the expertise required to address the multitude of people related issues that were beginning to emerge as the companies began to deal with the post merger realities that come along immediately after the announcement of the merger.

Solution

We were called in to execute the necessary steps to guide the leadership team through the process of integration planning. The objective of our work was to find an optimum solution that could be carried out by the existing leadership team with minimum conflict and seamless performance. The solution delivered included mapping the two organizations to highlight the areas where commonality existed as well as where there were unique areas. The process made the overlap in the two organizations as well as the major differences and commonalities transparent to

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all people in the leadership team. Based on this work, the leaders designed a strategy and set of plans including accountabilities for the integration work moving forward. The integration plan was governed by a centralized team of leaders to oversee the effort through to completion.

Results

The merger of the two organizations proceeded on schedule and resulted in the seamless integration of world wide sales teams, product development, and service organizations. The combined business met aggressive targets for sales and service revenue while retaining the customer base from the prior two businesses into one customer base. The long term strategy developed during the process for brand integration under one global brand was accomplished with strong market share performance. Profit from the combined enterprise exceeded targets and shareholder value was enhanced.

Summary

Organizational integration that is created in mergers, acquisitions and resizing the organization to fit economic reality can be a difficult and risky undertaking. We remove much of the risk in these situations by pinpointing the places where opportunity is created and risk is avoided. The process we use has been shown to be effective in lowering risks and capturing value associated with organizational integration activity in businesses in a large range of scale. To learn more about the workshop or to get started on taking advantage of the opportunities to make a significant impact on value creation, call us at StratEx Advisors, Inc. at 530-672-8178 or simply email mark@stratexadvisors.com