

BEST PRACTICES FOR SELECTING A POST-MERGER INTEGRATION TEAM



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Stakes are high during a merger. There are dozens of moving parts to manage, from negotiating the purchase price, to defining key outcomes, to critical operational considerations such as maintaining licensing. There are also two businesses to keep running during the process.

How do you ensure nothing slips through the cracks when going through a merger? It's all about having the right team of people in place to manage the transition.

START EARLY

The day the letter of intent is signed should be the day your company starts identifying its core post-merger integration team. Delays will only lead to confusion.

Having the right team in place from the start ensures the execution plan and strategic objectives will be upheld throughout the transaction. Depending on the complexity of the merger and the size of the companies, the team may be composed of the following groups:

Steering committee - This group is typically composed of C-level executives from both organizations, as well as the directors of the human resources and communications departments. The steering committee sets the direction of the deal and manages all final approvals on spending, staffing and the more nuanced aspects of the transition. The steering committee is in charge of creating the high-level merger integration strategy, establishing timelines, and defining synergy targets.

Integration management office - This team's role is to convert the steering committee's strategy into detailed roadmaps. They are also in charge of ensuring these action plans are followed by all in the combining organization. This team serves as the final authority on all decisions, and is devoted almost full time to the merger.

Operational team - Ideally this group is composed of operational leaders from both companies. Their job is to coordinate all of the deal's cross functional integration activities. They manage the moving parts and help ensure the deal meets its targeted goals. They also drive the synergy capture process.

External advisors - For many organizations, their first merger is their only merger. Bringing in experienced external advisors who have managed previous deals can provide trusted guidance and support throughout the process. These external teams also help your employees stay focused on running the current business. It's also important to have third party legal teams involved in the transaction.

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FINDING THE RIGHT MEMBERS

Mergers happen fast. And they require quick leaders.

Each team needs the authority, information and access to achieve its goals. The members of each group should be strategy-minded, process-oriented and adept communicators. They need energy and a tolerance for ambiguity, and should possess strong project management skills.

When picking these teams there are risks. Some individuals may not be experienced in M&A; others may not take the position seriously because they don't believe they'll have a future with the new organization.

SETTING MILESTONES

Organizations spend hundreds of hours reviewing the details of a deal, but all too often the actual logistics of the transaction are overlooked. This could lead to the deal's demise if key outcomes are not measurable.

In addition to creating the teams early on in the process, processes must also be established and systems put in place to measure their goals. Create an information repository and communication chain to ensure everyone is working from the same documentation and knows how to escalate issues.

With the proper teams and framework in place, your merger is more likely to be one of the deals that succeed.

STAYING COMPLIANT

After the long cycle of completing a merger there is still so much to do. Often times, the compliance requirements associated with the surviving and non-surviving entities are the last items to make the list - if at all. Most companies, of all sizes, aren't fully aware of what's needed beyond receipt of the merger evidence. Unfortunately, it is a critical and complex series of activities and not completing the steps poses significant short and long-term risk.



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To learn more about how CT can help in-house teams learn what's involved and how to plan for this [phase of merger](#) work contact a CT representative at 855-316-8948 (toll-free US).

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