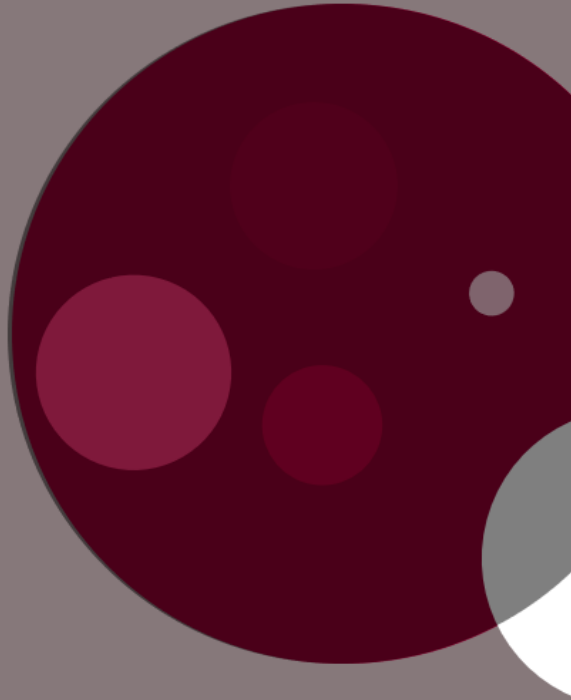


ACQUISITION

Integration & Optimisation

Report



INTEGRATION OPTIMISATION

Making communication count

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Communicating: after the deal is done

So, the deal is done and the papers signed... what next?

Doing the deal can be a marathon that usually has its share of pitfalls and unexpected consequences. The negotiations, due diligence and final agreement can be hard won but they come to a close when the deal is signed. That's when the hard work of integrating and optimising your investment begins.

The ideal acquisition process harmonises the activities of the acquired business quickly and effectively to reap commercial, expertise and/or organisational benefits as early as possible. Integrating and optimising the new business is all about communication.

We identify communications that will optimise the time it takes to fully engage the new business and ensure all stakeholders understand the aspirations and expectations that the acquisition brings. We explore the work required to embed the behaviours, approaches and attitudes that have been key to success in the acquiring business or vice versa!

Integration means so much more than just processes and systems (hard as they can be to standardise) we explore the *what* and *how* of full and effective positive integration and provide tips and approaches that will optimise the contribution of your newly acquired business and the time it takes to come about.



Integrating culture and people

Research Findings

There are two areas of:

1. Processes, systems, and controls.
2. Culture alignment, change psychology and effective communication.

In our experience the latter is the harder to achieve in a desirable time-frame. While the former needs careful planning and project management the latter requires a good understanding of how people react to change, the way in which communication can motivate and facilitate and how lack of, or poor communication can lead to confusion, dissatisfaction and failure to meet important change milestones. Below are our top tips and techniques for planning and implementing an effective people and culture integration campaign.

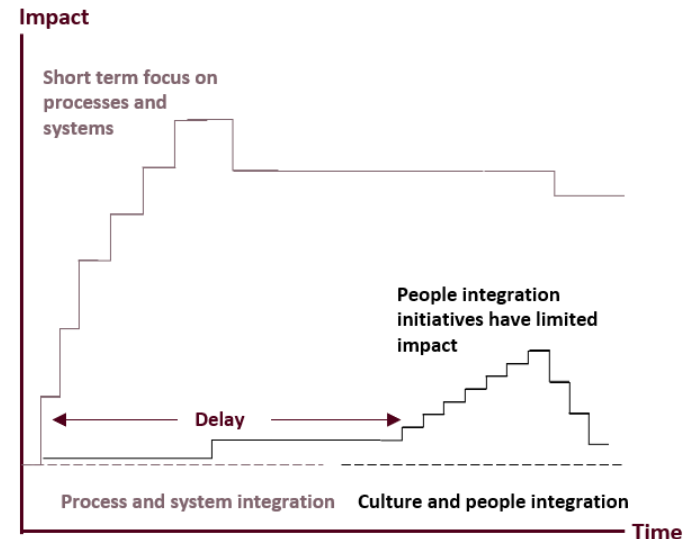
Respectfully and fully informed

During the acquisition there has needed to be a degree of secrecy with information being shared on a 'need to know...' basis. In many cases this can lead to a climate of distrust, anxiety and de-stabilisation. This is then often compounded by the added uncertainty of new leadership, new ways of working and new ways of organising...

We are going to look at 8 aspects of people and culture integration.

Integration focus

Businesses often focus on transactional aspects of integration at the expense of Culture and people integration. This dramatically reduces the effectiveness of the integration programme over all.



Integrating culture and people

1.

Pace of change. Ensure it is realistic and regularly check how the new team is adapting. *Tip: Slowly accelerate the pace of change once early wins have stabilised the new team's response to the change.*

2.

Timing. Early communication with all levels of the new team is vital for reassurance, clear expectations and morale. *Tip: Deliver planned communications over the first 100 days*

'Anxiety around change is the most common and natural human response...'

3.

Trustworthiness. Trustworthiness can be communicated and will begin to address concerns early. Consider the key messages very carefully so as not to undermine the team, at the same time being honest about perceived improvements. The fact that the acquisition was made on 'potential' does not mean that people aren't invested in the old culture, processes, ways of thinking or that everything in the business needs fixing. *Tip: Positive but honest and open communication builds trust.*

4.

Psychology. Anxiety around change is the most common and natural human response. There is a normal distribution curve of responses from a small number of highly anxious individuals at one end to those that feel genuinely positive at the other, with 'floating voters' in the between. We believe that understanding other people's perspectives facilitates good communication. *Tip: Deliver early comms to provide clarity and open, honest information helps address anxiety.*

Another aspect of psychology is to avoid 'us and them' thinking. This requires conscious effort because it is often a natural and unconscious defence in times of uncertainty. *Tip: Only use 'We' not 'You' ensure that your communications include honest recognition of strengths as well as openness about weaknesses.*

5.

Accessibility. We believe in creating a sense of belonging early in the process to build confidence and engagement. This means a planned process of multiple channels of two-way communication for engaging the new team in all aspects of their new business' life. *Tip: Ensure that as many people as is feasible visit the site over the first 100 days from all levels of your business. Most vitally make sure senior team members are accessible for ideas forums and other planned integration activities*

Integrating culture and people

6.

Consistent and clear expectations. Changing the name above the shop does not change the culture of the business. Having a straightforward message about expectations requires a lot of preparation. Everyone engaged in the integration process giving the same message for example. Having a clear set of expectations that are repeated and discussed regularly will help bring stability. We believe that people are not telepathic. If we don't explain our expectations in plain language with good examples then the team will make it up for themselves to fill the gap in understanding, it's natural. *Tip: Define a comms campaign to explain how your business culture works, what's expected and what's required.*

7.

Mentoring / support. There is a mass of expertise within your business that can be useful to new team members. Ensure that the key individuals have the skills to act as supportive mentors for teams and individuals within the new team. *Tip: Don't assume that a person has the skills to train or mentor others just because they have excellent levels of expertise.*

'Changing the name above the shop does not change the culture...'

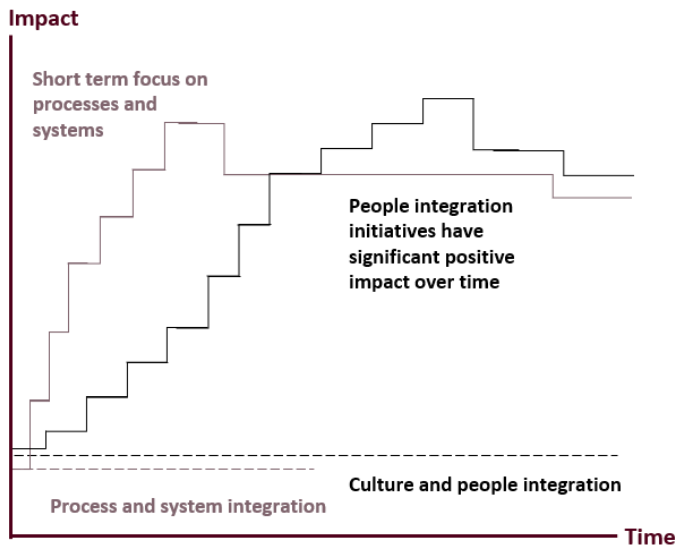
8.

Learning. Integration is an on-going process of review and improvement and that applies to the cultural integration as well as the processes and systems needed to optimise your investment. Learning from the current process (more of... Less of... Start... Stop...) to inform your next acquisition integration will be beneficial for you and for the new team members too. *Tip: Ask the new team to create their own video (with guidelines) and have it professionally edited. User generated footage is often authentic and enlightening.*

Integrating culture and people

Integration focus

Businesses often focus on transactional aspects of integration at the expense of Culture and people integration. This dramatically reduces the effectiveness of the integration programme over all.



Our experience and research suggests that to launch an integrated and unified communications campaign on day one of the newly enjoined business reaps dividends.

1. Reduced anxiety amongst those most concerned
2. Increased cooperation and engagement
3. Reduced resistance and cynicism
4. Increased retention amongst those that you want to keep
5. Negligible 'us and them' reactions
6. Improved timescales for optimising your investment

Above we have explained some of our thinking about acquisition and integration communication. We do of course do more than just think about it! Like most things doing it is harder than talking about it. In other words, great communication is easier said than done!

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At **DOWDING** we understand that communication means something slightly different in every new situation. We don't provide one size fits all solutions; we provide solutions tailored to your business and commercial need. We ensure that the communications we create with our clients (not just for them) are fresh and effective and reflect the unique DNA of their business.

We offer a flexible service to our customers. For clients in the early stages of growth we bring board level expertise without the costs of a communications director. For larger businesses we bring specialist expertise making it unnecessary to cover the cost of in-house resources on a full-time basis.

Ask us

Get in touch and ask us to provide a proposal and budget for a campaign or project. Set us a challenge to see what we are capable of.

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**INTEGRATION
OPTIMISATION**