



THE
DUKE MBA
CONSULTING CLUB

Case #10

Company: Deloitte

Topic: Human Capital

Industry: Technology

About the Case

This is a Human Capital Case and thus contains an approach much different from the usual “Strategy” case. However the candidate should not abandon the use of a framework. Here the focus isn’t so much on the bottom line as it is on the approach needed to manage the proposed changes in the organization. The case should be carried out in a conversational format with hints and clues to push the candidate along.

Defining the Problem

The merger of two major technology companies forged a team of 140,000 employees with capabilities in 160 countries, doing business in 43 currencies and 15 languages. Contested by key members of the board until the final hours of the transaction, the merger had a media “fishbowl” effect. In addition, myriad rumors regarding layoffs heightened internal anxiety. The client needed to quickly formulate a strategy to deal with the rumors, stabilize the workforce, and set the strategic agenda for change.

Prompt #1

As a member of the project team – how would you structure an approach for the company's executives to successfully address the potential issues and realize the full value of the acquisition?

Answers

Short-term

- Develop and deliver internal and external communications to all stakeholders (shareholders, Board, the Street, acquired employees, legacy employees)
- Deliver honest, detailed communications as soon as possible to stop rumors (Key leadership from both companies should deliver these messages)
- Review both organizations "as is": culture, shared services at both organizations (i.e., HR, Finance, etc.), talent (what kind of skills/people need to be retained at both organizations)
- Conduct a gap analysis between "as is" and "to be"

Long-term

- Solicit feedback: Talk to the employees to find out the rumors/ concerns/ fears/ etc.
- Create a website that with all the information about the merger (include a place to post questions/concerns/issues → make sure these are addressed so people don't feel like it's a black hole)
- Execute: Move new organization towards "to be" state
 - Develop new job roles/functions
 - Talent management (prevent intellectual capital drain)
 - Rationalize redundant services (e.g., HR, finance, benefits, etc) - maybe employ Total Rewards practice
 - Establish the culture of the new organization (not a merger of equals, but the acquired company should not feel like they are losing their identity/culture) through leadership, training, communications, etc.
 - Develop and implement appropriate incentives: You get what you reward/ must be aligned to strategy

Author's Commentary/Notes

The candidate should touch on the major points in order to consider the interview a success.