M&A Integration: The Keys to Success

By [Phil Lynch](#)

Combining two similar functional areas may seem like an easy task, but when it comes to mergers and acquisitions, the degree of an organization's success often lies in the hands of its own personnel.

The process of integration can be tricky even for those who execute M&A transactions frequently. On the surface, combining functional areas or departments appears to be straight forward. However, when organizations begin integrating, there are many processes and systems that need to be effectively analyzed, modified, and even potentially rebuilt to fit together. This work requires additional bandwidth and, depending on the extent of the integration, possibly additional personnel to be executed successfully. Further, there will be cultural changes throughout the integration that need to be addressed.

In instances where an integration is substantial enough to require additional personnel to oversee and execute, identifying and training dedicated support persons is critical to success. These individuals may be current employees or new hires. Regardless, those tasked with integration need to have baseline knowledge of both project and organizational management in addition to technical and domain knowledge of the areas affected by the integration. The ideal integration leader will possess experience and exposure to many functional areas within the organization. In this way, he or she will better understand the interdependencies of tasks and activities, be able to effectively troubleshoot issues which may arise, help with implementing countermeasures for delays or issues, and ultimately, achieve the desired outcomes of the integration itself.

So, how do you know if your M&A integration requires the support of additional personnel? While there isn't an exact formula, per se, there is a loose metric to consider. The needs of each integration are determined by the size of the transaction, the complexity of the processes within the businesses, the nature of the transaction (stock v asset, friendly v takeover, etc.), and/or the amount of change anticipated through the integration of people, processes, and systems. The amount of change, which can manifest as organizational disruption, helps to analyze the amount of support necessary for the integration. Further, take note of subtle red flags like meetings not being scheduled, tasks being lost in the shuffle, and individuals acting outside of policy as these may all be signs that additional support is needed. **The key is to consider the integration of people, processes, and systems.**

Once you have determined whether your integration will require dedicated personnel or not, the next step is to clarify the roles and responsibilities of everyone involved. This process should specifically include dedicated bandwidth to work on the transaction close and manage process integration. Delineating expectations of individual workloads relieves ambiguity – and anxiety – on personnel. This in turn decreases the negative impact of the integration on human resources and greatly improves an organization's chance of success. It is important to recognize activities are completed with the support of others. While it is necessary to identify the primary responsible person, identifying the supporting cast will help ensure team members are not overburdened.

Companies involved in successful integrations understand that disruption is unavoidable. Change is the very nature of expansion and rebuilding, and it's also uncomfortable for most people. Therefore, it's crucial to note that **collaboration – not technology – is the true driver of lasting change.** All the project management tools on the market today are only as good as the team behind their implementation and use. Organizations must care for their people first and support those efforts with

technology instead of the other way around. When done right, the disruption caused by integration is muted, people and process are front of mind, and those impacted by the change view it positively and are still able to be successful within their clearly defined roles.

At SLKone, we understand that while this may all make sense on paper, it's certainly easier said than done, and we're here to help. Our consultants and subject matter experts are trained in a variety of industries and represent a deep functional expertise within many areas of business. We specialize in identifying the extent of integration needed and can roll up our sleeves to jump in and help – not just direct – project and organizational management for successful M&A integration.

Integration Application: A Case Study

SLKone was hired to help an organization complete an integration that would double the size of the client's business. As part of the planning activities for this large integration, SLKone conducted personnel, process, and system assessments, to identify success triggers and critical breakpoints, and developed mitigation plans as needed. Through this process, SLKone was able to create an integrated project plan and address the critical factors with the client's leadership prior to start of the integration. After assisting the organization through the transaction and initial phases of the integration, the client's internal team was trained to a capacity that enabled them to continue forward and execute as a cohesive unit.