Statement of the Problem

Electronic Data Systems acquired A.T Kearny, one of the most respected global management consulting services in the world. The main concern and task is to determine the best medium to collaborate the two companies who have different cultures, purposes and missions together to obtain maximum advantage. Senior consultants and sales team, were concerned about the changes and implications caused by the acquisition and how the two merged companies would work to keep current clients, acquire new ones and work as a efficient organization as a whole.

Summary of the Facts

As it happens with many companies that get acquired, the acquisition of A.T Kearny Ltd which is an international management consulting firm, by Electronic Data Systems (EDS), who is a information systems company. Moreover, EDS is a world leader in technology with over 90,000 employees in over 40 countries who is well known for outsourcing and offers business solutions as well as IT services. EDS can be described at a company that shapes information. IT is no longer just another tool a company may use to accomplish operational tasks. Today, information technology helps solve problems, set new levels of service and create new distribution and communication channels. It has become sufficiently important to be included in the process of setting a company’s strategic objectives. Nevertheless, the acquisition has raised many issues including how to leverage the merger in terms of providing strategic consulting and information systems to clients. Should the two firms cross-sell each other’s services or should they work together to keep clients and acquire new ones. What new opportunities should the company pursue to grow business? And how would the company do so.

Analysis

It is of importance to mention that the president of A.T. Kearny, Brian Harrison maintained its position, as well as the rest of the structure of the consulting firm, despite the acquisition by EDS. In fact, it is the president of the company who is in charge at that moment of the integration of MCS and its company. The president Brian has seen the usefulness that technological improvements offered by EDS has. They are a key factor to keep the company competitive and in the race with other consulting firms. EDS offers solutions such as system development, system integration, system and process management which are all customized to the client’s necessities and its comfort. The addition of all these services and improvements to the current structure of A.T. Kearny was able to evolve the company into a much efficient and more powerful entity in the industry.

According to the book "The lines between strategy, operations, and information systems consulting continued to blur. A broad range of service capabilities would be required for firms to achieve high-impact, tangible results and the ability to position them in the high value-added end of management consulting. An integrated service continuum from strategy formulation to implementation was the direction in which many international players were headed" (Spiro, 2007). We can now understand why EDS wanted to acquire A.T Kearny as a party of their company. EDS need the experience of a team that was already in the industry. MCS had everything the company needed; from great employees to great facilities. However, as the results how, efficient planning is the key of successfully aligning two organizations together. EDS has purchased many other companies that were similar to A.T Kearny. However none of the were at the magnitude of A.T Kearny. Moreover, EDS made a wise decision to acquire the best and most experienced company and viewing it as a long-term investment. The purchase of the previous companies were EDS's effort to develop an “A.T. Kearny” management structure without having to pay the amount the actual consulting firm costs; hereby, the title new “Defining Entity”. With both processes integrated, the greatness of solutions offered by the consulting firm, along with the technological power and physical support like software and communications offered by EDS, allowed the company to reach a new tier of success and market presence. In terms of services provided, strategy and the integration process was given to the A.T. Kearny firm, while the IT and research and development departments were managed by EDS and its MCS branch. Due to good decision making from the president, the objective has been defined which lead to better opportunities in the sector and better human resource management.

Recommendation

Ones the integration is completed and to companies has both the same direction and vision, it is time to gain better opportunities in the market place and overcome obstacles. A new integration process is to happen towards the clients after the merger. According to the book “The sales people need a new approach by being well informed on the new products they are offering clients. Also, new rewards programs should be in place where sales people are rewarded for accomplishing sales to the key companies who are targeted as potential clients. This would identify the two companies as one and there would not be a problem of cross selling. Moreover, the client would see the two entities as one, which can in turn win their confidence.

For both companies to further expand, new products need to be created from the union of both companies. This can attract more clients to pick EDS and A.T Kearny as a single place where both solutions are offered. Also, to keep rhythm and company culture unity, the new entity should involve employees from both sides for ideas on delivering products that show each branch strengths. For example, opportunities can arise from EDS clients who need the consulting services of A.T Kearny. This would allow the company to grow, as clients become long-term customers rather than short-term deals. It also slowly unifies the company even further. According to the book “Global clients, accompanied by global issues, were becoming the norm. There was a need to continuously demonstrate greater industry expertise, deep business knowledge, and in-depth thought leadership to guide clients into the future and ensure flexibility in a rapidly changing environment. It was becoming a requirement that leading-edge information technology be incorporated into implemental solutions, as technology and convergence played an increasing role in driving strategy and in restructuring industries.”(Spiro, 2007) By utilizing each branch's strengths, confidence both internal and external can increase which will lead to better performance and alignment as a whole. With time A.T. Kearny could be differentiated for their IT offering along with consulting and at the same time leverage EDS’s technical capabilities.

Conclusion

A merger is a marriage of who different entities who each see strengths in the other. Working together is essential to growth and success. The basis for a successful acquisition/merger includes a common understanding of the reasons for the merger, a considered assessment of what both sides bring to the party, and complementary product lines and geographic markets. In addition, there must be thorough due diligence on both sides, recognition of potential problems, and the ability to capitalize synergies.