

## How To...Prepare for a merger or acquisition

By Bernadette Starzee

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If your company is going through a merger or an acquisition, your to-do checklist is several pages long. As you weed through the financials and compare technology systems, make sure you pay special attention to the human side of the equation. After all, a clash of corporate cultures and poor communication can turn what seemed like the perfect marriage into a tumultuous relationship and perhaps lead to an expensive divorce.

From the time they first hear rumors of an impending merger until synergy between the two companies is fully achieved, employees typically feel uncertain about whether they will have a future within the new organization. Throughout these trying times, top management should issue updates to the company's plans as they arise. Rather than hearing through the rumor mill that, for instance, entire departments will be relocating to a different office, or that certain job responsibilities will change, your staff should hear it from you. Clear communication from top management can help reduce employee flight as well as help staff get on board more quickly with the changes. In addition, for employees to execute what is expected of them in the new organization, they must be told by top management what that is.

Once the deal is signed, the first step in assuring a smooth transition is to form an implementation team, which should include representatives from both companies. If your management team is inexperienced with mergers and acquisitions, consider hiring an outside advisor to lead the team. As an outsider, the consultant will provide a level of objectivity that likely can not be found from within, and, as a specialist, the consultant will have learned from previous assignments which pitfalls to avoid and which steps can be taken to achieve synergy more efficiently.

In a perfect world, when a new organization is created from two separate entities, it takes on the best practices and characteristics of both. However, in the real world, often the culture of the smaller company gets quashed, even though its entrepreneurial spirit or efficiency may have been what made it attractive to the larger company in the first place. The implementation team should carefully analyze all the departments of the organization, and act quickly to apply the best practices across the board.

The job responsibilities of each position and each department within the two companies should be written down in a well-organized document. To gather information, the team should speak to managers and staff members. Once this document is created, it should be analyzed and the processes at the two companies compared. This will help the implementation team pinpoint potential redundancies as well as more efficient practices.

Once the team analyzes practices from both companies and determines the best way to proceed, a new, integrated organization can be defined. New organizational charts must be developed and new procedures documented.

This information must then be disseminated, so that employees can learn and implement the new practices.

Many mergers and acquisitions have come before yours, and it makes sense to do some research, so that you can learn from the many mistakes that other companies have made.

Read up on the topic and speak to friends, clients and members of your trade association who have gone through the trials and tribulations of a marriage between two companies. Ask them to list three things that were done well, and three things that could have been done better.

*Bernadette Starzee can be reached at [starzee@optonline.net](mailto:starzee@optonline.net).*