Rapid M&A Integration

By Mark Egan

- Focus on the people
- Take an aggressive approach to migrate the new business into existing systems
- Plan to complete the work within 90 days of deal closing

Mergers and Acquisitions (M&A) are an important strategy for expanding business. Unfortunately, many times these actions do not meet their intended goals. Although considerable emphasis is placed on technology, products, and new markets, some fundamental issues are overlooked. After working on over 60 M&A transactions, I recommend that you focus on three areas: engaging your new employees, integrating the new business into existing systems, and completing all integration work within 90 days.

Engage your Employees
First, focus on the people. Make sure that you answer their top three questions:
1. Do I have a job?
2. Who is my manager?
3. What is my scope and responsibilities?

Until you answer these three questions, employees of the acquired company are not really listening and can't focus on integration work. Be honest with employees, especially if you do not have a role for them and provide assistance in finding a new role and incentives to work through transition period.

Migrate New Business into Existing Systems
Next, take a very aggressive approach to migrate the acquired company into your existing systems. With few exceptions, migrating acquired company systems over to your internal systems is much easier than investing a lot of time evaluating the acquired systems. Make sure that your existing systems have capacity to support increased volumes and additional businesses. This can be done as part of your IT readiness work well in advance of any M&A activities.

Have a 90-Day Plan
Finally, have a plan to complete all the integration work within 90 days of closing the deal. Many IT tasks, such as e-mail, unified web site, and personnel systems can be completed on the first day of operation for the merged company. The remaining tasks should be aggressively planned for completion within 90 days. This approach positions your organization to take advantage of the newly merged company to develop new products and services and sell the expanded offering to your customers.

StrataFusion works with clients to develop their rapid M&A integration programs enabling them to improve the overall quality of their work as well as reduce costs.

Learn more about "Mergers and Acquisitions" in StrataFusion's Knowledge Center and get to know our CIO/CTO Advisory practice.