

Revisiting Post-Merger Integration Opportunities

Finding growth in M&A deals from earlier years



“This guy knows how to find revenue streams.”

Growth is not easy to come by in the current business environment. Operating plans made last fall may already look aggressive as economies continue to adjust to new realities. Yet growth is still highly rewarded by investors. By revisiting the opportunities of past mergers, you may find hidden opportunities for growth that you can capitalize on in 2016.

Often, when speaking with executives, we

hear that one or more acquisitions in the past did not go as well as hoped. For reasons they only appreciate later, they left some revenue growth initiatives or streamlining opportunities on the table.

Most organizations do not have a consistent, proven approach to post-merger integration, but as they gain experience,

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Three steps to capturing unrealized deal value



1. *Grounding in the deal history and original intent.* We debrief the two or three executives most closely involved with the acquisition and develop a plan to complete the assessment. We review due diligence reports and board presentations, and subsequent business plans and performance reports. Finally, we customize tools for the interviews and surveys to be conducted in the second phase.
2. *Identifying remaining integration opportunities.* We conduct interviews and surveys of key stakeholders to identify and quantify integration-related opportunities and the challenges to capturing them. Findings from this phase will be built into the design for an executive planning and decision-making session.
3. *Building alignment for action.* We design and facilitate a ½-day forum for discussing and prioritizing potential actions, and developing a high level plan for implementation. This meeting is focused on coming to agreement on what initiatives, if any, to pursue, the leaders for each initiative, and the expected time frames for accomplishment.

they find that acquisitions completed in the recent past may hold opportunities that are still worth pursuing.

When we ask why they may have missed out on achieving these benefits the first time around, we hear reasons such as these:

- “We left the integration goals in the hands of local management, and the initiative lost momentum.”
- “The acquisition model did not require big changes to get the results we had committed to.”
- “We were not sure of the best integration strategy – that is, should we leave it alone or absorb it completely or do something in between?”
- “We didn’t want to create uncertainty for the people in the (target) company.”
- “Other priorities got in the way... our best resources were tied up on other initiatives.”

Perhaps it now makes sense to revisit one or more of your completed acquisitions. What kinds of opportunity will you find? Here are three big areas of opportunity based on our experience:

- Go after unrealized growth opportunities – either because they were not identified in due diligence, not planned for in the initial post-merger integration, or not achieved in spite of the organization’s best efforts. These include opportunities for revenue increases across the matrix of existing customers and products through integrated approaches to marketing and sales. You also may find additional benefits by revisiting planned revenue synergies in light of information learned after closing.

- Ensure completion of organizational and process integration in support of the deal strategy. Organizational role clarity and cultural differences should be tackled first; otherwise your organization can be confused and may be working against itself even if deal objectives are clear. If you haven’t finished redesigning administrative processes, this area can hold back collaboration and overall productivity. IT programs often fall into this category due to long IT project time scales. This also may be an opportunity to revisit IT priorities in light of more highly quantifiable business integration benefits.
- Launch business opportunities that could leverage the skills and experience of both legacy organizations but that are not currently being pursued by either one. As you work together and learn more about the capabilities of the combined organization, there may be opportunities that do not get traction because nobody is seen to own them or because pursuing them requires that the organization make very significant changes.

As one might guess from these examples, coming to agreement on revisiting prior deal benefits can be challenging. How can Acquisition Solutions help? We can guide your team through steps to evaluate and prioritize these opportunities and be a catalyst for decision-making and action. (See “Three steps to capturing unrealized deal value” on page 2.) In addition to decisions on specific opportunities involving a previous deal, the outcomes of our work

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together would include significant organizational learning about how to successfully integrate an acquisition, and identification of institutional changes you can implement to make your next deal even more successful.

So, why not look for some unrealized deal value hiding in plain sight? We are ready to guide you and your team to identify and realize the growth that made the acquisition appealing in the first place.

Frequently Asked Questions

Q: *Who needs to be involved?*

A: Executives intimately involved in the original deal identification, negotiation, due diligence and integration need to be involved in the interviews and a ½ day planning session. We engage the largest number of stakeholders – usually focused on those involved in managing the integration - via survey.

Q: *How long does it take?*

A: Depending on your situation, the entire process should take between 4 and 8 weeks. Scheduling the final executive session early in the project shortens the overall time line.

Q: *How do we get started?*

A: Let's begin with a conversation about the possibilities you see. To set up a short phone call to get started, please call the number below or email John Pancoast at John@Acquisition.Solutions.

Who We Are

Acquisition Solutions is a partnership of professionals who are skilled at the art and science of post-merger integration. Building on many years of corporate transformation consulting, they focus on establishing acquisition integration excellence for strategic buyers of middle market companies. Please visit our web site for more information.

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