

# Merger and Acquisitions Integration – an approach to a successful transition

## Background

The acquisition of a company or a merger is one of the most complex situations a company may face. Signing the deal is just the start of a long process towards a successful transition. An integration cannot be compared to a previous one. Timelines are usually tight and often companies do not have the knowledge or the resources to consider and handle all aspects of an integration. That is why more than 2/3 of integrations fail or do not lead to the desired result.

## Challenges

Based on our experience the major challenges with integrations are:

- Post-Merger Integration (PMI) details are not sufficiently considered and prepared during the pre-deal and deal phases.
- Factors such as communication, cultural integration and change management are not given the importance they require.
- Aspects such as organizational design, processes, products and IT architecture are not aligned.
- After the deal phase, management attention for Post Merger Integration (PMI) activities is reduced.

- Mergers and Acquisitions (M&A) experts leave the project after the deal is signed without proper handover to the PMI managers.
- Expert know-how is scarce. PMI projects are not managed professionally. Line managers are left alone with the task of integrating the organization, process, product. And IT architecture landscape without the proper guidance.

## Expertise

With our expertise gained in various integration projects in the financial services industry across the globe Synpulse ensures that in each phase of the transition the required steps will be considered and approached the right way. The developed approach focuses the management attention in each transition on the most important integration areas. This will lead to an efficient and successful integration process.

## Approach

Depending on the nature of the acquisition and the characteristics of the two companies, the importance of the integration areas will vary. The Synpulse M&A Integration framework drives a structured approach to identify which integration areas to focus on during the transition. The close collaboration with the client ensures an efficient prioritization of the integration areas and a proper allocation of resources in the integration process.

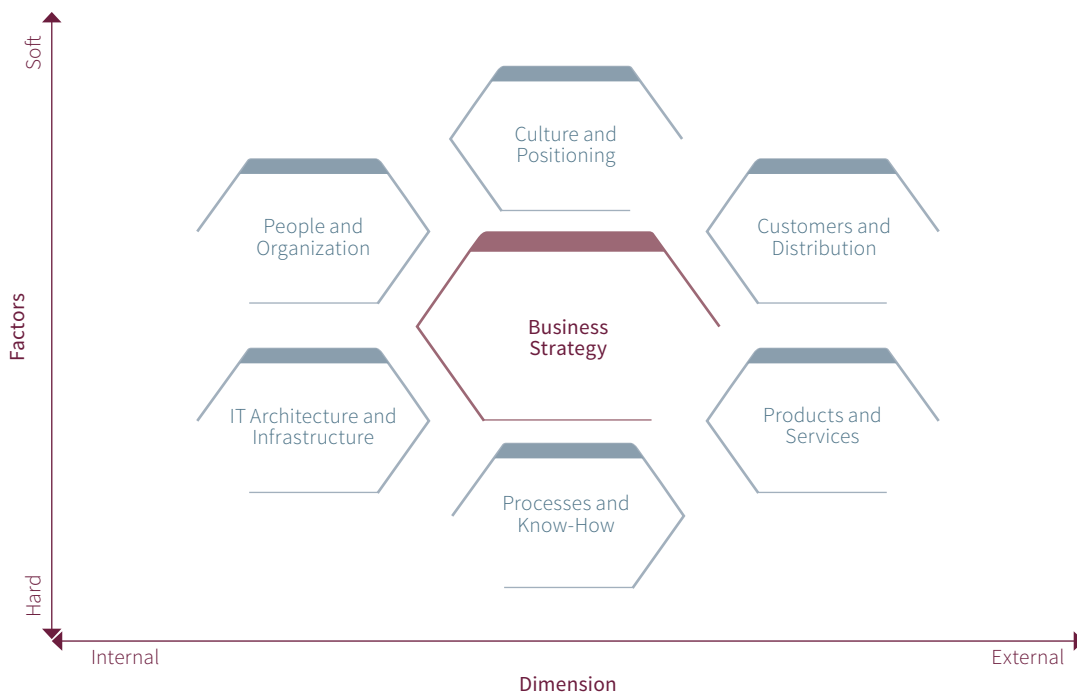


Source: Synpulse

## Benefits

Our approach, which considers the importance of all integration areas, results in the following benefits:

- ◌ Early elimination of redundancies leads to efficient processes.
- ◌ Proper change management increases acceptance by the business and reduces the costs of business disruption.
- ◌ Thorough communication and stakeholder involvement increases client and staff buy in.
- ◌ Product alignment will be achieved on time, which leads to earlier and higher synergies of the merging parties.
- ◌ Clearly defined distribution networks and enabled front staff leads to upselling advantages in the course of the integration.
- ◌ IT architecture alignment lowers operating costs due to an integrated application landscape.



Source: Synpulse

The Synpulse M&A model focuses on six integration areas