

TIMING OPTIONS

There are several points in time to probe the culture:

- **Deal Screening** – Insights that affect the decision to proceed with the deal or provide insights into culture important for the deal
- **Post-Letter of Intent & During Due Diligence** – Insights into culture strengths, differences and risks
- **After Signing but Before the Close** – Objective data around culture synergies and tensions for integration planning, particularly to inform timing and approach
- **Post-close** – Input into integration and transition plans, as well as for on-boarding leaders and their teams

FOCUS ON 'MUST KNOW' CULTURE DATA

Opinions and even data about culture similarities and differences are not enough. Effective integration planning needs to enable leaders to leverage culture synergies and nip culture tensions in the bud.

Culture synergies are not the same as similarities. A similarity is an attribute that the organizations have in common. It is important to be aware of, however it may or may not contribute significantly to delivery of goals and strategies for the combined entity. **A culture synergy is a shared, defining characteristic that can potentially be leveraged to:**

- Deliver the goals of the merger or acquisition
- Ease integration and reduce anxiety by using widely accepted practices, behaviors and structures as part of change plans
- Reveal best practices that can be transferred relatively easily between organizations

Likewise, **culture tensions are not the same as culture differences**. An attribute is considered a culture tension versus a difference when:

- There is a significant difference between the organizations (as revealed in survey scores) and this has potential implications for integration
- The scores are not significantly different, however there are negative implications for integration (such as impact on retention and engagement)

Knowing **culture tensions** is important as these have the potential to **destroy value and reduce ROI**. This damage can occur early as a result of:

- The implementation of changes that damage the 'secret sauce' of one or both organizations
- A backlash from employees that leads to a drop in productivity and performance
- Loss of mission-critical people and their skills, knowledge, external relationships and other capabilities
- A backlash from customers unhappy with their experiences
- The loss of key suppliers that become less loyal

Integration planning needs an early warning system and important insights for decision making and planning, focused on culture synergies and tensions

M&A CULTURE RESOURCES

CULTURE-STRATEGY FIT® M&A Culture Tools are designed to support those close to the deal so they can integrate culture work into planning and decision making early in the deal, or Integration Teams and HR/OD involved in integration and transition planning.



Early in the Deal

CULTURE-STRATEGY FIT® M&A Culture Due Diligence Tool –

An early stage process that is licensed to your organization. It enables internal resources to unpack aspects of culture which need to be recognized for decision making, risk assessment and integration planning. Knowledge transfer occurs with senior HR/OD resources who then engage those close to the deal to gather culture inputs and to identify culture risks together. The M&A Culture Due Diligence methodology includes tools such as Observation Guides, Interview Guides and Workshop Facilitation Plans.

One-time license fee for knowledge transfer and methodology

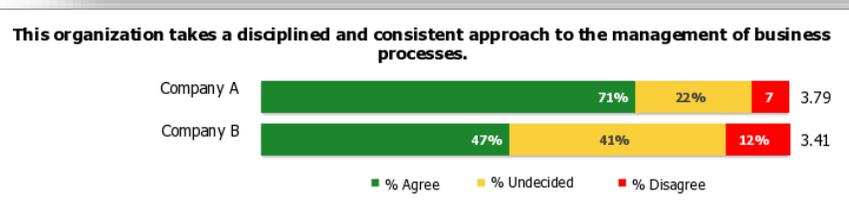
Pre/Post-Close Integration Planning

CULTURE-STRATEGY FIT® M&A Culture Survey – This 15 minute survey compares 14 culture attributes that can potentially create culture synergy or tensions. See the **M&A Culture Profile** example below. It can be used with or without the M&A Culture Integration methodology. For example, for HR or Strategy consulting firms or companies experienced in M&A, this survey can be a tool to add to your M&A resources (You Do It approach).

Alternatively, we can provide knowledge transfer and/or advisory support in how to interpret your results, if desired (We Help approach). We can interpret your results to find the culture synergies to leverage and the culture tensions to address.

Fees based on survey population, number of reports and related services

M&A Culture Profile



CULTURE-STRATEGY FIT® M&A Culture Scan – This 5 minute, 14 item statement survey is an ideal tool to ignite conversations about culture – ‘the way things get done around here’. Use as part of workshops to engage groups in describing their culture DNA. This is an ideal tool for internal or external consultants or leaders wanting to open-up conversations while providing some structure and objective data.

Fees based on survey population and number of reports

CULTURE-STRATEGY FIT® M&A Culture Integration Tool – A pre- or post-changeover process that is licensed to your organization focused on assessing culture synergies, tensions and differences for input into integration plans. Knowledge transfer occurs with senior HR/OD who are trained to use the two M&A Culture Surveys and the M&A Culture Integration Tool to identify implications for integration and transition success. A comprehensive Facilitation Guide and Tools support process activities. Ideal for acquirers and consulting firms.

One-time license fee for knowledge transfer and methodology

Additional fees for M&A Culture Surveys

BUILD YOUR M&A CULTURE TOOL KIT

Whether you are a member of an Integration Team, the HR/OD group supporting a merger or acquisition, or their consultant partners, you need practical surveys, tools and methods that enable well-informed decision making and planning. Give us a call to discuss your needs and find out more about how we can help you build your M&A tool kit and capability.

M&A Culture Integration is:

*A **process** used by due diligence and integration teams to identify risks and develop culturally appropriate integration plans*

*A **competency** in conducting observation to gain insights into combining organizations' cultures*

*A **strategic capability** to overcome cultural barriers and accelerate integration efforts*