

Mergers and Acquisitions: 100 Days to a Successful Integration

A synopsis of a presentation by Ram Gupta, Executive Vice President Peoplesoft Products and Technology, 2004

“More than 50% of M&A transactions fail to realise significant Shareholder Value. More than 70% fail to return increased revenue synergies. What makes an acquisition work is what you do in the first 100 days of the acquisition, and more importantly, what you do in the 100 days before the acquisition.”

<p>Phase 1: Dating</p> <p>The 100 days immediately before the acquisition. The work done here will decide the success or failure of the acquisition.</p>	<p><u>1. Why are you doing this?</u></p> <ul style="list-style-type: none"> • New Customers? • New Products? • New Markets? • New Industries? • New Technology? • Improve Profitability? • ? 	<p><u>2. What are the Success Measures?</u></p> <ul style="list-style-type: none"> • What increased cross selling and up selling? • What increased cross selling and up selling? • What is the expected market share? • What is the expected market share? • When will it come to market? • What Earnings per Share (EPS)? • ? 	<p><u>3. What are you actually getting?</u></p> <ul style="list-style-type: none"> • Detailed Due Diligence to discover the facts and the exposures so you can build strategies to manage around them: <ul style="list-style-type: none"> ○ Financials? ○ Contracts with Partners? ○ Employees? ○ Customers? ○ Suppliers? ○ ?
<p>Phase 2: Mating</p> <p>The first 100 days immediately after the acquisition. This phase is all about execution to achieve and communicate Proof Points of success for the Stakeholders; the Customers, the Investors and the Employees.</p>	<p><u>1. Execution: The Plan</u></p> <ul style="list-style-type: none"> • Develop a detailed Plan of what you are going to do (and not do) for the next 3 years to deliver the Success Measures. • Use your best and brightest people to develop this plan with no pride, prejudices or bias. • Driver: What will this do for the Customers, the Investors and the Employees? • Execute The Plan. 	<p><u>2. Execution: The Organisation</u></p> <ul style="list-style-type: none"> • You have to know who is driving. • Define the Organisation: <ul style="list-style-type: none"> ○ Determine what jobs need to be done to achieve the plan. ○ Select the best people from the merged pool to do those jobs. • Execute The Organisation. 	<p><u>3. Execution: The Communication</u></p> <ul style="list-style-type: none"> • Communicate, Communicate, Communicate <ul style="list-style-type: none"> ○ To the Customer ○ To the Investors ○ To the Employees • Achieve and validate Proof Point results against the Success Measures. • Communicate these proof point results to the Customers, the Investors and the Employees.
<p>Phase 3: Creating</p> <p>The first 300 days after the acquisition.</p>	<p><u>Synergies</u> that combine our unique assets to create new assets.</p> <p>What can we do together that is more than we could do by ourselves? What new opportunities can we create? Plan, execute, deliver and communicate.</p>		