

M&A and the Critical Art of Connecting Two Companies

Creating Post-Merger Success with Network Mapping and Robust Culture Initiatives

Gagen
MacDonald,



MEET YOUR PRESENTERS

Welcome!

What we'll cover today ...

- Don't leave M&A integration to chance
- Change (and sustain) human behavior
- Find and activate organizational networks to protect and generate deal value



JEPPE HANSGAARD
CEO



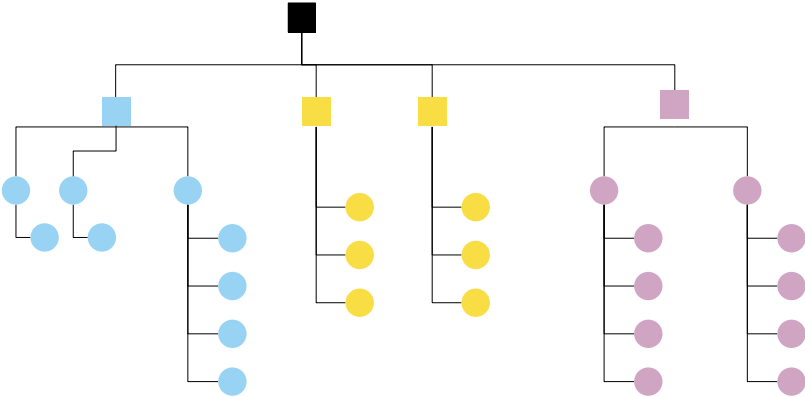
HILLARY GOODMAN
MANAGING DIRECTOR



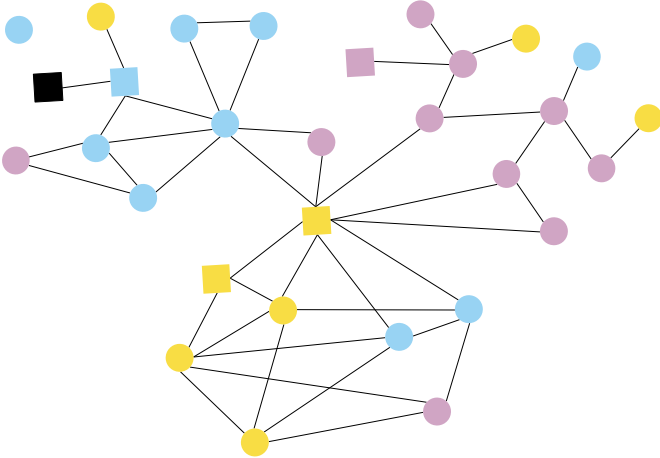
Task 1: Make the Invisible Visible



WHAT YOU KNOW



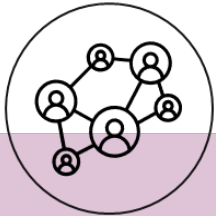
WHAT YOU NEED TO KNOW



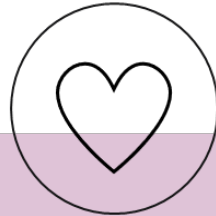
But Why?



CHANGE



COLLABORATION



BELONGING



LEADERSHIP
ALIGNMENT



POST-MERGER
INTEGRATION



Why M&A Integration Matters Right Now?



M&A ACTIVITY REMAINS STRONG

Global M&A Markets Continue to Prosper

\$5.9t

2021 Deal Value
Globally

8/11

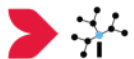
Key business sectors
saw deal volume
increase by over 50%

\$90m

Average transaction
size across all industries



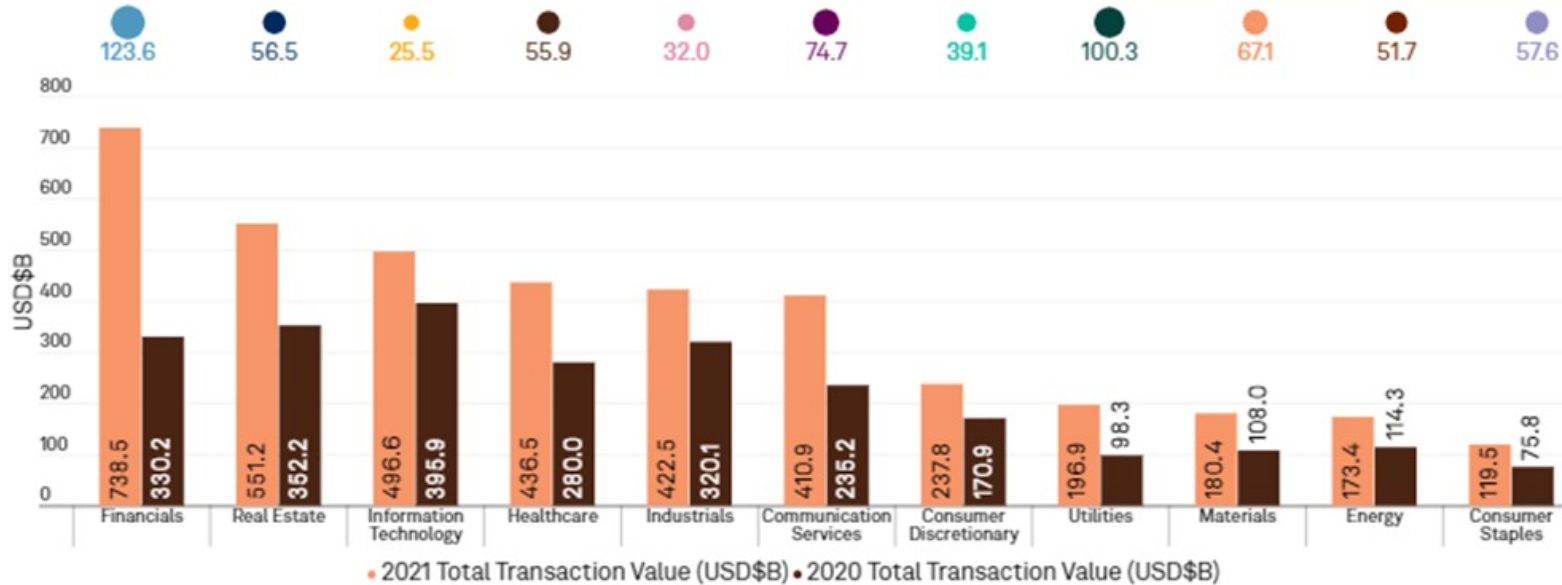
Source: Bain & Company, Global M&A Report 2022



Specific sectors show real strength

2021 Transaction Volumes by Sector

YoY % Change by Sector:



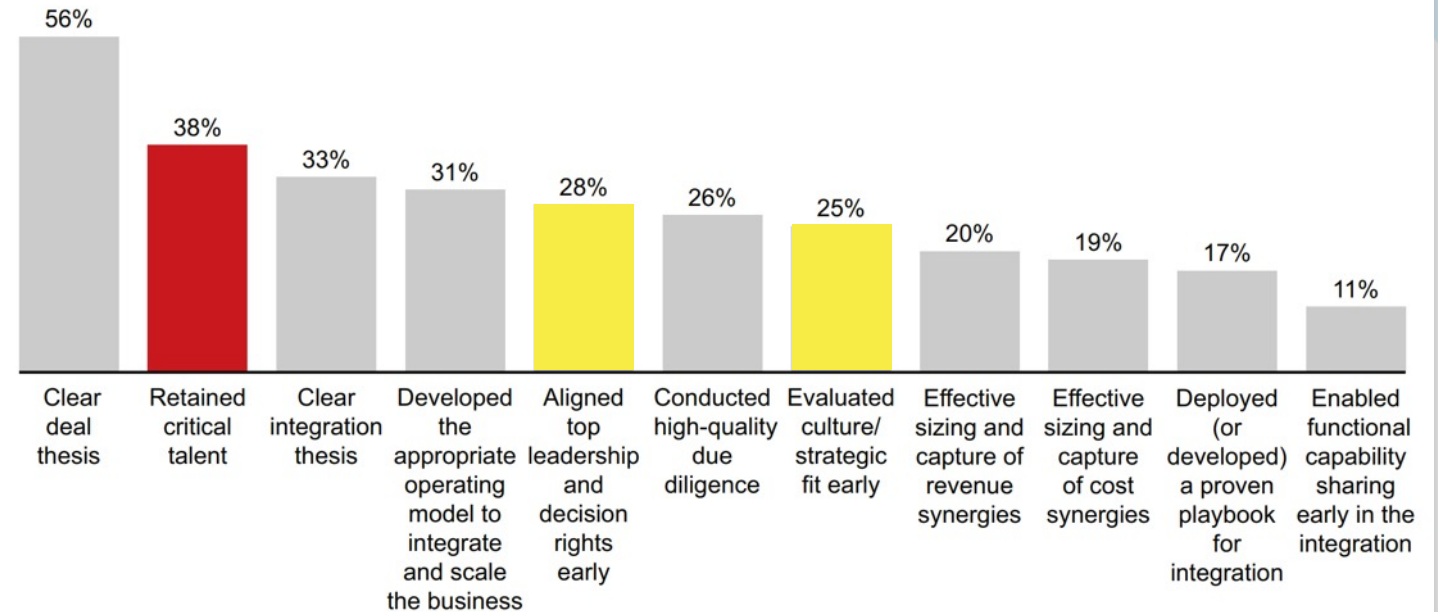
Source: Bain & Company, Global M&A Report 2022



The #1 risk in any M&A activity...

EMPLOYEE BUY-IN

Primary reasons for M&A deal success
(percentage of respondents)



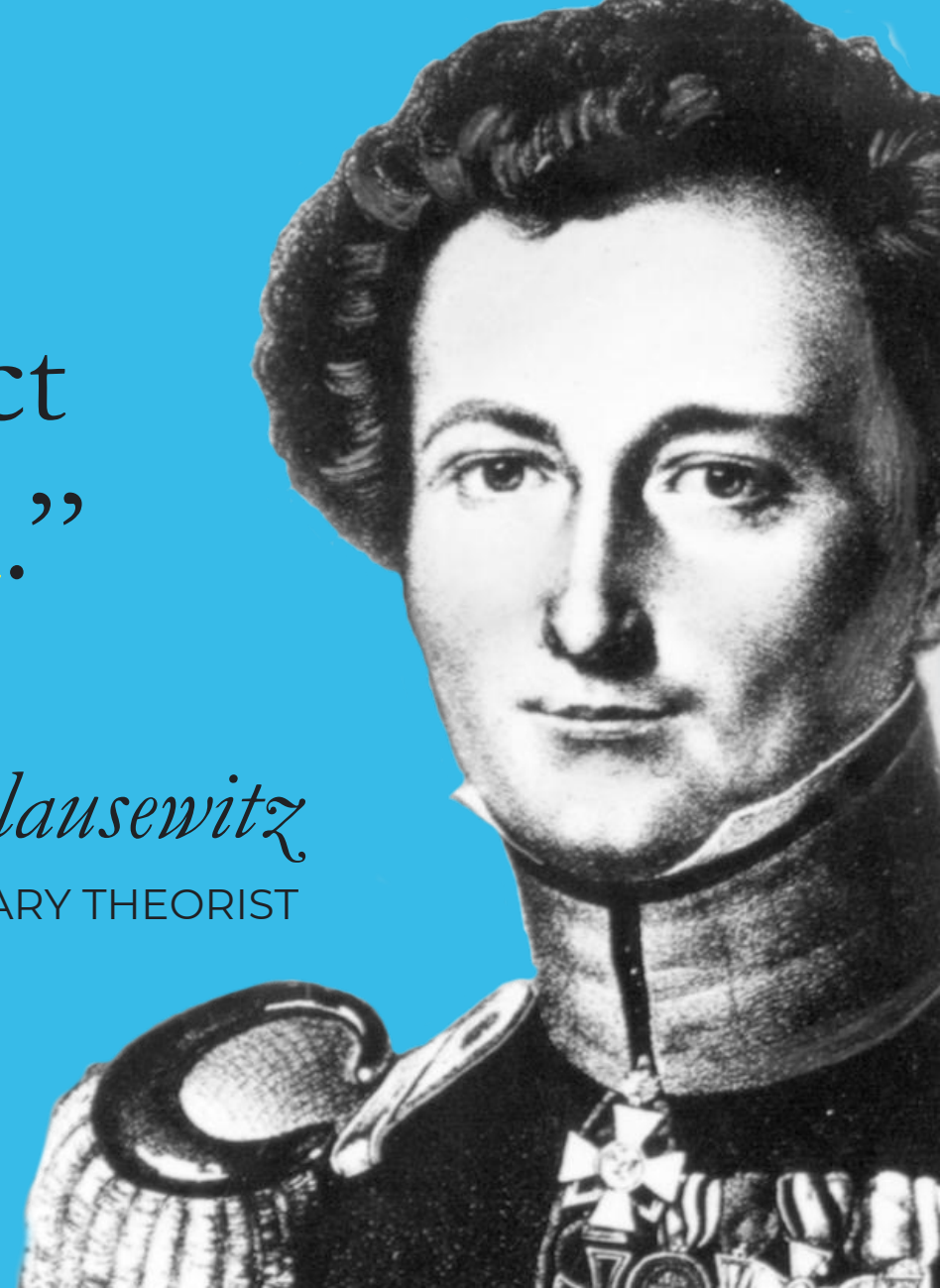
Source: Bain & Company, Global M&A Report 2022



“When the map doesn’t reflect
the terrain. *Follow the terrain.*”

– *Carl von Clausewitz*

PRUSSIAN GENERAL AND MILITARY THEORIST



It's ALL about the People

Done 'WITH' and done 'BY' the people
always beats done 'TO' the people



6 Blockers of Change



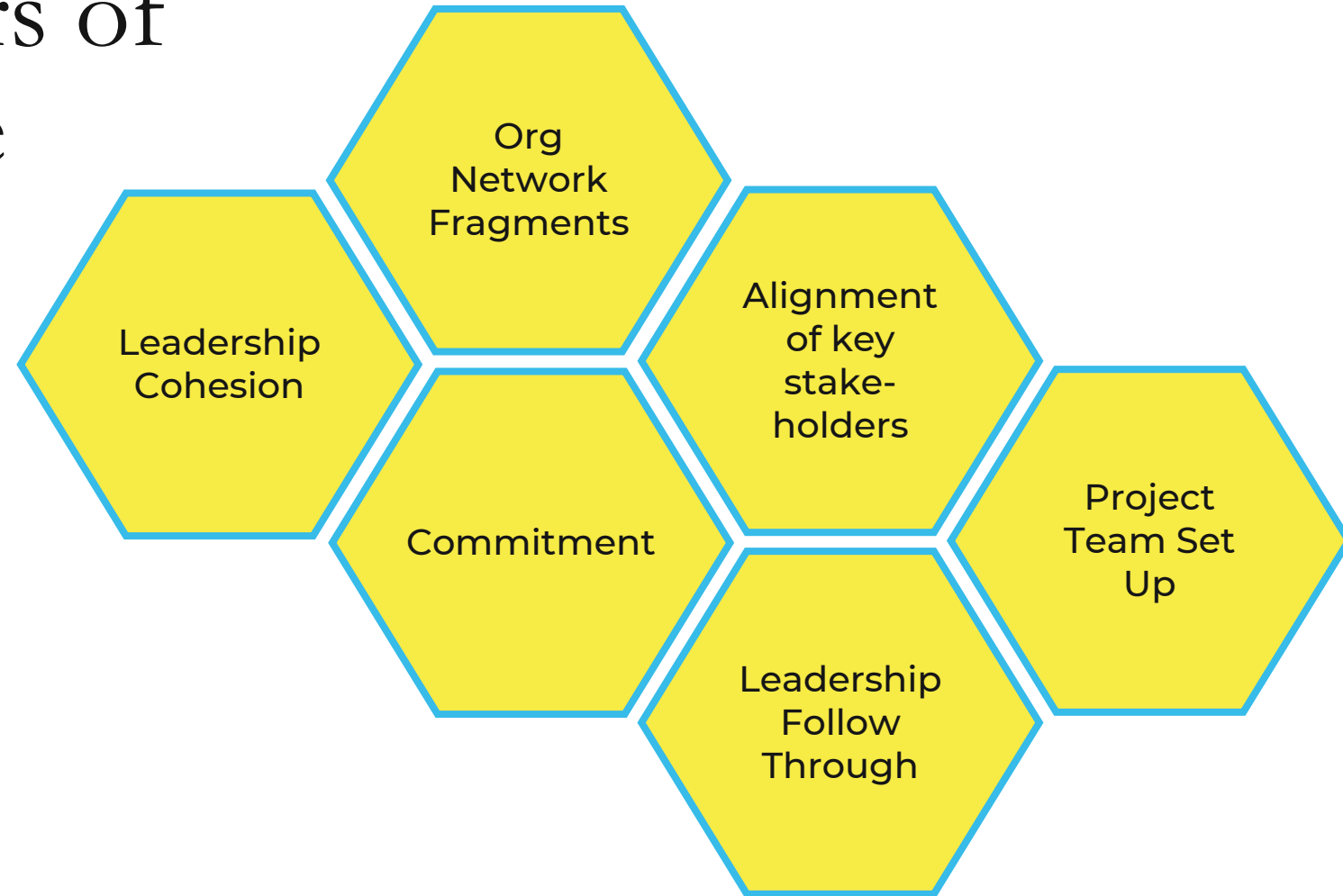
6 Levers That Help People Navigate Change

**Gagen
MacDonald,**



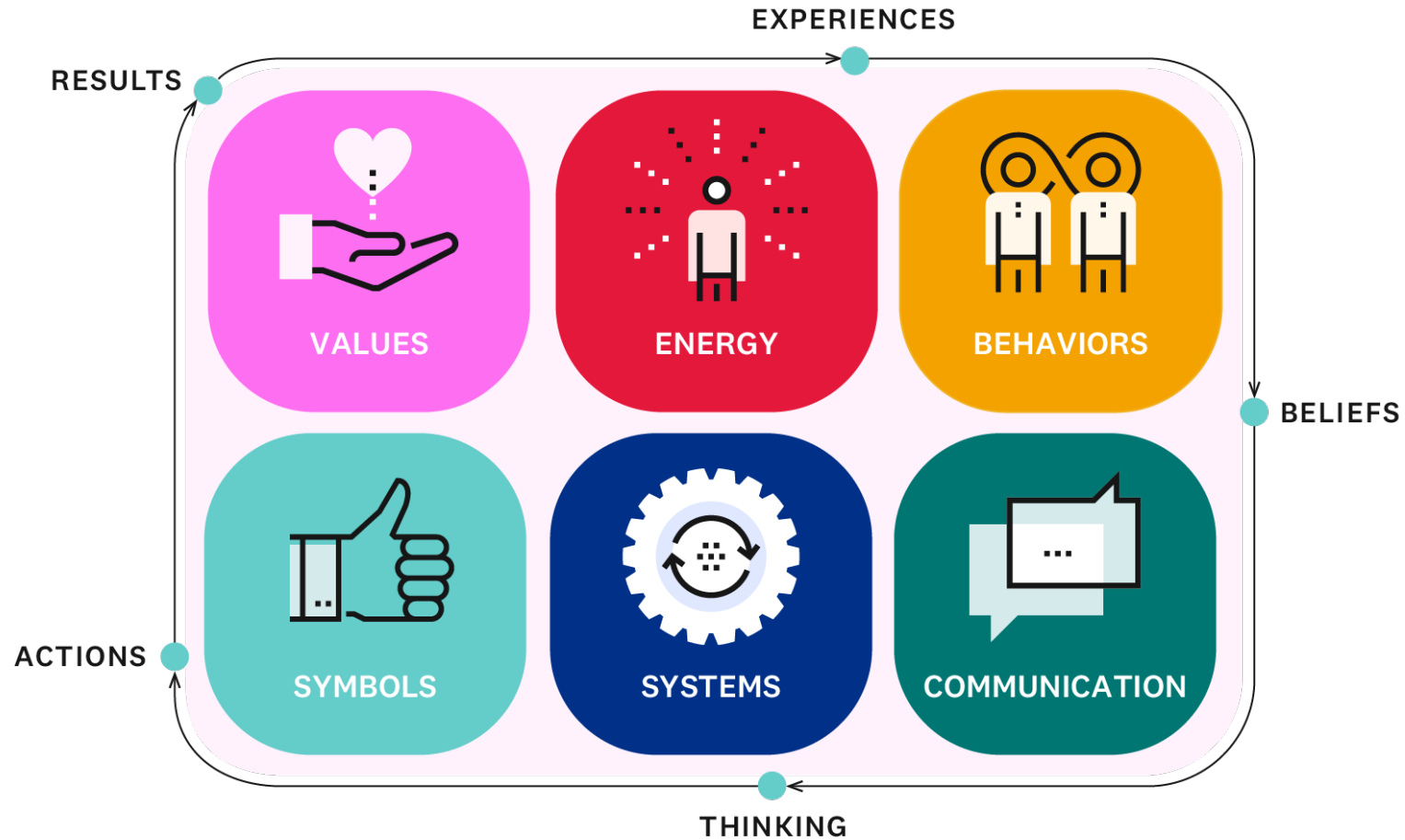
6

Blockers of Change



Let's zoom in on the Six Levers

How these levers can overcome this blocker



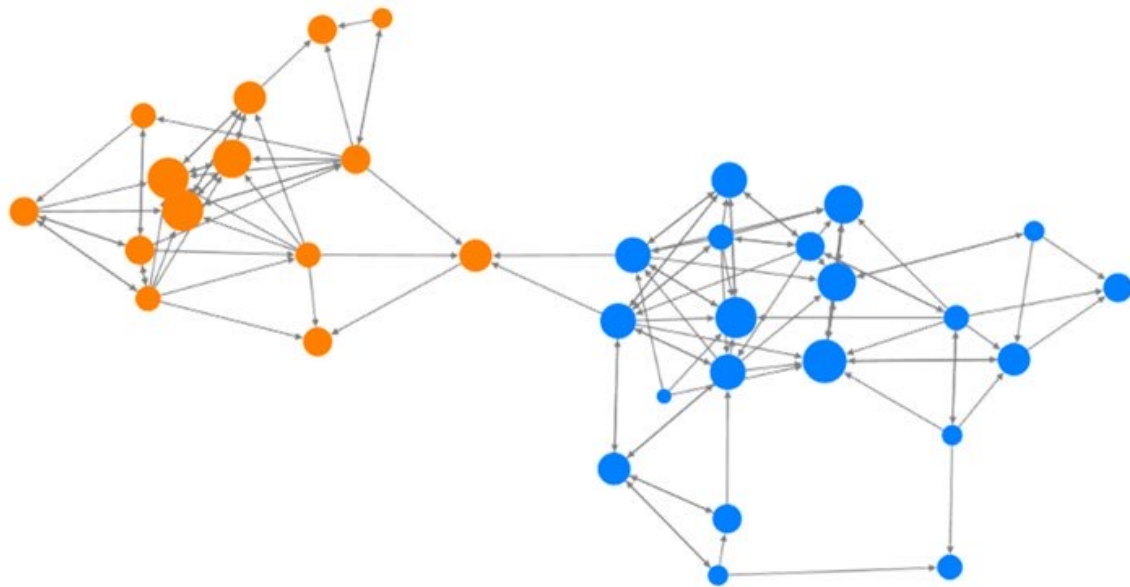
©2022 Gagen MacDonald



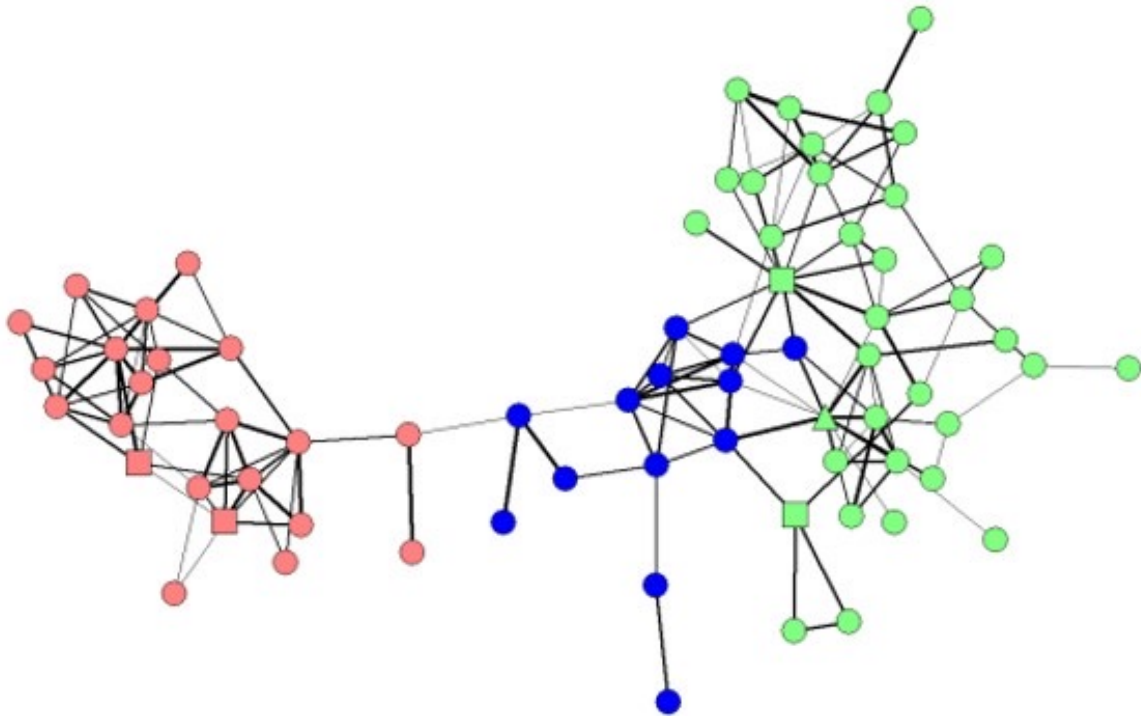
How M&A integration
benefits from ONA?

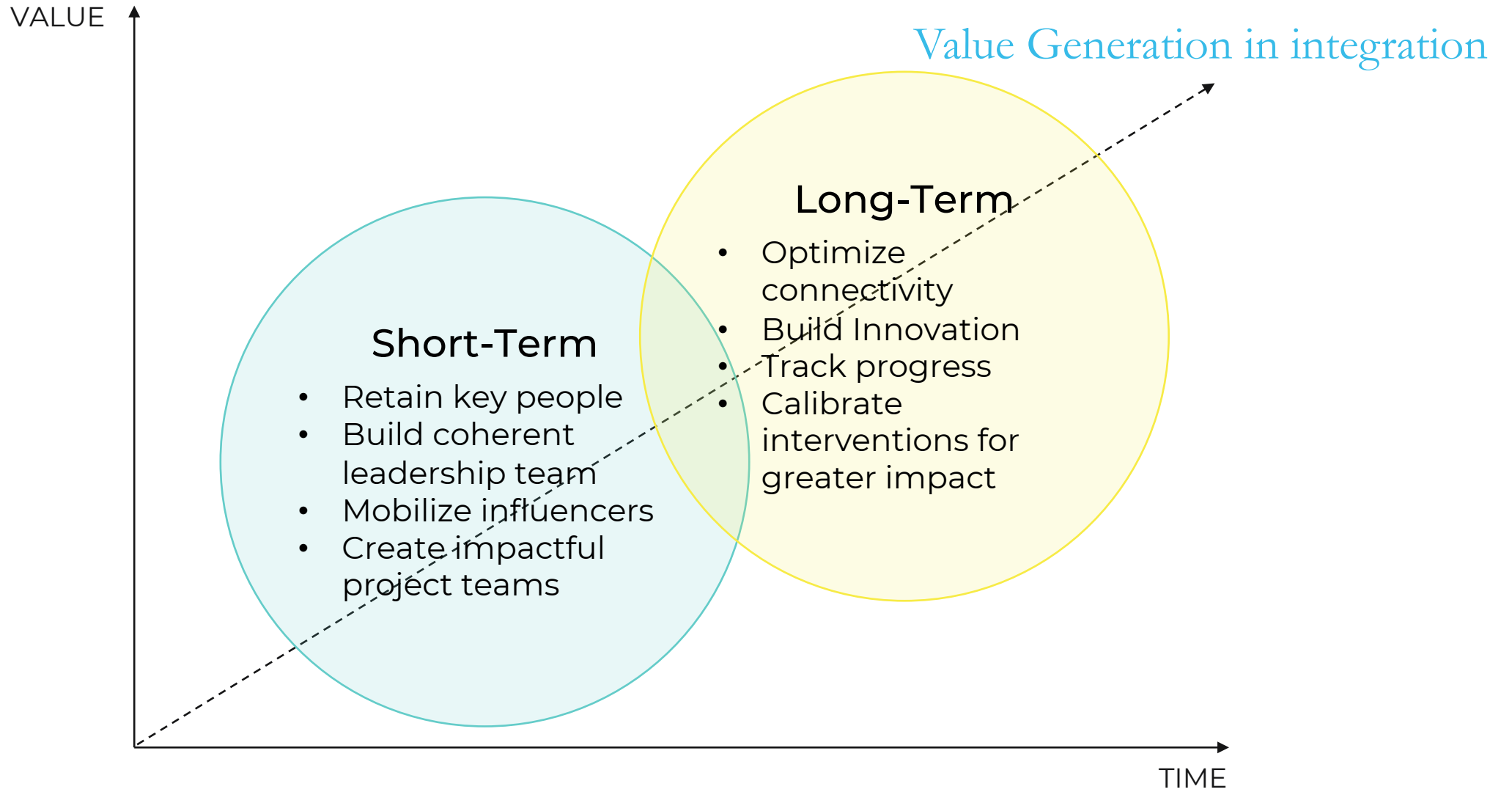


“Nobody told us why and how we were to collaborate with THEM...and about what”

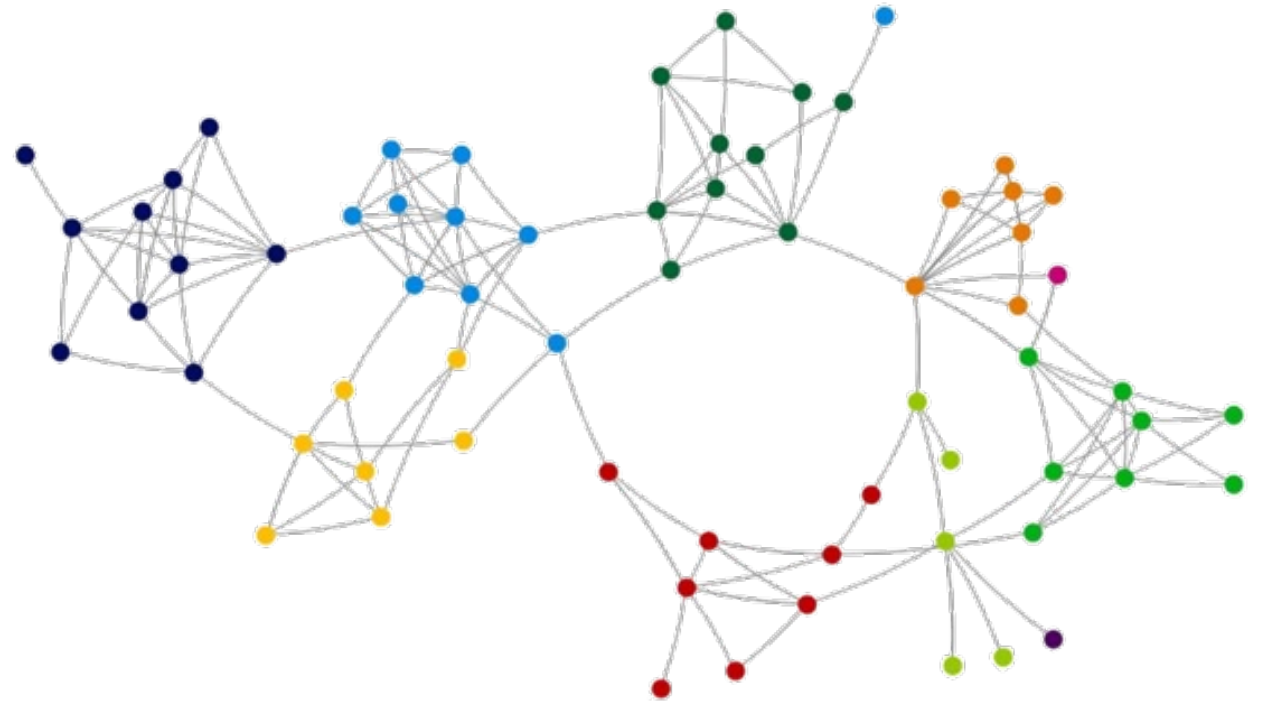


Nothing can make people stick together like being acquired by an outsider





The Short-Term



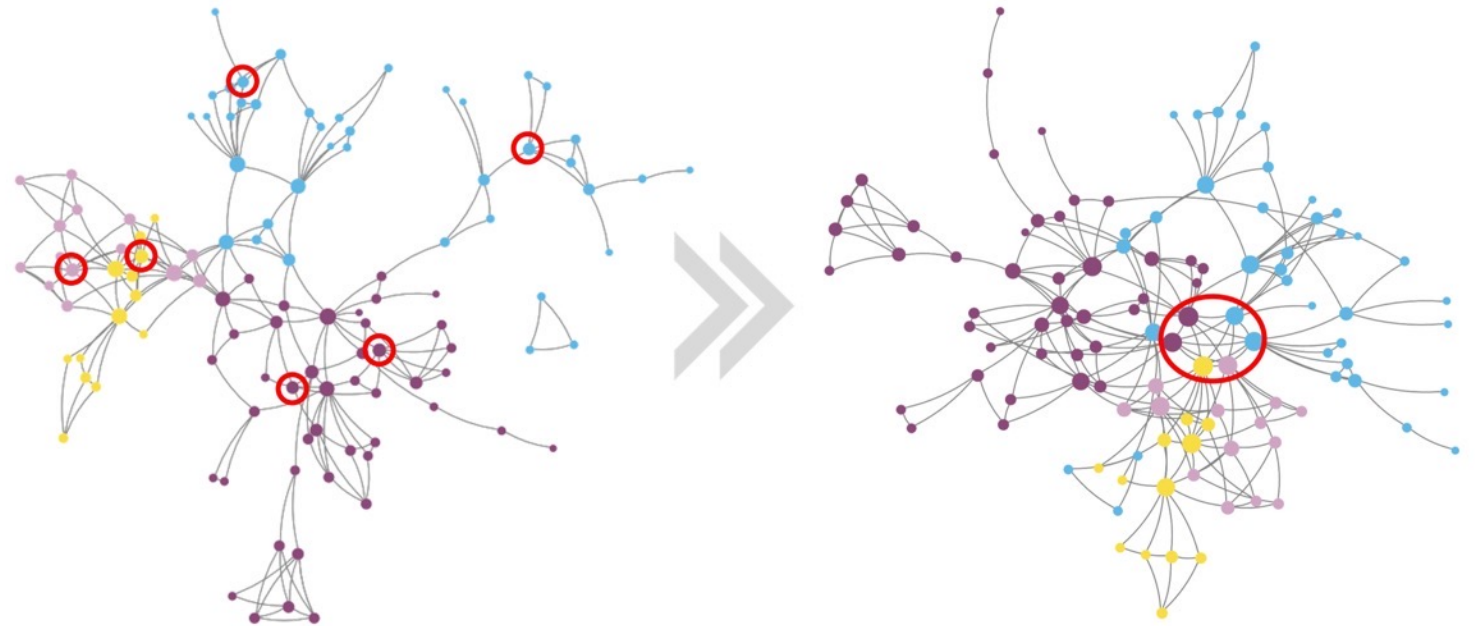
The Short-Term



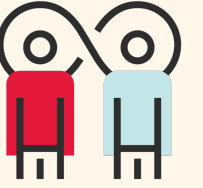
- Retain key people
- Build coherent leadership team
- Mobilize influencers (aka the 3%)
- Create impactful project teams
- Get clear on the game you're playing – play chess not checkers
- Engage more than tell
- Convince people they can change – it's as important as telling them what and why to change
- Move with purpose and engage
- Have empathy for the reality of others
- Encourage leaders to communicate the journey despite not knowing the end state
- Stay ahead of your Integration Management Office



The Long-Term



The Long-Term



- Connect to employees' sense of shared purpose.
- Project yourself into the transformation story and help others do the same.
- Accelerate cross-functional collaboration and embrace an enterprise-wide mindset.
- Encourage listening and create opportunities for two-way dialogue and feedback loops.
- Mobilize change networks and communicate intermediate progress.
- Reinforce the transformation strategy through experiences.



Less than 20%
track progress over time



SOURCE: INNOVISOR



Key takeaways:

1 Don't leave M&A Integration to chance

2 Engage the right people in the right way to succeed

3 Find and activate organizational networks to protect and generate value from an acquisition



Thank you!

Hillary Goodman

E: h.goodman@gagenmac.com

Jeppe Vilstrup Hansgaard

E: jeppe.hansgaard@innovisor.com

**Gagen
MacDonald,**

