

# CREATING SUCCESSFUL ORGANISATIONS – THE PROGRAM MANAGEMENT OF A COMPANY ACQUISITION AND TRANSITION

Dr Kersti Nogeste  
Principal Consultant  
Project Expertise Pty Ltd  
Melbourne, Australia

[knogeste@projectexpertise.com.au](mailto:knogeste@projectexpertise.com.au)

&

Doctoral Supervisor  
RMIT University  
Melbourne, Australia

## INTRODUCTION

This paper comprises a high level review of literature related to the management of Mergers and Acquisitions (M&As) followed by the description of an actual case study company acquisition and transition managed as a program of work, including lessons learned.

Within the context of organisational strategy, M&As are frequently part of a growth strategy through which an organisation scales its operations more quickly than would be possible through organic growth. And yet, in these early years of a new century, the situation regarding mergers and acquisitions (M&As) presents as somewhat of a paradox – whilst there is a decided increase in the number of mergers and acquisitions in Australia and worldwide, at the same time, at least 70% of M&As are considered failures.

When examining critical success factors, a combination of research and experience indicates that a disciplined step-wise end to end process is critical to the success of an acquisition. With an emphasis on a consistent level of discipline being applied throughout the acquisition and integration process. In addition, as with all initiatives, people comprise a key element of M&As. Therefore, to generate the expected value of an M&A, successful corporate acquirers assign clear responsibilities to senior management, a qualified integration manager and integration team.

The case study company acquisition and transition described in this paper was planned and managed as a step-wise program of work, with a four (4) tier governance structure comprising the senior management team (including the program sponsor), program management team, program manager and individual project teams. With each project team assigned responsibility for deliverables at each step of the process.

The paper finishes with a review of lessons learned and the conclusion that the combination of the high level literature review and the case study including its lessons learned provides a reference point for organisations seeking a sample program structure for a company acquisition and transition.

## LITERATURE REVIEW

### Mergers and Acquisitions (M&As)

Within the context of organisational strategy, M&As are frequently part of a growth strategy through which an organisation scales its operations more quickly than would be possible through organic growth (Cutler & Company 2005, p101). With the explicit objective of integration-oriented acquisitions in particular, being “to leverage the knowledge possessed by both the acquiring and acquired firm” (Gammelgaard, Husted & Micailova 2002, p18).

Yet, in these early years of a new century, the situation regarding mergers and acquisitions (M&As) presents as somewhat of a paradox – whilst there is a decided increase in the number of mergers and acquisitions in Australia and worldwide (Duncan & Maddock 2002, p18) (Department of Foreign Affairs and Trade 2002, pxvii, p1), at the same time, at least 70% of M&As “are considered failures from an acquiring shareholder’s perspective” (Harvard Business Review cited in Samuels 2005, p39); failing to achieve initial synergy targets” (Lajoux and Weston cited in Deloitte 2004, p2) and to add value to the acquiring corporation over time (Vester 2002, p33). In fact, analysis reveals that not only do current day M&As fail to add the expected value, “nearly two-thirds of mergers (actually) significantly diminish shareholder value” (Deloitte 2006, p1).

### The M&A Process

When examining critical success factors, it is considered that “the more successful corporate acquirers treat deal making as a core part of their business. They approach potential acquisitions with sensitivity and a well-established process” (Aiello & D.Watkins 2000, p102). Indeed, the greater the discipline, the greater the likelihood of success (Aiello & D.Watkins 2000, p103).

As illustrated in Figure 1, stepwise M&A processes are provided by a number of authors including Vester (2002), Evans (cited in Samuels 2005), Deloitte (cited in Samuels 2005) and Crosby et al (2006):

Vester (2002)	Evans cited in Samuels (2005)	Deloitte cited in Samuels (2005)	Crosby et al (2006)
	Pre Acquisition	M&A Strategy	
Analysis & Due Diligence	Search & Screen	Target Screening	Identify
Pre Announcement	Investigate & Value	Due Diligence (10 to 30 days)	Evaluate
Joint Integration Planning	Acquire	Integrate (60 to 180 days)	Execute (short term)
Day 1 Execution	Post Merger		Maximise
Actual Integration			
100 Day Assessment			
Ongoing Integration			Harvest

Figure 1 - Stepwise M&A Processes

## **Integration Management**

Returning to the earlier comments about the estimated failure rate of M&As, some studies blame poor post-closure integration for up to 70% of these failures (Alaranta 2005, p143; Vester 2002,p35), with most unsuccessful M&As resulting from poorly planned integration (Linder 2005; Samuels 2005, p9). So acquiring organisations need to maintain a disciplined approach to the M&A, including through the integration stage/s (Crosby, Horgan & Leman 2006, p28).

## **Roles & Responsibilities**

### ***Introduction***

People comprise a key element of M&As, with “the challenges of managing an M&A team being much the same as those of any large project” (Aiello & D.Watkins 2000, p103). Therefore, to generate the expected value of an M&A, successful corporate acquirers establish and coordinate the activities of a multi-disciplinary team comprising senior managers, lawyers, investment bankers and so on, throughout the course of the M&A process (Aiello & D.Watkins 2000, p103).

### ***Senior Management***

Whilst it is expected that the CEO and senior managers of an acquiring organisation play key roles in the M&A process, their actual roles and responsibilities are often not clearly defined, so they do not make as meaningful a contribution as they otherwise might (Crosby, Horgan & Leman 2006, p20; Fubini, Price & Zollo 2006, 29-37; Wolf 2003, p63).

Therefore it is recommended that CEOs and senior managers of acquiring organisations consider their roles in terms of the following activities which focus on fundamentally intangible matters (Fubini, Price & Zollo 2006, 29-37) requiring the necessary “seniority, clout and breadth of strategic vision” (Wolf 2003, p63);

- Create a new and effective top-management team of the merged acquiring and acquired organisation as early as possible; to lead the M&A initiative from the point of closure onwards (Fubini, Price & Zollo 2006, p30);
- Articulate a clear vision, values, goals and strategies for the integration stage/s of the M&A activities (Fubini, Price & Zollo 2006, p30);
- Shape a strong performance culture that focuses on “what it will take to be successful in the future” (Wolf 2003, p63);
- Champion the interests of key external stakeholders such as customers, business partners and communities (Fubini, Price & Zollo 2006, p32);
- Make decisions involving large capital expenditures (Wolf 2003, p63);
- Act when an impasse has been reached at lower levels of the acquisition integration decision-making process (Fubini, Price & Zollo 2006, p29);
- Be visible (Accenture cited in Samuels 2005, p44).

In addition to defining a disciplined M&A process implemented at an agreed pace, senior management also need to clearly define integration roles and responsibilities (Crosby, Horgan & Leman 2006, p9-10) potentially in the form of a program management structure lead by an executive steering committee, a respected integration manager, integration team and an integration management office.

### ***Integration Team***

On a day to day basis the integration team led by the integration manager, forms the “heart” (Vester 2002, p38) of the integration. With the team comprising a core team supplemented by special purpose teams, which together provide the infrastructure and resources needed to successfully complete integration activities (Wolf 2003, p63).

### ***Integration Manager***

It is recommended that a single person be assigned responsibility for the integration stage/s of an M&A (Ashkenas & Francis 2000, p108); to guide or “shepherd everyone through the rocky and often uncharted territory that two organisations must cross before they can function as one” (Ashkenas & Francis 2000, p108).

In terms of skills and experience, the integration manager is “a new type of leader who possesses a combination of traditional skills and experience complemented by more contemporary ones” (Ashkenas & Francis 2000, p108-109), including

- A deep knowledge of the acquiring company;
- The ability to simplify complex situations;
- Excellent decision-making instincts, demonstrated by “responsible independence”, since on a day to day basis, “no one is going to tell the integration manager what to do, where to focus, whom to contact, or how to add value”;
- The ability to relate to many levels of authority;
- Emotional and cultural intelligence demonstrated by a balance of toughness and empathy - toughness in terms of deadlines and decision-making and empathy towards the various people involved and affected by the integration;
- Exquisite project management and organisational skills, because “acquisition project management is project management at its fullest, most complex and challenging” (Vester 2002,p36). With a key deliverable of the integration process being the “integration blueprint” (Crosby, Horgan & Leman 2006, p13-14) comprising a project plan which includes “clear deliverables, due dates and milestones, resources, assigned roles and responsibilities, as well as a list of contingencies – with corresponding contingency plans and information flows” (Wolf 2003, p63).

References to M&A project management, especially integration management indicate that the special combination of skills required by an integration manager has broader implications (Ashkenas & Francis 2000, p116). Since from now onwards, it can be expected that this skill set will be required as a central management capability in an environment of open innovation and the increasing trade in innovation driven transactions (Cutler & Company 2005, p83).

Indeed, “in the final analysis, integration managers may represent the manager of the future – not just in what they do but in how they do it. These leaders not only drive change, they are subject to change. They help a newly formed organisation succeed while at the same time learning how to personally succeed” (Ashkenas & Francis 2000, p116).

**CASE STUDY**

**Case Study Background**

An Australian telecommunications company with a Build/Buy growth strategy expands its product range by acquiring the product specific sales & support capability of a relatively small competitor, gaining through the acquisition, ownership of the product specific customer contracts (120) and sales and support staff (35 people). In parallel to the acquisition, the telecommunications company must also negotiate a reseller agreement (with the product vendor), which permits the telecommunications company to indeed sell and support the additional product range.

**Case Study Description**

*The Process*

The stepwise process applied in this particular case is illustrated in Figure 2 alongside the models introduced in an earlier section.

Vester (2002)	Evans cited in Samuels (2005)	Deloitte cited in Samuels (2005)	Crosby et al (2006)	CASE STUDY STEPWISE PROCESS
	Pre Acquisition	M&A Strategy		Build/Buy Growth Strategy
Analysis	Search & Screen	Target Screening	Identify	Indicative Due Diligence (incl. GO/NOGO approval)
& Due Diligence	Investigate & Value	Due Diligence (10 to 30 days)	Evaluate	Pre Announcement
Pre Announcement				Due Diligence (incl. GO/NOGO Approval)
Joint Integration Planning	Acquire			Completion Announcement
Day 1 Execution	Post Merger	Integrate (60 to 180 days)	Execute (short term)	Day 1 Execution
Actual Integration			Maximise	Transition
100 Day Assessment				100 Day Assessment
Ongoing Integration				Transition Handover to Integration
			Harvest	Integration

Figure 2 - Case Study Stepwise M&A Process

**Program Management Approach**

In deciding to manage the acquisition as a program of work, the telecommunications company structured the program of work as illustrated in Figure 3, comprising

- The initial two (2) key stages of Acquisition and Transition only, with the final stage of Integration reverting to business units as an operational responsibility;
- Four (4) tiers of program governance – the executive steering committee, program management team, program manager and individual project teams, with small differences between the implementation of the governance structure during the acquisition and transition stages;
- Seven (7) projects, each responsible for generating key Acquisition and Transition stage deliverables.

<b>Executive Steering Committee</b>							
During the Acquisition Stage – Daily Touchpoint Meetings with the Senior Management Team (SMT) including the Program Sponsor (CEO) and Key Project Representatives During the Transition Stage - Fortnightly Status Meetings with the Senior Management Team (SMT) including the Program Sponsor (COO)							
<b>Program Management Team</b>							
During the Acquisition Stage – Incorporated into the Executive Steering Committee During the Transition Stage – Weekly Status Meetings with the Program Sponsor (COO), Key Project Representatives & Program Manager							
<b>Program Manager</b>							
Case Study Step-Wise Process	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7
	Product Management	Marketing	Customer Services	Senior Management Responsibilities	Legal & Commercial Management	Human Resource Management	Facilities Management & IT
<b>Build/Buy Growth Strategy</b>	• Strategy Input	• Strategy Input	• Strategy Input	• Documented Strategy	• Strategy Input	• Strategy Input	• Strategy Input
<b>Acquisition Stage</b>				<i>Receipt Of Target Company Information Memorandum (IM)</i>			
<b>Indicative Due Diligence</b> (Incl. GO/NOGO Approval)	• Documented Indicative Due Diligence		• Documented Indicative Due Diligence	• Documented Indicative Due Diligence • Documented GO Approval • Identify Program Manager	• Documented Indicative Due Diligence Incl. Supplier List	• Documented Indicative Due Diligence	<i>Excluded For Reasons Of Confidentiality</i>
<b>Pre Announcement</b>	• Vendor Letter Of Intent (LOI)	• Staff Heads Up Communications • Customer Heads Up Welcome Letter • Acquisition Planning Press Release		• Appoint Program Manager • Issue Staff Heads Up Communications • Issue Customer Heads Up Welcome Letter • Issue Acquisition Planning Press Release		• Documented Input To Staff Heads Up Communications • Initial Briefings To Target Company Staff Incl. Presentation Materials, Contact Lists & FAQs.	
<b>Due Diligence</b> (Incl. GO/NOGO Approval)	• Reseller Agreement Discussion Pack	• Draft Acquisition Completed Staff Announcement • Draft Acquisition Completed Press Release	• Documented Due Diligence Input • Customer Support Services Process Transition Plan	• Due Diligence Report – Legals, Finance , Commercial Management, Hr, Fm & It, Hi-Level End To End Process Summary	• Documented Commercial Due Diligence Incl. Work In Progress (WIP) And Supplier Contracts	• Documented HR Due Diligence Incl. Staff Interviews And Skills Assessment • Staff Letters Of Offer	• Documented Fm & It Due Diligence Incl. Business Cases For Telephony, Data Network & Network Alarms Upgrades
<b>Completion Announcement</b>	• Reseller Agreement	• Acquisition Completion Staff Announcement • Acquisition Completion Press Release		• Issue Acquisition Completion Staff Announcement • Issue Acquisition Completion Press Release		• HR Transition Plan	

Figure 3 - Case Study Acquisition & Transition Program Structure

Case Study Step-Wise Process	Project 1 Product Management	Project 2 Marketing	Project 3 Customer Services	Project 4 Senior Management Responsibilities	Project 5 Legal & Commercial Management	Project 6 Human Resource Management	Project 7 Facilities Management & IT
<b>Transition Stage</b>							
<b>Day 1 Execution</b>	<ul style="list-style-type: none"> <li>Customer Transfer Forms</li> </ul>		<ul style="list-style-type: none"> <li>Interim Customer Services Processes</li> <li>Transition Helpdesk Phone Numbers &amp; Email Addresses</li> </ul>	<ul style="list-style-type: none"> <li>Finance System Updates</li> </ul>	<ul style="list-style-type: none"> <li>Interim Customer Contract Management Processes</li> <li>Transition Services Agreement (Facilities Management &amp; IT)</li> </ul>	<ul style="list-style-type: none"> <li>HR Payroll Setup</li> </ul>	<i>Dependent On Transition Services Agreement (TSA)</i> <ul style="list-style-type: none"> <li>Facilities Management Staff Recruitment</li> </ul>
<b>Transition</b>	<ul style="list-style-type: none"> <li>Business Plan</li> <li>New Product Test &amp; Demo Labs</li> <li>Staff Product Training Plan</li> <li>Sales &amp; Support Process Updates</li> <li>Staff Access To Vendor Sales And Support Systems E.G. Quoting &amp; Shipment Tracking Tools</li> <li>Spares Management Strategy</li> <li>Regular Reseller Status Meetings I.E. Reviewing Sales Pipeline And Issues</li> </ul>	<ul style="list-style-type: none"> <li>Acquired Customer Welcome Letter</li> <li>Sales Force Training Session And Materials</li> <li>Customer Briefing Session And Materials</li> </ul>	<ul style="list-style-type: none"> <li>Customer Services Process Transition</li> <li>Customer Satisfaction Survey – Survey Proposal, Survey Contract, Initial Surveys &amp; Survey Reports</li> </ul>	<i>Governance Via Program Team And Executive Steering Committee</i> <ul style="list-style-type: none"> <li>Independent QA Of Transitioned Customer Contracts Loaded Into Contract Management System</li> </ul>	<ul style="list-style-type: none"> <li>Acquired Customer Contracts QA'd And Loaded Into Contract Management System</li> <li>Hardcopy Transitioned Customer Contracts Scanned And Stored Electronically</li> <li>Spares Management Process &amp; System Updates</li> <li>Customer Agreement Template</li> <li>Subcontractor Agreement Template</li> </ul>	<ul style="list-style-type: none"> <li>Per Person Staff Transition To Business Units Incl. Inductions, Entitlements (E.G. Uniforms, Vehicle, Car Parking), Role Re-Assignment (If Required), Performance And Development Plans</li> <li>Staff Satisfaction Surveys, Survey Reports &amp; Action Plans (+1 Month &amp; +3 Months)</li> </ul>	Facilities Management <ul style="list-style-type: none"> <li>Per Person – Staff Relocation, Mobile Phone, I.D &amp; Site Access Cards, Business Cards, Work Station</li> <li>Collection &amp; Return Of TSA Site Access Cards</li> <li>Information Technology</li> <li>Per Person – PC/Laptop, User Accounts, Systems Access</li> <li>Telephony, Data Network &amp; Network Alarms Upgrades</li> <li>Data Migration And Archiving</li> <li>Collection &amp; Return Of TSA Laptops</li> <li>Termination Of TSA System Access</li> </ul>
<b>100 Day Assessment</b>	<ul style="list-style-type: none"> <li>Documented Input To 100 Day Report</li> </ul>	<ul style="list-style-type: none"> <li>Documented Input To 100 Day Report</li> </ul>	<ul style="list-style-type: none"> <li>Documented Input To 100 Day Report</li> </ul>	<ul style="list-style-type: none"> <li>100 Day Report</li> </ul>	<ul style="list-style-type: none"> <li>Documented Input To 100 Day Report</li> </ul>	<ul style="list-style-type: none"> <li>Documented Input To 100 Day Report</li> </ul>	<ul style="list-style-type: none"> <li>Documented Input To 100 Day Report</li> </ul>
<b>Transition Handover To Integration</b>	<ul style="list-style-type: none"> <li>Lessons Learned &amp; Review Feedback On Program Closure Report</li> </ul>	<ul style="list-style-type: none"> <li>Lessons Learned &amp; Review Feedback On Program Closure Report</li> </ul>	<ul style="list-style-type: none"> <li>Lessons Learned &amp; Review Feedback On Program Closure Report</li> </ul>	<ul style="list-style-type: none"> <li>Program Closure Report Incl. Lessons Learned</li> </ul>	<ul style="list-style-type: none"> <li>Lessons Learned &amp; Review Feedback On Program Closure Report</li> </ul>	<ul style="list-style-type: none"> <li>Lessons Learned &amp; Review Feedback On Program Closure Report</li> </ul>	<ul style="list-style-type: none"> <li>Lessons Learned &amp; Review Feedback On Program Closure Report</li> </ul>
<b>INTEGRATION STAGE</b>							
<i>Integration</i>	<i>Business Unit Responsibility</i>	<i>Business Unit Responsibility</i>	<i>Business Unit Responsibility</i>	<i>Senior Management Responsibilities</i>	<i>Business Unit Responsibility</i>	<i>Business Unit Responsibility</i>	<i>Business Unit Responsibility</i>

Figure 3 - Case Study Acquisition & Transition Program Structure (continued)

## ***Program Roles & Responsibilities***

### *Introduction*

As described above, the program roles and responsibilities spanned four (4) tiers of program governance :

1. The Executive Steering Committee comprising the Senior Management Team (SMT), with the CEO acting as the Program Sponsor during the Acquisition Stage and the COO acting as the Program Sponsor during the Transition Stage;
2. The Program Management Team comprising the Program Sponsor, Program Manager and key project representatives;
3. The Program Manager;
4. Individual project teams.

### *Senior Management Team*

With reference to the M&A literature reviewed in an earlier section, the senior management team (SMT) :

- Decided that acquired sales and support staff would be transitioned into the existing structure of the telecommunications company, with existing managers held responsible for the transition (and ongoing integration) of acquired sales and support staff.
- Issued email communications at key stages of the acquisition and transition stages, along with attending face to face formal and informal staff events involving a combination of acquired and existing staff.
- With regard to external stakeholders, there were two (2) key external stakeholders. Firstly the acquired customers and secondly, the product vendor (with which the reseller agreement was negotiated). With assistance from Project 2 – Marketing, the SMT initiated and maintained contact with acquired customers with the objective of retaining as many customers as possible. With assistance from Project 1 – Product Management, the SMT initiated and developed senior management relationships with the vendor organisation, with the objective of maintaining a strategic relationship and also acting as an escalation point for product management related issues.
- Approved business cases for relatively large capital expenditures, such as those related to telephony and data network upgrades.
- Served as an escalation point when an impasse has been reached at lower levels of the acquisition integration decision-making process.
- Strived to be visible to the merged organisation.

### *Integration Manager*

In terms of appointing an integration manager, the SMT appointed the responsible Program Manager immediately prior to the pre-announcement (and not earlier, due to the highly confidential and somewhat speculative nature of the indicative due diligence).

In terms of skills and experience, the assigned program manager, possessed

- A deep knowledge of the telecommunications industry and had been working with the acquiring company as a program manager for more than one (1) year, and as a program manager with its parent company for the previous five (5) years;
- The necessary skills and experience to make or recommend decisions relevant to the immediate and broader context of the acquisition and transition program of work;
- The ability to relate to many levels of authority – from the CEO/COO through to individual members of staff;
- The necessary emotional and cultural intelligence which enabled them to decide when informal or formal communications were required to address a given situation;

- An advanced level of program and project management skills developed during more than fifteen (15) years project and program management experience and advanced post graduate studies in project management (doctoral degree); enabling them to develop and maintain a “transition blueprint” comprising program and project management level documentation such as program/project briefs, schedules, status meeting minutes, risk registers, action item logs and records of lessons learned and finally, a program closure report which supported the handover of the Transition Stage of the program to the responsible business unit managers for execution of the Integration Stage.

### *Integration Team*

On a day to day basis, the individual project teams comprised subject matter experts led by either a part-time project manager or the program manager, as follows :

#### Project 1 – Product Management

- Project Manager
- Product Manager
- Solution Design Consultant
- Services Solution Manager
- Pricing Manager

#### Project 2 – Marketing

- Project Manager
- Marketing Specialist
- Product Manager

#### Project 3 – Customer Services

- Project Manager
- National Operations Manager
- Service Partner Manager
- Service Delivery Manager
- Helpdesk & Technical Support Centre Manager
- Work Force Management & Field Service Manager
- Business Excellence Manager

#### Project 4 – Senior Management Responsibilities

- Project Manager
- Program Sponsor
- Chief Financial Officer (CFO)
- Customer Delivery Manager

#### Project 5 – Legal & Commercial Management

- Project Manager
- General Legal Counsel
- Commercial Manager
- Finance Manager
- Logistics Manager
- Contract Administration Manager

- Services Solution Manager
- Pricing Manager

Project 6 - Human Resources

- Project Manager
- HR Manager

Project 7 - Facilities Management & IT

- Project Manager
- Facilities Manager
- IT Manager

Contrary to recommendations in the literature that personnel be assigned full-time to an M&A initiative, with the exception of the program manager, all other program staff were assigned to the program on a part-time basis. Also, an integration management office was not setup. Instead assistance was sought from the corporate program office, as required.

**Lessons Learned**

The key lessons learned during the Acquisition Stage were :

<b>Room for Improvement</b>	<b>Worth Repeating</b>
<b>General</b>	
<ul style="list-style-type: none"> <li>• The relatively short time span of Due Diligence prevented the Due Diligence activities being completed to the required level of detail.</li> <li>• Document management and version control requires improvement</li> <li>• Acquisition Stage roles and responsibilities should've been clearer "from the start"</li> </ul>	<ul style="list-style-type: none"> <li>• Good team effort in a complex environment</li> </ul>
<b>Project 6 – HR</b>	
<ul style="list-style-type: none"> <li>• Staff Communications Strategy– more frequent communications with both existing and acquired staff.</li> </ul>	

The key lessons learned during the Transition Stage were :

<b>Room for Improvement</b>	<b>Worth Repeating</b>
<b>General</b>	
<ul style="list-style-type: none"> <li>• Establish an organisational structure with clear roles and responsibilities as soon as possible i.e. during the Acquisition Stage</li> <li>• Due Diligence not being done to the required level of detail, resulted in Due Diligence-like activities being conducted in the post-completion stage. i.e. the detailed work remained to be done.</li> <li>• Document management and version control requires improvement</li> </ul>	<ul style="list-style-type: none"> <li>• The program structure was good and from the time it was applied, worked well.</li> <li>• Good team effort in a complex environment</li> <li>• Goodwill of individual staff members</li> </ul>

Room for Improvement	Worth Repeating
<b>General (continued)</b>	
<ul style="list-style-type: none"> <li>• Insisting on the target company compiling complete and consistent records prior to acquisition completion, rather than it becoming a post-completion responsibility of the acquiring company.</li> <li>• Earlier engagement of subject matter experts i.e. during the Acquisition Stage</li> <li>• Resource estimates – people, time, travel etc.</li> <li>• Senior management endorsement of existing business functions and processes – there was too much of an expectation that people would “work outside the rules” (that KPIs and job descriptions were actually tied to).</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidate key learnings from all acquisitions completed to date, with the potential of developing a standard acquisition and integration model.</li> <li>• The program approach ensured a level of rigour, including good issues identification and management.</li> <li>• Existing organisational culture – staff members’ goodwill lead them to both : <ul style="list-style-type: none"> <li>o manage their assigned acquisition program duties as well as their other operational and project responsibilities; and</li> <li>o help acquired staff, no matter how many times the same questions is asked by the same/different people (refer to Project 6 – HR, Room for Improvement comment).</li> </ul> </li> </ul>
<b>Project 1 – Product Management</b>	
<ul style="list-style-type: none"> <li>• Dedicated vendor relationship management</li> <li>• Vendor interpretation and practice of reseller relationship e.g. consistent level of collaboration, specialist support.</li> </ul>	
<b>Project 2 - Marketing</b>	
<ul style="list-style-type: none"> <li>• Customer Communications and Management</li> </ul>	
<b>Project 4 – Senior Management Responsibilities</b>	
	<ul style="list-style-type: none"> <li>• Finance workarounds and contingent actions put in place are worthwhile repeating again if required.</li> </ul>
<b>Project 5 – Legal &amp; Commercial Management</b>	
<ul style="list-style-type: none"> <li>• Work in Progress – status needs to be formally documented prior to Acquisition Completion.</li> <li>• Standardised Customer Contract data - e.g.. contract name</li> </ul>	

<b>Room for Improvement</b>	<b>Worth Repeating</b>
<b><i>Project 6 – HR</i></b>	
<ul style="list-style-type: none"> <li>• Staff Communications Strategy– more frequent communications with both existing and acquired staff.</li> <li>• Provide acquired staff with education in end to end company processes, including roles and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Identification and retention of key acquired staff who are “good value”</li> </ul>
<b><i>Project 7 – Facilities Management &amp; IT</i></b>	
	<ul style="list-style-type: none"> <li>• The program facilitated a scalable IT infrastructure for the Sydney and Melbourne offices.</li> </ul>

## CONCLUSIONS

A high level review of merger and acquisition (M&A) management literature identified the paradox of an increasing rate of M&As combined with a relatively high failure rate, which can be somewhat addressed by the combination of a disciplined step-wise process and the clear assignment of roles and responsibilities to qualified personnel.

In comparison with the literature, this paper describes a case study company acquisition and transition program of work which implemented a step-wise process combined with the assignment of roles and responsibilities to qualified personnel.

Lessons Learned from the case study company acquisition and transition indicate that

- During the acquisition stage, even closer attention needed to be paid to the definition of roles and responsibilities, document management, the resources available to complete due diligence (time and people) and staff communications (to both existing and acquired staff);
- During the transition stage, the program structure supported the program team who had to work with the legacy of the lessons learned during the acquisition stage whilst also addressing a series of additional transition stage challenges.

During both the acquisition and transition stages, the existing organisational culture and individuals’ professionalism enabled the completion of both stages, in readiness for handover of the integration stage to business units as an operational responsibility.

In summary, it can be considered that the combination of the high level literature review and the case study company acquisition and transition, including its lessons learned provide a reference point for organisations seeking a sample program structure for a company acquisition and transition.

## REFERENCES

- Aiello, RJ & D. Watkins, M 2000, 'The Fine Art of Friendly Acquisition', *Harvard Business Review*, no. November - December, pp. 101 - 7.
- Alaranta, M 2005, 'Evaluating Success in Post-merger IS Integration : A Case Study', *The Electronic Journal Information Systems Evaluation*, vol. 8, no. 3, pp. 143-50.
- Ashkenas, RN & Francis, SC 2000, 'Integration Managers : Special Leaders for Special Times', *Harvard Business Review*, no. November-December 2000, pp. 108-16.
- Crosby, CS, Horgan, PL & Leman, J 2006, *Finance Executives Forum - Completing the Merger*, PriceWaterhouseCoopers, viewed 17 June 2007, <[http://www.pwc.com/extweb/industry.nsf/docid/6AEEC1A9ADD7866785257176001EFAEA/\\$File/completing\\_the\\_merger.pdf](http://www.pwc.com/extweb/industry.nsf/docid/6AEEC1A9ADD7866785257176001EFAEA/$File/completing_the_merger.pdf)>.
- Cutler & Company 2005, *Skills and capabilities for technology commercialisation and exporting - a report for the Department of Innovation, Industry and Regional Development*.
- Deloitte 2004, *Beating the Merger Integration Odds*, viewed 28 May 2007, <<http://www.deloitte.com/dtt/article/0,1002,sid%253D26553%2526cid%253D73135,00.html>>.
- 2006, *The Pricing On The Cake*, viewed 28 May 2007, <<http://www.deloitte.com/dtt/article/0,1002,cid%253D130510,00.html>>.
- Department of Foreign Affairs and Trade 2002, *The Big End of Town and Australia's Trading Interests*, ISBN 0-642-99646-6, Commonwealth of Australia.
- Duncan, P & Maddock, R (eds) 2002, *Aspire Australia*, Business Council of Australia.
- Fubini, DG, Price, C & Zollo, M 2006, 'The elusive art of postmerger leadership', *McKinsey Quarterly*, no. 4, pp. 28-37.
- Gammelgaard, J, Husted, K & Micailova, S 2002, *Knowledge Sharing Hostility in Acquisitions*, viewed 27 May 2007, <<http://ir.lib.cbs.dk/download/ISBN/x65619773x.pdf>>.
- Linder, JC 2005, *Outsourcing Integration*, Harvard Business School Publishing, viewed 19th July 2006.
- Palter, RN & Srinivasan, D 2006, 'Habits of the busiest acquirers', *McKinsey Quarterly*, no. 4, pp. 18-27.
- Samuels, RM 2005, 'An Implementation Matrix for Mergers and Acquisitions', Short Dissertation for Magister Commerci thesis, University of Johannesburg.
- Vester, J 2002, 'Lessons Learned About Integrating Acquisitions', *Research - Technology Management*, no. May-June, pp. 33-41.
- Wolf, R 2003, 'Integration : Key to M&A Success', *Financial Executive*, vol. 19, no. 6, pp. 62-4.