

Getting the right balance

Merger and acquisition integration

Pre-deal close planning and the first 100 days post signing are crucial in bringing businesses together and realising the value of the deal. We can help you to develop an effective roadmap for integration, identify and tackle potential risks and support you in delivering the commercial, revenue enhancing and cost-saving objectives you are looking to achieve. We can also help you explore the opportunities to bring transformational change to your business.



What we do

- Bring a comprehensive process for due diligence and integration, helping the business to identify issues and opportunities.
- Identify roles, responsibilities and the skills required for the integration leadership team and provide training where necessary.
- Identify additional opportunities to create value brought on by the transaction process.
- Bring functional expertise and insight, for example in your IT or finance function.

How we deliver value

We look beyond the core integration at how to deliver the strategic objectives of the deal and how this aligns with the company's broader business objectives. This includes assessing the acquired business in order to evaluate and, where necessary, challenge the original rationale for the deal. It also includes being able to identify and act on risks and value opportunities that may not have been picked up in the pre-deal due diligence. In our experience, 70% of transactions leave value opportunities unexplored and we can help to remove this shortfall.

A key part of our work is helping businesses to deliver 'hard' goals such as cost savings and revenue growth. However, equally important are some of the 'softer' issues such as communication, cultural assimilation and employee retention, which while vital in delivering and sustaining value can often be forgotten amid the financial objectives of the deal.

Ultimately, we recognise that delivering the deal value requires a balance between realising the expected gains from the acquisition and the need to sustain business as usual in the acquiring entity. For us, the key to this balance is minimising unnecessary distraction and demands on management allowing them to concentrate on their day-to-day work.

What sets us apart

Having worked on more than 500 integrations, many focusing on cross-border transactions, means our hands-on experience of what makes integration work and how to deliver the full value is truly exceptional. Rather than following a rigid formula, we tailor our support to the specific circumstances and deal objectives of the client. We assemble teams to include three areas of capability – integration expertise, industry insight and experience across the different functions.

What it's like to work with us

Our people will bring you the insights and practical know-how drawn from their experience within industry and business functions and from working on multiple integrations. We'll take the time to get to know your business and your team, work alongside you from evaluation and planning right through to signing and execution. One of the key measures of success for our team is being so accepted and embedded in the client team that you can't tell us apart from your own people.



Creating value together – Case study

Transformational integration at pace

We helped a large mutually owned group to bring together its retail and financial services businesses.

Drawing on our expertise and integration experience in both sectors we created a new organisational structure enabling significant business benefits within just six months.

While sharing a common brand and strong set of mutual values, the businesses within the group were largely autonomous.

There were few shared central functions, resulting in significant duplication of activities, systems and processes.

Greater integration would help to harmonise processes, reduce operating expenses and create a more cohesive group. While group management was keen to make the most of opportunities for operational rationalisation and sharing services, it was reluctant to create a 'fat' central function.

Within three months we were able to translate the corporate vision into a clear and quantifiable business case, target operating model and detailed roadmap for integration.

The model was built around a logical split between group and business unit activities. We were also keen to instil a strong service culture for HR, IT, procurement, estates management and other central functions.

While some resistance to such a huge level of change is inevitable, we moved quickly to secure organisational buy-in by working with management to demonstrate the opportunities opened up by the group-wide transformation.

Our integration experience and strong working relationship with management on the ground allowed us to anticipate potential roadblocks, sustain the momentum of change and minimise disruption to the business and its customers. As a result, the new structure was designed, implemented and in place within six months. The astuteness of the original vision for integration and the success of its implementation were borne out by the doubling of group profits within three years.

Delivering value together

The experience of our team meant we could translate the overall strategy into a clear and realisable set of revenue growth and cost reduction targets which would then help our client deliver the resulting transformation.

We were frank with management in testing and challenging their vision and identifying the critical success factors and potential constraints.

Acting as an independent mediator between different parts of the organisation, we were able to articulate and effectively communicate the case for change.

"Opportunities for growth, efficiency and increasing market share opened up by the integration are transformational. Having evolved over more than a 100 years, we were able to create a new organisational structure and service culture within six months, we would not have been able to achieve this pace of change without PwC's drive, experience and passion."

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