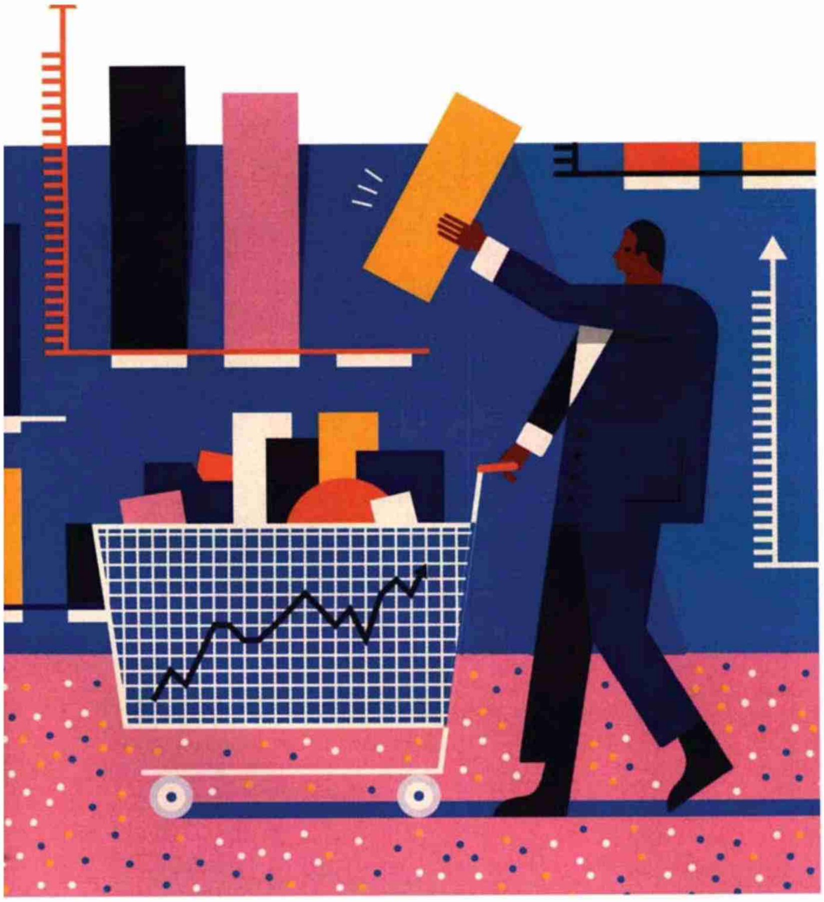
Client: Startup PR Yellow News
Source: Accounting Technician (Main)
Date: 02 September 2016
Page: 49
Reach: 120000
Size: 748cm2
Value: 5984



IKON IMAGES

How to save clients from merger meltdown

Clients face few events as emotional as a merger. In the midst of the big deal, the role of the accountant may get deeply, deeply personal, say leadership experts Mandy Flint and Elisabet Vinberg Hearn

During a recent acquisition, a business owner who we worked with confided in us that they felt betrayed and demoralised by the whole process: "I'd been instrumental in building the business, yet someone came along thinking they knew better and dismissed what I had created. I didn't even get a 'thank you' or any acknowledgement. I certainly didn't feel engaged or keen to help with the change. All I wanted was an open conversation and some level of appreciation for what I had done. It wasn't much to ask, but I didn't get it."

It's a familiar story: everyone who has experienced or seen a merger or acquisition up close knows that it is never easy. In fact, around 90% of mergers and acquisitions fail; they never give the return on investment that shareholders had hoped for.

There are many cases in business history in which a company's founders have bought back their business after voicing dissatisfaction at what has happened to their baby. For example, Michael Dell, founder of Dell, bought back his company and took it private in 2013, after lamenting that the market just "didn't get" the company.

A transaction may look good on paper, and may make sense for practical, productivity, market-share and administrative reasons, but it may not necessarily take the human factor into account, both in terms of the current owners and their staff. But it is people who make deals work or fail. How we think, feel and behave makes all the difference to the results.

How do you think it feels to have the company that you own or work for acquired? Or to be involved in a →

➔

KANTAR MEDIA
Coverage is reproduced under license from the NLA, CLA or other copyright owner. No further copying (including the printing of digital cuttings) digital reproductions or forwarding is permitted except under license from the NLA, http://www.nla.co.uk (for newspapers) CLA http://www.cla.co.uk (for books and magazines) or other copyright body.
T +44 (0)20 7264 4700
E services@kantarmedia.com
kantarmedia.com

Client: Startup PR Yellow News
Source: Accounting Technician (Main)
Date: 02 September 2016
Page: 49
Reach: 120000
Size: 748cm2
Value: 5984

➔

90%

of mergers and acquisitions fail to give the return on investment that shareholders sought

Michael Dell took back control of Dell in 2013, in a bid to "go back to our roots"

merger? Or to take part in a demerger? It depends on how you are perceived, treated and greeted.

There is always a 'winner takes all' expectation with mergers and acquisitions, but it's important not to allow that winner/loser mentality to take hold. When organisations pursue that approach, best practice doesn't get shared, and hence synergies don't happen.

So what can you do if you want to guide and support the people and organisations that you work with through such changes? Here are some practical pointers that you can share.

1 Clients should anticipate and respect emotional responses

There is always an emotional reaction, so clients need to plan for it and not ignore it – it won't just go away. Encourage your clients to put themselves in the shoes of others – that will usually change their mindset.

Help clients to create a plan that covers what to do in terms of bringing people and the business operations together. People from both sides should be involved in this. Work out who the influencers and informal leaders are – advise that they have a role in this planning.

2 Clients should act, follow up, evaluate and reward

Encourage your client to act on the plan, following up regularly and evaluating whether the results are there. If they are not, adjustments may be needed. When clients can see people are pulling together and starting to deliver results, they should recognise and reward that result.

3 Clients should consider culture

Companies will have different cultures. Bringing this out into the open is crucial. Your client and the other parties must take the best of both cultures and merge them. If this exercise is to be successful, a decision must be made on what the culture needs to be in future. People from all sides need to be involved to make it happen.

4 Remind clients that policies and procedures won't bring people together

Policies and procedures are important but they're not the be-all and end-all – your clients need to understand that. You need to emotionally engage people to bring them together. You need to build trust – and that means helping people to get to know each other in order to begin to trust one another. Help people see that they have a shared purpose.

5 Clients should not assume that they know best

The acquirer may, unintentionally, come across as having the upper hand – after all, they are doing the acquiring. But they must have wanted to acquire the other company because they saw value in it. So acquirers would do well to look at the other company appreciatively. Clients must be prepared to listen without thinking they have the best answer.

6 Curiosity is a virtue

It's important for your client to approach the other company with curiosity and open-mindedness. They should be asking questions of both companies: what do they bring? What do we bring? How can we make the most of all companies? If it's not immediately obvious, tell them to keep looking – the answer is always there. Mergers should mean taking the best of both.

7 Clients must communicate like never before

Your clients must listen to people, talk to people and ask questions. They should involve people in conversation, and make everyone feel involved in, rather than mauled by, the deal. When people feel that nobody understands their frustrations, they will dig their heels in, and won't embrace change. Resistance to change is one of the key reasons why mergers and acquisitions fail. A real change-management communication strategy is critical. It is simple but often left out.

People worry: 'What's in it for me?' It's a natural human behaviour, yet it can be missed during a merger.

The takeaway

Your clients need to put their worries and attachments to one side and focus on the behaviours needed during the time of change: be open-minded, be curious and assume positive intent. It is people who will either make or break a merger. ×

MORE FROM THE AUTHORS

Mandy Flint and Elisabet Vinberg Hearn's award-winning book *Leading Teams: 10 Challenges, 10 Solutions* is available to buy now. Visit: **www.leadingteamsbook.com**

GETTY IMAGES

KANTAR MEDIA

Coverage is reproduced under license from the NLA, CLA or other copyright owner. No further copying (including the printing of digital cuttings) digital reproductions or forwarding is permitted except under license from the NLA, http://www.nla.co.uk (for newspapers) CLA http://www.cla.co.uk (for books and magazines) or other copyright body.

T +44 (0)20 7264 4700
E services@kantarmedia.com
kantarmedia.com