

I N D E X

A

- A. T. Kearney study, 4
- Abbott, D., 154, 186
- Accountability: areas of, capturing, for the core team, 114; for communication, 123; driving, by establishing and publishing timelines for staffing decisions, 157; final, for the integration effort, 120; and profitability, focus on, 225; tracking and, 113; ultimate, for integration success, 92
- Accounting and finance, synergy verification by, 199
- Action items: key, list of, 114, 115; for merger repair, 243, 244–245
- Actions, coordinated, importance of, 67–68, 76
- Action-taking, prompt, on structures and staffing decisions, 153–154
- Activities, coordinating, training task forces on guidelines and procedures for, 97, 98. *See also* Processes and activities
- Additional acquisitions: ability to handle, example of, 249; inability to handle, as a symptom of needing merger repair, 240
- Age-based salary, shift from, 231, 232, 233
- Agendas: for kickoff meetings, sample of, 99; as an oversight vehicle, 115
- Age-related demographic changes, 153
- Alignment: of compensation, strategic, case study involving, 230–233; effective, as a key principle, 75; executive, 7; full, achieving, 107; of policies and practices, spending additional time on, 108; of responsibility and authority, definition of, and considerations, 151
- Analyze phase, in the comprehensive staffing process model, 165–166, 170
- AOL, 237
- Arapoff, J., 49, 50, 225
- ARCO Chemical, 140
- Arrogance, corporate, as an integration risk factor, 37
- “As is” assessment, core questions and information needs regarding, in a cultural integration approach, 209
- Ashkenas, R. N., 19, 113, 117, 154, 242
- Asian financial crisis, 231

Page numbers in italics refer to exhibits.

Asia-Pacific region, involvement of HR in the due-diligence process in, 50, 51
Assessment: “as is,” core questions and information needs regarding, in a cultural integration approach, 209; of candidates, 167, 171, 172; cultural, 41, 42, 187, 188–192; due diligence, preliminary, use of, 31; of integration action items, for merger repair, 243, 244–245; of integration processes, for measuring progress, 178, 179–182; of merger integration results, 239–240, 241; risk, conducting, 86, 149; for structure and staffing decisions, 147, 156
Assistant project manager, described, 94
AT&T, 38
Atlantic Electric, 225, 226, 227
Attention to details, importance of, 48
Attitudes and behaviors. *See* Behaviors and attitudes
Attrition. *See* Turnover
Authority: alignment of responsibility and, definition of, and considerations, 151; ambiguities about, 36–37; to approve synergy projects, 198; progress check on, survey including a, 189
Automated feedback channels, 178, 183
Awareness-building communication phase, 121, 122

B

Bauman, R. P., 160
Behaviors and attitudes: change in, achieving, 222–223; effect of fair processes on, 162; resulting from failure to establish a process for structure and staffing, 146. *See also* Leadership behavior; Managerial behavior
Bench strength, definition of, and considerations for, 151
Benefits: best-practice objectives for, 54; discrepancies regarding, reconciliation of, issue of, 13; redesign of, case study involving, 225–227; and retention, 140, 141
Best practices: human capital and cultural, baseline model of, 54; learning from others’, 252
Bias, to do a deal, 10
Biographical data form, use of a, 167
Bonuses, stay, offering, 130–131, 141
Bower, J. L., 25
Brazil, involvement of HR in the due-diligence process in, 50, 51
Breakout session, for task force leaders, 100
Bridging arrangements, providing, 18, 154
British Institute of Management survey, 3
Burke, W., 38
Burnout, 37
Business community, in the communication-strategy matrix, 123, 124
Business impact: of failure to apply effective processes for structuring and staffing, 144–145; of losing key people and groups, 133, 134
Business integration and implementation, as a critical integration work stream, 75, 77, 79. *See also* Integration infrastructure
Business plan: communication of the overall strategy and, 148–149; as an oversight vehicle, 115; and processes, invalid assumptions about, as an integration risk factor, 37
Business processes: recommendations for, spending additional time on, 108; role of executive leadership in, 83–84
Business strategy, defining, clarifying, and realization of, 223
Business units: role of, in structure and staffing decisions, 149; supporting, in transition, role of, 219, 220
Buy-in: importance of, 126; securing, 120

C

- Cablecom, 238
- California Strategic HR Partnership Study, 133
- Candidate rating form, 164, 167, 168–169, 172
- Candidate scoring matrix, 167, 172
- Candidate selection, 164–165
- Capital outlay, avoidance of, interpreting synergy in terms of, 196
- Capital-avoidance synergies, 197–198
- Carleton, J. R., 3, 38
- Cart-before-the-horse scenario, 145
- Cary, D., 38
- Celebration, of accomplishments, 113
- Cendant Corporation, 14
- Ceremonies: driving cultural integration with redesigned processes involving, 211; and organizational culture, 207; progress check on, survey including a, 192; realignment of, 224
- Change: ability to quickly drive, 230; barriers to, breaking down, 120; in behavior, achieving, 222–223; decline in productivity, morale, and performance during times of, 61; easing in, phrase mentioning, problem with, 255; environment of, 73; greatest barrier to, 156; resistance to, 68–71, 156
- Change leadership, meaning of, 83, 84
- Change management: concepts of, 59–71; connection between integration and, 59; importance of, 57–58; integration as the ultimate challenge in, 74, 184; most powerful tool for, 126, 251; and organizational dynamics, 58–59
- Change-management skills, inadequate, 156
- Chartering exercise, 100–101
- Chrysler, 238
- Clandestine operations, problem with, involving staffing decisions, 147
- Clarity, gaining, 10
- Clarkson, R., 148
- “Cleaning house,” problem with, 146
- Clear communication, of reasons for decisions, 132
- Clemons, E. K., 68
- Closing status and responsibility checklist, as an oversight vehicle, 115
- Clout, need for, of the leadership, with the acquiring organization, 64
- Codified knowledge, importance of, 6
- Collaboration, importance of, 65
- Collins, J. C., 39
- Commitment, organizational, 120, 127, 133
- Common courtesies, 154
- Communication: change dynamics creating the need for more, 59; continuous, importance of, 252; as a critical integration work stream, 75, 77, 79; of critical success factors, 186; in the delivery phase, 89; in the discovery phase, 86, 87; driving cultural integration with redesigned processes involving, 212; during the invention phase, 87–88; effective, importance of, 117, 119–120; employing the influence of, 225; extensive, providing, 64–66, 124; face-to-face, power of, 126, 251; furthering, with consolidated project plans, 113; improvement needed in, 3, 117–119; key questions about processes involving, 216; killer phrase involving, problem with, 255; lack of, about tough structural or staffing decisions, 156; leading to successful integration, example of, 225–227; logistics and, as a component of task force charters, 101; ongoing and strategic, lacking in, 76; open, 65, 121, 147, 156–157; and organizational culture, 207; of the overall strategy and business plan, 148–149; and promptly pro-

- viding an organizational chart, 154; of reasons for decisions, being clear in, 132; requirements for, spending additional time on, 108; and retention, 142; to stakeholders, importance of, 126; surveying managers on, 42; of synergies, 196, 201; through the grapevine, 117, 120, 124, 126; upward, need for, about integration decisions, 131; and use of automated feedback channels, 178, 183; using, to lower resistance to change, 69, 70; weekly cross-functional, 103–104
- Communication campaign, as part of process for cultural integration, 187
- Communication distribution matrix, 116
- Communication matrix, 154, 155
- Communication models, 119–126
- Communication objectives, 123
- Communication process: four-phase, 121, 122; realignment of the, 224, 225
- Communication vehicles, 123, 126
- Communication-strategy matrix, 121, 123, 124
- Community, in the communication-strategy matrix, 123, 124
- Compaq, acquisition of, 2–3
- Compensation: alignment of, strategic, case study involving, 230–233; discrepancies regarding, reconciliation of, issue of, 13; Japanese, shifting trends in, 231, 232; redesign of, case study involving, 225–227; and retention, 140, 141
- Compensation plans, incentive, major discrepancies regarding, reconciliation of, 13
- Competencies, incompetence about, 146. *See also* Core competencies
- Competency model, developing a, 149
- Competency-based interview guide, 167, 173
- Competition, as an integration risk factor, 36
- Competitors: customers fleeing to, reasons for, 66; investigating, 15
- Complex processes, fully aligning and rationalizing, 107
- Complexities, 36, 71, 73
- Comprehensive staffing process model, 165, 167, 170–173, 174
- Concurrent approach, importance of a, 78
- Concurrent pressures, as an integration risk factor, 37
- Conectiv, total rewards redesign at, 225–227
- Conference calls, weekly, participation in, 103–104
- Conrail, 237
- Consistent communication, importance of, 119–120, 126
- Consolidated project plan, 109, 112, 113, 115, 187
- Consolidation and reporting, in cultural due-diligence analysis process, 40, 41
- Contact roster, 114, 116
- Contingency plans, developing, 149
- Continuous learning. *See* Training and development
- Control: depth and span of, definition of, and considerations, 150; provision of, change in, and retention, 142; understanding, as a personal need, 130, 131, 132; versus influence, 222, 223
- Control systems, planning and, interviewing executives with respect to, 44
- Coopers & Lybrand study, 3
- Coordinated actions, importance of, 67–68, 76
- Coordinating activities, training task forces on guidelines and procedures for, 97, 98
- Core competencies: each business unit verifying its own, 149; incompetence

- about, 146; rating, of candidates, 164, 167, 168–169, 172
- Core team: assessment of integration process as perceived by, 178; conducting formal integration training and meetings of the, 246; and conference calls, 103, 104; and consolidated project plans, 113; dedicated and capable, importance of, 252; miscellaneous tools for the, 114, 116; provision of staffing models by the, in conjunction with HR, 163; resources for the, 92, 93; responsibilities of the, 92, 93; and role in structure and staffing decisions, 148; and selection of task force leaders, 94; using, importance of, 251
- Core values, lack of demonstrating, as a symptom of needing merger repair, 240
- Corporate arrogance, as an integration risk factor, 37
- Corporate compliance laws, 28. *See also* Sarbanes-Oxley Act compliance
- Corporate responsibility, 28, 30
- Corporation-wide communication, 122
- Cost: of cost cutting, 145; and growth, synergies of, accelerating, 62; of workforce reductions, estimating, importance of, 148
- Cost cutting, issue of, 145
- Cost reductions: case study reflecting, through HR service center, 230; as a desired outcome, 17; interpreting synergy in terms of, 196
- Cost-saving opportunities, 7
- Cox, J., 231
- Critical success factors: establishing and communicating, 186; getting a status update for, 193; study revealing the most important of, 221
- CUC International, Inc., 14
- Cultural alignment, effective, as a key principle, 75
- Cultural and process measures, 177, 187, 188–192, 193, 194–195
- Cultural audits, conducting, 39, 41
- Cultural due-diligence analysis process: model of, 39–41; rationale for, 47–48
- Cultural foundation, 206
- Cultural incompatibility, 3, 36, 206
- Cultural integration: continuous management of, 217–218; as a critical integration work stream, 76, 77, 80; discovering, inventing, and delivering, 208–210; driving, with redesigned processes, 210, 211–212; importance of, 205–206; and key questions to answer about processes, examples of, 213–216; and sticking to the implementation plan, 217; three-phase approach to, 208, 209; and understanding organizational culture, 207–208
- Cultural integration team, formation of, 86
- Cultural progress check, 188–192
- Cultural risk assessment, conducting a, 86
- Culture development, best-practice objectives for, 54
- Culture of organizations. *See* Organizational culture
- Cumulative synergy chart, 203
- “Current State of M&A Integration” survey, 21, 91, 205, 235
- Customer focus: ensuring, 66–67, 88; maintenance of, 7; progress check on, survey including a, 190; questions on, in sample interview guide, 173
- Customer indicators, rating, on an integration scorecard, 194
- Customers: in the communication-strategy matrix, 123, 124; confused, that are defecting, as symptom of needing merger repair, 240; fleeing to competitors, reasons for, 66; investigating, 15

Customs, norms, and ceremonies, progress check on, survey including a, 192
Cutbacks, wave of, 2

D

Daimler, 238

Data and documentation requirements, as a component of task force charters, 101

Data form, biographical, use of a, 167

Data sources, for assessing merger integration results, 240

Data-collection method, steps, and process, in cultural due-diligence analysis process, 40, 41

Data-gathering and data-rating process, streamlined, using, 193

Day-to-day operations, metrics focused on, balancing, with those focused on synergies, 193

De Monaco, L. J., 19, 49, 50, 113, 117, 154

Deal Flow Model, 7–19, 25, 236

Deal stage. *See* Negotiate stage

Decision making: during the discovery phase, 86; executive, simplified, 242; improvement needed in, 3, 67, 118

Decision-making ability, strategic, need for, 64

Decision-making processes: progress check on, survey including a, 189; and promptly providing an organizational chart, 154

Decisions: being able to have some say in, 131, 132; difficult, sheer volume of, 73; need for upward communication about, 131; and predeal positioning, 36; setting criteria and boundaries for, 131; speeding up, 251; tough, making, 67. *See also* Structure and staffing decisions

Delaware Supreme Court, 38

Deliverables, specification of, 100

Delivery phase, 85, 88–89

Delmarva Power, 225, 226, 227

Departmentation, definition of, and considerations for, 150

Deregulation, 226

Detailed investigation phase, 27

Disconnect, problem of, between leadership and employees, 118–119

Discovery phase, 85, 86–87

Documentation: of the organization's M&A processes, importance of, 253; of synergies, 196, 198, 200

Doing the right thing, as a personal need, understanding, 130, 132

Dow Chemical, 253

Downsizing, wave of, 2, 126. *See also* Workforce reductions or consolidation

Due diligence: coordinating HR into the process of, 50–54; and deal ramifications, examples of, 22–24; failure to conduct sufficient, examples of, 14, 21–22; and human capital, 22, 48–50, 51, 53–54, 55; importance of, 14, 250–251; and integration risk factors, 22, 35–37; as an iterative process, 26, 27; not involving HR in, 221; and organizational culture, 22, 38–48, 50, 53–54; and providing business information during merger negotiations, 97; redefining the process of, 24–26; and Sarbanes-Oxley Act compliance, 22, 28–35; specific issues of, capturing, 16, 17; and structure and staffing decisions, 145, 147, 148; traditional aspects of, ensuring, are rigorously addressed, 22

Due-diligence checklist, for addressing Sarbanes-Oxley Act compliance, 32–33

E

Eckerd drugstores, 237

Edify, 248–249

- Edmondson, G., 238
- Education and training. *See* Training; Training and development
- Education process, having an, for understanding synergies, 196–198
- Ego, understanding, as a personal need, 130, 131–132
- E-mail connectivity, issue of, 116
- Emergency surgery, as a metaphor for rapid action merger repair, 242
- Emerging Times* internal newsletter, 226
- Employee benefits, major discrepancies regarding, reconciliation of, issue of, 13
- Employee communications, best-practice objectives for, 54
- Employee resistance, 156
- Employees: buyout of, excessive, effect of, example of, 144; in the communication-strategy matrix, 123, 124; disconnect between executives and, 118–119; engagement of, interviewing executives with respect to, 44–45; and face-to-face communication, 126; having a vision understood and embraced by, 74; involvement of, progress check on, survey including a, 191; patterns of decline in productivity, morale, and performance for, 61–62; retention of, improvement needed in, 118
- Engagement: of employees, interviewing executives with respect to, 44–45; in structure and staffing decisions, 162
- Enterprise-wide integration, contributing strategically to, role of, 219, 220
- Equals, merger of, phrase mentioning the, problem with, 254–255
- EquiFlash* electronic newsletter, 201
- Equistar Chemicals LP, 124–125, 193, 198, 201
- Evaluation processes, transition in, for compensation, 232, 233
- Execution phase, 73, 74
- Executive alignment, 7
- Executive attention, issues and recommendations for, 107, 108
- Executive compensation, major discrepancies regarding, reconciliation of, issue of, 13
- Executive decision making, simplified, 242
- Executive leadership: as a critical integration work stream, 75, 77, 78, 79; critical role of, 78, 80–84; and failure to involve HR in merger transaction, 221
- Executive summit meetings, 161
- Executives: assessment of integration process as perceived by, 178; bartering for, problem with, 147, 221; disconnect between employees and, 118–119; and face-to-face communication, 126, 251; incompatibility among, as an integration risk factor, 37; interviewing, as part of a cultural audit, 46; participation of, throughout the integration project, 92, 93; staggered patterns of decline in productivity, morale, and performance for, 61–62; synergy verification by, 198, 199; top concern of, 143
- Exit interviews, conducting, importance of, 140, 160
- Expectations: being clear about, of structure and staffing decisions, 163; realistic, everyone having, importance of, 227; setting, by establishing and publishing timelines for staffing decisions, 157
- Expense-reduction synergies, 197
- Experienced acquirers, defined, 74
- Experience-driven skill set, 6–7, 36, 74
- Explanations, offering, of structure and staffing decisions, 162–163
- Extended integration, effect of, 64
- ## F
- Face-to-face communication, power of, 126, 251

- Facilities requirements, 107, 108, 145
- Fact-finding process, temptation to hurry the, resisting the, 14. *See also* Investigate stage
- Failed mergers and acquisitions: despite awareness of the importance of effective postdeal integration, 4; due to a failure of leadership, 78; due to poor change management, 58–59, 68; from lack of due diligence, 14, 21–22; number one factor contributing to, 206
- Fair processes, importance of, 124, 161–163
- Fast-track integration, benefits of, 6, 62, 64, 75, 251
- Feedback: about communications, 125; continuous, importance of, 252; direct and timely, need for, 176; interviewing executives with respect to, 46; obtaining, 121; progress check on, survey including a, 188; receiving 360-degree, 224; surveying managers on, 42. *See also* Measurement and feedback
- Feedback channels, automated, 178, 183
- Feedback mechanisms: providing, on the integration effort, 71; two-way, importance of, 120
- Finance and accounting, synergy verification by, 199
- Finance function, communication matrix for the, 154, 155
- Financial crisis in Asia, 231
- Financial due diligence, 14, 22, 250
- Financial indicators, rating, on an integration scorecard, 194
- Financial measures, 177, 196–201
- Financial reporting laws, 28. *See also* Sarbanes-Oxley Act compliance
- Financial reports, requirements for, 28–29
- Financial security, as a personal need, 130–131
- Financial Times*, 68
- Focus phase, in the comprehensive staffing process model, 167, 170
- Focused initiatives, creating, 67–68
- Follow-up communication phase, 121, 122
- Forbes 500 CFOs, survey of, 206
- Formulate stage: described, 10–11; and due diligence, 25; focus of the, 8; mapped, 9; and the work-streams model, 85
- Francis, S. C., 19, 113, 117, 154
- “FRANK” communications, 124–125
- Fraud, 14
- Full integration: described, 16; HR responsibilities for, 222; in strategic integration-planning analysis, 17; time spent reaching, survey results on, 63
- Functional synergy leader, verification by, 198, 199
- Future acquisitions, road map for, 253
- ## G
- Galpin, T. J., 3, 60, 63, 67, 70, 78, 118, 128, 175, 206, 223, 236
- Gap analysis, conducting a, 149
- GE Capital, 19, 49, 154, 231, 253
- GE Capital Japan, 230–231, 233
- Geographical location: definition of, and considerations, 151; and retention, 140, 141
- Glass, Lewis & Co., 31
- Global complexity, as an integration risk factor, 36
- Global economy, 231
- Goals: developing new, for the integration effort, 71; and objectives, measurable, importance of, 252; strategic, of the new organization, as the cultural foundation, 206
- Goals and measures: driving cultural integration with redesigned processes involving, 211; and organizational culture, 207; realignment of, 224, 225
- Goldberg, K., 247, 249

Governance issues, 12, 114
Grapevine communication, 117, 120, 124, 126
Greenspan, D. S., 221
Growth: cost and, synergies of, accelerating, 62; of the workforce, rate of, 152

H

Harvard Business Review, 25, 133
Harvard Pilgrim Health Care, 161
Haslett, S., 65
Hemmer, J., 143, 153, 175, 193
Herndon, M., 3, 60, 63, 67, 78, 118, 128, 175, 206, 236
Heskett, J. L., 39
Hewitt Associates, 24, 220
Hewlett-Packard, 2–3
HFS, Inc., 14
High performance, progress check on, survey including a, 191
High-level summary timeline, 109, 110, 111
Hiring managers: catching and correcting mistakes made by, in structure and staffing decisions, 160; training for, 147, 157, 159. *See also* Staffing and selection; Structure and staffing decisions
Hiring practices, changing, 226
Historical issues and expectations, interviewing executives with respect to, 46
Hodge, K., 74
Holistic approach, 10, 24
Honest communication, importance of, 119
Hostility quotient, as an integration risk factor, 37
Houston Chamber of Commerce, 140
Human capital: and due diligence, 22, 25, 26, 48–50, 51, 53–54, 55, 250–251; interviewing executives with respect to, 47; investigating, 15
Human capital–related integration: case studies in, 225–233; as a critical inte-

gration work stream, 76, 77, 80; and the “making strategy work” model, 222–225; and multiple roles for the human resources function, 219–222
Human resource practices, traditional Japanese, integration of, with Western approaches, 230–233
Human resources (HR) department: collaborating with, to address financial security, 130; coordinating, into the due-diligence process, 50–54, 148; delivering services of, through a single call center, 227–230; failure to involve, in predeal or due-diligence activities, 221; following staffing process models in conjunction with the, 163, 164, 165, 167; integrating, role of, 219, 220; involving, in implementing the retention plan, 134, 140; partnering with, in the discovery phase, 86, 87; redesigning policies and processes of, during human capital integration, 225–227
Hunger, J. D., 3
Hybrid integration process, 13

I

Implement phase, in the comprehensive staffing process model, 167, 170, 174
Implementation: business integration and, as a critical integration work stream, 75, 77, 79; core questions and information needs regarding, in a cultural integration approach, 209; difficulty of, 3; launching, of integration plans, 88, 89; with regard to Sarbanes-Oxley Act compliance, 34–35; of a retention plan, 48, 134, 140–142
Implementation plan, sticking to the, importance of, for cultural integration, 217
Incentive compensation plans, major discrepancies regarding, reconciliation of, 13

- Inclusion, as a personal need, understanding, 130, 131
- Income-generation synergies, 197
- Incompatible cultures, 3, 36, 206
- Incomplete integration activities, 239
- Individual competencies, incompetence about, 146
- Industry consolidation, increase in, warning involving, 14
- Influence: organizational, 222–223, 224–225; versus control, 222, 223
- Information sharing: with key people, importance of, for retaining and re-recruiting, 131; training task forces on guidelines and procedures for, 97–98
- Information technology (IT), use and philosophy of, interviewing executives with respect to, 45
- Information transfer, organization-wide: interviewing executives with respect to, 46; progress check on, survey including a, 188; surveying managers on, 42
- Initial planning: in cultural due-diligence analysis process, 39, 41; percentage of companies involving HR during, by region, 51
- Initial strategic planning, role of executive leadership in, 81–82
- Initial transition: guiding organizations beyond, 75; HR responsibilities for, 222
- Input, asking for, in structure and staffing decisions, 156, 162, 163
- Integrate stage: described, 18–19; due diligence in the, 24, 25; focus of the, 8; getting off track during the, 236; mapped, 9; percentage of companies involving HR during, by region, 50, 51; and Sarbanes-Oxley Act compliance, 28; and the work-streams model, 85
- Integration: clearly defined approach to, importance of, 251; connection between change management and, 59; definition of, and considerations, 151; degree of, determining the, importance of, 251; demands of, 3; desired level of, determination of the, issue of, 15–16, 17, 35–36; extended, effect of, 64; fast-track, 6, 62, 64, 75, 251; HR responsibilities for, 222; improvement needed in, 3, 118; pace of, effect of, 154; poor, factors in, 3–4; as process-driven rather than event-driven, 76; risk factors in, and due diligence, 22, 25–26, 35–37; smoother, 31; successful, key principles driving, 74–75; as the ultimate change-management challenge, 74, 184; well-managed, positive outcomes of, 6–7. *See also specific integration processes and issues*
- Integration highlights, examples of, in successful mergers, 248, 249
- Integration infrastructure: common planning model for, 93; establishing the, 92–96; need for, example of, 91–92; providing, importance of, 251
- Integration managers: and conference calls, 104; described, 92, 94; and the oversight vehicle list, 114; selection of, 94, 109; using, importance of, 251
- Integration measures, 176, 177, 178–184
- Integration milestones: calibrating priority projects to, 104, 105, 106; slipped, as a symptom of needing merger repair, 240
- Integration period: amount of time spent on, issue of, 63–64; in deals then and now, 5; lost productivity during, example of, 62–63
- Integration planning: developing scenarios for workforce reductions during, 148; and due diligence, 24, 27; during

- the discovery phase, 86; effective, as a key principle, 74; getting an early start on, 21, 78; HR priorities in, 222; as an iterative process, 104; launching the process of, 96–108; phases of, agreement on, issue of, 12–13; prioritizing, and carefully staging, 104–108; and project management, as a critical integration work stream, 76, 77, 80, 86–87, 88; with regard to Sarbanes-Oxley Act compliance, 34–35; related to human planning, due-diligence process leading into, 54; weak and haphazard, 221. *See also* Strategic planning
- Integration planning model, for task forces and subteams, 101–103
- Integration planning template: descriptive outline of the, 106–107; providing task forces with an, 104; sample of an, 265–284
- Integration plans, implementing, during the delivery phase, 88, 89
- Integration process assessment: during merger repair, 243, 244–245; to measure integration progress, 178, 179–182
- Integration process, basic steps and provisions of, agreement on, issue of, 12–13. *See also* Processes and activities
- Integration process improvement, 243–246
- Integration results assessment, 239–240, 241
- Integration scorecard, 194–195
- Integration task forces. *See* Task forces
- Integration troubles, extended, addressing. *See* Merger repair
- Integration work-streams model. *See* Merger Integration Work-Streams Model
- Integration-planning analysis, strategic, 16, 17
- Integration-specific communication, 122
- Internal control systems, 29, 31
- Interpersonal communication and feedback: interviewing executives with respect to, 46; progress check on, survey including a, 188; surveying managers on, 42
- Interview guides: competency-based, 167, 173; in cultural due-diligence analysis process, 40, 41, 43–47
- Intervoice, 247, 248–249
- Invention phase, 85, 87–88
- Investigate stage: described, 14–16, 17; due diligence in the, 25; focus of the, 8; mapped, 9; percentage of companies involving HR during, by region, 50, 51; and Sarbanes-Oxley Act compliance, 28; and the work-streams model, 85. *See also* Due diligence
- Involvement: furthering, with consolidated project plans, 113; progress check on, survey including a, 191; and retention, 142
- Issue identification, initial, as a component of task force charters, 101
- Issues and risks: in the formulate stage, 9, 10–11; in the integrate stage, 18–19; in the investigate stage, 15–16, 17; in the locate stage, 12–13; mapping, 8, 9; in the negotiate stage, 18. *See also specific issues and risks*
- Issues log, 114

J

- Jackson, P., 160
- Japanese HR practices, integration of, with Western approaches, case study involving, 230–233
- Jean Coutu Group, Inc., 237
- Job content, vesting and breadth of, definition of, and considerations, 151
- Job security, as a personal need, 129–130
- Job-based pay system, shift from, 232

Joint-venture arrangements, issues involving, 12, 13

Joyce, E., 237

K

Kane, Russell, Coleman & Logan law firm, 28

Katzenbach, J. R., 19

Kettelhut, M. C., 65, 71

Key action items list, 114, 115

Key measures and definitions of results, interviewing executives with respect to, 43

Key messages, 123

Key operating rules, focusing on, in integration planning, 106

Key people, identifying, importance of, 129, 133, 134

Key people, retaining. *See* Retention and rerecruiting

Kickoff communication, 123

Kickoff meeting, for task force leaders, 97, 98–100, 109, 178

Killer phrases, avoiding, 254–255

Kim, W. C., 124, 161, 162

Knowledge: capturing, importance of, 10; giving people, before new skills, 126; retaining, and capturing results, 160–161; sharing, paying for, 161; tacit and codified, importance of, 6

Knowledge base, ongoing institutional, building an, 178

Kotter, J. P., 39

L

Lauer, L., 237

Lawrence, J. T., 160

Layoffs: excessive, impact of, example of, 144–145; traditional pattern of, problem with, 146; widespread, period of, 126. *See also* Workforce reductions or consolidation

Leaders of task forces. *See* Task force leaders

Leadership: best-practice objectives for, 54; change, meaning of, 83, 84; defined and clear, applying, 64; improvement needed in, 3, 67, 118; of the new organization, selection of, role of executive leadership in, 82–83; progress check on, survey including a, 189; respected and capable, importance of, 252. *See also* Executive leadership

Leadership behavior: driving cultural integration with redesigned processes involving, 211–212; interviewing executives with respect to, 46; key questions about processes involving, 215–216; and organizational culture, 207

Leadership ratings: on addressing cultural integration, 206; on addressing “me” issues, 60, 61; on making clear and decisive decisions about integration issues, 78, 80, 81; on retaining and rerecruiting, 128

Leadership roles, agreement on, issue of, 12–13

Linked communication, importance of, 119

Litwin, G., 38

Locate stage: described, 11–14; due diligence in the, 24, 25; focus of the, 8; mapped, 9; and Sarbanes-Oxley Act compliance, 28; and the work-streams model, 85

Location: definition of, and considerations, 151; and retention, 140, 141

Logistics and communications, as a component of task force charters, 101

Longo, S. C., 65, 68

Lower costs, 7

Lublin, J. S., 3, 4, 14, 38

Lyondell Petrochemical, 124, 140, 143,
149, 153, 175, 193, 253

M

Machalaba, D., 47, 144

“Making strategy work” model, 222–225
Management processes, realignment of,
222, 223

Management style and practices, differ-
ences in, problem with, 3

Management training courses, focus of,
68–69

Managerial behavior: interviewing ex-
ecutives with respect to, 46; progress
check on, survey including a, 189

Managerial experience, as a factor in
merger success, 6

Managerial talent, availability of, issue
of, 36

Managers: and face-to-face communica-
tion, 126; having a vision understood
and embraced by, 74; incompatibility
among, as an integration risk factor,
37; patterns of decline in productivity,
morale, and performance for, 61–62;
reminding, about tools for retention
and rerecruitment, 174; rerecruitment
guide for, 134, 135–139; retention of,
improvement needed in, 118; survey-
ing, as part of a cultural audit, 46;
training of, common focus in, 68–69.
See also specific type of manager

Managing mergers: experience as key to,
6–7, 36; having effective policies for,
during the postmerger period, 74; per-
son responsible for, key characteristics
needed by, 64; responsibility for, estab-
lishing, 30–31

Managing the integration project. *See*
Project management

Mandate, in deals then and now, 4, 5

Mapping process and issues, 8, 9

Margin for error, having less, 5

Market, the: in deals then and now, 4, 5;
investigating the, 15; losing sight of,
effect of, 66

Marketing advantage, 31

Marks, M. L., 176

Martinez, A., 224

Maslow, A., 129

Mauborgne, R., 124, 161, 162

May, D., 65, 71

M.B.A. programs, focus of, 68–69

McCarthy, K., 124, 201

“Me” issues: becoming paramount,
127–128; quickly addressing, 60–64;
status of efforts to resolve, communi-
cating, 125

Measurable goals and objectives, impor-
tance of, 252

Measurement and feedback: areas for,
in need of continual management,
176–177; as a critical integration work
stream, 76, 77, 80; improvement
needed in, 118, 175–176; systems for,
178–201

Measures: developing new, for the in-
tegration effort, 71; financial, 177,
196–201; integration, 176, 177, 178–
184; interviewing executives with
respect to, 43; operational, 176–177,
184–186; process and cultural, 177,
187, 188–192, 193, 194–195. *See also*
Goals and measures

Meetings: core team, and conducting
formal integration training, 246; ex-
ecutive summit, 161; face-to-face,
importance of, 126, 251; kickoff, 97,
98–100, 109; weekly, task force leader
notes from, as an oversight vehicle, 115

Memphis Blue Streak, 47

Mercedes, 238

Mercer Management Consulting study,
3–4

- Merger announcements: increase in, 1, 2; killer phrases in, 254–255
- Merger integration results assessment, 239–240, 241
- Merger Integration Work-Streams Model: depiction of the, 77; deploying the, 84–89; most ignored work stream in the, critical role of the, 78–84; overview of the, 75–78, 79–80; project management in practice versus in the, 109. *See also specific work streams*
- Merger repair: companies needing, list of, 236, 237–238; confirming need for, use of merger integration results assessment for, 239–240, 241; percentage of companies in need of, 236, 239; symptoms of needing, 239, 240; two tracks of, 242–246
- Mergers and acquisitions (M&As): additional, ability to handle, issue of, 240, 249; in Asia, period of, 231; current state of integration in, summary of, 285–291; fevered pace of, warning involving, 14; future, road map for, 253; increase in, 2; reasons for, 4–5. *See also Failed mergers and acquisitions; Successful mergers*
- Mergerstat, 2
- Messages: consistent and repeated, importance of, 119–120; key, for communication, 123; linking, to strategic objectives, 119
- Middle managers: in the communication-strategy matrix, 123, 124; staggered patterns of decline in productivity, morale, and performance for, 61–62
- Millennium Inorganic Chemicals, 154, 186
- Millennium Petrochemicals, 124, 149, 193
- Miner, W. J., 152
- Minimal integration, 16, 17
- Minutes, as an oversight vehicle, 115
- Mirvis, P. H., 176
- Mistakes, catching and correcting, in structure and staffing decisions, 147, 160
- Moderate integration, 16, 17
- Morale, declining, staggered pattern of, 61–62
- Morris Air, 38
- Motivate stage: described, 19; due diligence in the, 25; focus of the, 8; getting off track during the, 236; mapped, 9; and the work-streams model, 85
- Motivation, multiple reinforcements for, creating, 223
- Motivators: addressing, developing and executing an action plan for, 133–142; identifying, 133, 134; understanding, 129–133
- Multiple channels of communication, importance of, 119–120
- Mutual participation, agreement on, issue of, 12–13
- ## N
- NCR, 38
- Needs analysis, core questions and information needs regarding, in a cultural integration approach, 209
- Needs, personal, understanding, 129–133
- Negotiate stage: described, 18; due diligence in the, 24, 25; focus of the, 8; mapped, 9; percentage of companies involving HR during, by region, 51; and Sarbanes-Oxley Act compliance, 28, 33; and the work-streams model, 85
- Nelson, E., 14
- Nextel, 237
- 9/11, effect of, 2, 126
- Norfolk Southern, acquisition by, 237
- “Norfolk Southern Is Aiming to Get Back on Golden Track,” 237
- NTL, acquisition by, 238

“NTL Copes with Troubled Acquisition of Cablecom,” 238

O

Objective processes, importance of, 161

Objective statement, overall, as a component of task force charters, 100–101

Objectives: best-practice, 54; communication, 123; desired, of staffing and selection, outline of, 164; goals and, measurable, importance of, 252; spending additional time on, 107; strategic, 119, 152

O’Brien, B., 3, 4, 38

Ogden, D., 38

Onboarding phase, in the comprehensive staffing process model, 170, 174

100-day projects, focusing on, 104, 105, 106, 242

One-time P&L synergies, 197

Ongoing stage. *See* Motivate stage

Open communication: about structure and staffing decisions, 147, 156–157; importance of, 65, 121

Operating rules, key, focusing on, in integration planning, 106

Operational indicators, rating, on an integration scorecard, 194–195

Operational measures, 176–177, 184–186

Organization design parameters, 149, 150–151

Organizational chart, promptly providing an, importance of, 154

Organizational commitment, 120, 127, 133

Organizational culture: and alignment, 75; defining and understanding, 207–208; definition of, 38; and due diligence, 22, 25, 26, 38–48, 50, 53–54; and failure to conduct sufficient due diligence, 21, 38, 47; investigating, 15; issues related to, and merging difficul-

ties, 3, 22, 220–221. *See also* Cultural entries

Organizational dynamics, created by mergers and acquisitions, 58–59

Organizational exhaustion, as an integration risk factor, 37

Organizational experience, as a factor in merger success, 6

Organizational fit, candidates representing the most, importance of discerning, 53

Organizational indicators, rating, on an integration scorecard, 195

Organizational influence systems: adapting, to yield specific kinds of behavior, 222–223; list of, 223; realignment of, 224–225

Organizational processes: areas of, list of, 207; key questions to answer about, examples of, 213–216; redesigned, driving cultural integration with, 211–212; steps for, in the three-phase approach to cultural integration, 209

Organizational structure: and alignment, 75; determining, issue of, 12; driving cultural integration with redesigned processes involving, 212; improvement needed in, 118; and organizational culture, 207; and protocols, interviewing executives with respect to, 43–44; realignment of, 224. *See also* Structure and staffing decisions

Organization-setting. *See* Structure and staffing decisions

Organization-specific communication, 122

Organization-wide information transfer, 42, 46, 188

Outreach, to customers, as critical, 66

Overlap in roles and responsibilities, as a symptom of needing merger repair, 240

Oversight vehicles, list of, 114, 115
Oxy Vinyls LP, 196, 198

P

Palmer, A. T., 238
Pandya, M., 6
Paramount Communications, Inc., v. Time, Inc., 38–39
Pay components, transition in, 231, 232
Pay determinants, transition in, 231, 232
Peck, R. L., 68
Peer review, 18
People indicators, rating, on an integration scorecard, 195
People team, responsibilities of the, for HR service center integration, 229
People-related failures, 4, 22, 220–221
Performance: declining, staggered pattern of, 61–62; and failure to apply effective processes for structuring and staffing, 144; and failure to exercise due diligence, 14; improved, and HR practices, 223–224; and poor postdeal integration, 3–4, 5; progress check on, survey including a, 191; research on, results of, 2–3; of synergies, monthly scorecard for verifying, 202; and thorough human capital due diligence, 49
Performance management: best-practice objectives for, 54; using, to lower resistance to change, 69, 70, 71
Performance targets, missing, as a symptom of needing merger repair, 240
Performance-based pay system, shift toward, 231, 232, 233
Perks, and retention, 142
Personal capabilities, definition of, and considerations for, 151
Personal needs, understanding, 129–133
Personal uncertainty, addressing, 60–64
Physical environment: changing the, 224; driving cultural integration with redesigned processes involving, 212; interviewing executives with respect to, 45; and organizational culture, 207
Pickford, J., 68
Planning. *See* Integration planning; Strategic planning
Planning and control systems, interviewing executives with respect to, 44
Policies and practices, alignment of, spending additional time on, 108
Policies, rules, and procedures: driving cultural integration with redesigned processes involving, 211; focusing on, in integration planning, 106; key questions about processes involving, 213; less rigid, employing the influence of, 225; and organizational culture, 207; progress check on, survey including a, 190; realignment of, 224–225
Political risk, 68
Politics and positioning, 36, 59, 64
Porras, J. I., 39
Position and role, retention and, 141
Position descriptions, summary, 164
Positioning, politics and, 36, 59, 64
Postdeal integration, poor, and performance, 3–4, 5
Postdeal productivity, factors positively correlated with, 50
Postdeal stage. *See* Integrate stage
Power, ambiguities about, as an integration risk factor, 36–37. *See also* Authority
Predeal stages. *See* Formulate stage; Investigate stage; Locate stage
Preliminary internal due diligence assessment, use of, 31
Preparation, effective, for structure and staffing decisions, 147, 153–154
Primary research, in cultural due-diligence analysis process, 41

- Prioritizing: with consolidated project plans, 113; integration planning template focusing on, 104–108
- Priority communication, 119
- Pritchett, P., 148
- Prizes, in deals then and now, 4, 5
- Proactive communication, importance of, 119
- Process alignment, effective, as a key principle, 75
- Process and cultural measures, 177, 187, 188–192, 193, 194–195
- Process design, core questions and information needs regarding, in a cultural integration approach, 209
- Process implementation, core questions and information needs regarding, in a cultural integration approach, 209
- Process manual, producing a, 253
- Process mismatch, cultural, as an integration risk factor, 36
- Process redesign: core questions and information needs regarding, in a cultural integration approach, 209; driving cultural integration with, 210, 211–212; key questions to answer during, examples of, 213–216
- Process redesign team, responsibilities of, for HR service center integration, 228–229
- Process-driven approach, importance of a, 76
- Processes and activities: in the formulate stage, 9, 10; in the integrate stage, 18; in the investigate stage, 14–15; in the locate stage, 11–12; mapping, 8, 9; in the motivate stage, 19; in the negotiate stage, 18. *See also specific type of processes and activities*
- Productivity: declining, staggered pattern of, 61–62; improved, and HR practices, 224; lengthy drop in, cause of, 64; lost, during traditional integration period, example of, 62–63; postdeal, factors positively correlated with, 50; protection of, 7; type of, shift in, 233
- Profit sharing, and retention, 141
- Profitability, accountability and, focus on, 225
- Progress and results measurement. *See* Measurement and feedback
- Progress check, cultural, 188–192
- Progress, reporting, 113, 125
- Project management: and coordination skills, need for, of the leadership, 64; improvement needed in, 118; integration planning and, as a critical integration work stream, 76, 77, 80, 86–87, 88, 89; tools and processes for, 109–116
- Project management team. *See* Core team
- Project manager. *See* Integration managers
- Project status communication phase, 121, 122
- Prompt action, taking, on structure and staffing decisions, 153–154
- Public Company Accounting Oversight Board (PCAOB), 28, 30
- Pulley, M., 196
- ## Q
- Quaker Oats Company, 5
- ## R
- Rapid action merger repair, 242–243
- Rapid Results! How 100-Day Projects Build the Capacity for Large-Scale Change* (Schaffer and Ashkenas), 242
- Reactive communication, avoiding, importance of, 119
- Realignment, of management's processes and organizational influence systems, 222, 224–225
- Reasons for deals, then and now, 4–5

- Recurring P&L synergies, 197
- Reinventing the wheel, 8
- Relative dominance, as an integration risk factor, 36
- Reporting: consolidation and, in cultural due-diligence analysis process, 40, 41; of integration progress, 113, 125; of synergies, 196, 201, 202, 203. *See also* Measurement and feedback
- Reporting manager, and retention, 142
- Reporting structure, definition of, and considerations for, 150
- Rerecruitment, defined, 128. *See also* Retention and rerecruiting
- Rerecruitment Matrix, 133, 134
- Rerecruitment Needs Pyramid, 129, 130, 132
- Research, in cultural due-diligence analysis process, 40, 41
- Resistance pyramid, 69, 70
- Resistance to change: managing, 68–71; reported by executives, 156
- Respect, need for, for the leadership, from the acquiring organization, 64
- Responsibilities and roles, overlap in, as a symptom of needing merger repair, 240
- Responsibility: alignment of authority and, definition of, and considerations, 151; corporate, 28, 30; for the integration infrastructure, 92; for rerecruitment and retention actions, and time, 133, 134
- Responsibility checklist, closing status and, as an oversight vehicle, 115
- “Restatement Blame,” 31
- Results: assessment of, 239–240, 241; capturing, and retaining knowledge, 160–161; examples of, in successful mergers, 248–249, 250; key measures and definitions of, interviewing executives with respect to, 43
- Results and progress measurement. *See* Measurement and feedback
- Retention and rerecruiting: becoming a major strategic objective, 152; as a critical integration work stream, 76, 77, 79, 87; developing and executing an action plan for, 129, 133–142; importance of, 127–129; improvement needed in, 118; options for, 140, 141–142; reminding managers about tools for, 174; tips on, for hiring managers, 159
- Retention plan: critical steps requisite in a, 129; drafting a, in the discovery phase, 87; implementing a, 48, 134, 140–142
- Revenues, increase in, interpreting synergy in terms of, 196
- Rewards and recognition: best-practice objectives for, 54; driving cultural integration with redesigned processes involving, 212; employing the influence of, 225; human capital issues related to, sample of, 55; key questions about processes involving, 213–214; and organizational culture, 207; realignment of, 224, 225; redesign of, case study involving, 225–227; setting up, for integration effort, 71. *See also* Ceremonies
- Right thing, doing the, as a personal need, understanding, 130, 132
- Risk assessments, conducting, 86, 149
- Risk factors and due diligence, 22, 25–26, 35–37
- Risks: in deals then and now, 4, 5; mitigating, means of, 24, 59; political, 68. *See also* Issues and risks
- Road map: for future acquisitions, 253; for improvement, 246
- Robert Half International, 143
- Robinson, D., 148
- Roles and responsibilities overlap, as a symptom of needing merger repair, 240
- Rollout communication phase, 121, 122
- Row, M. C., 68

Royal Nedlloyd Group, 224–225
Rules. *See* Policies, rules, and procedures
Rumors, avoiding, 117

S

Safeway, acquisition of, 238
“Safeway Name Sees an End in the UK,”
238
Sarbanes-Oxley Act compliance, and
due diligence, 22, 24–25, 28–35
Schaffer, R. H., 242
Schrempp, J., 238
Sears, 224
Secondary research, in cultural due-
diligence analysis process, 40, 41
Securities Act of 1933, 28
Securities and Exchange Commission
(SEC), 28, 30, 31
Securities Exchange Act of 1934, 28
Security, as a personal need, understand-
ing, 129–131
Selection of staff. *See* Staffing and selection
Senior leaders or managers. *See* Executives
Senior leadership or management. *See*
Executive leadership
Seniority-based pay system, shift from, 232
September 11, 2001, effect of, 2, 126
Service levels, poor, as a symptom of
needing merger repair, 240
Severance costs, 145
Shareholders: in the communication-
strategy matrix, 123, 124; having a
vision understood and embraced
by, 74
Sharing information: with key people,
importance of, for retaining and re-
recruiting, 131; training task forces on
guidelines and procedures for, 97–98
Sherman, S., 65
Shoe-leather feedback, 183–184
Silence: avoiding, 65; long periods of,
reason for, 76

Silva, E., 149, 153
Simplified executive decision making,
242
Singh and Zollo study, 6
Skill development, multiple reinforce-
ments for, creating, 223
Skill-based pay system, shift to and from,
231, 232
Skills, new, giving people knowledge be-
fore, 126
SmithKline Beecham, 160
Smoother transition, 7
Snapple Beverage Corporation, 5
Software compatibility, issue of, 116
Southern Pacific Rail Corporation, 47,
143–145
Southwest Airlines, 38, 225
Special-issue task forces. *See* Task force
subteams
Specification of deliverables, 100
Sprint, 237
Staff reductions. *See* Workforce reduc-
tions or consolidation
Staffing and selection: best-practice ob-
jectives for, 54; desired objectives of,
outline of, 164; determining, issue of,
12; and documenting decisions, 165;
driving cultural integration with re-
designed processes involving, 211;
during the discovery phase, 86–87;
improvement needed in, 118; key
questions about processes involving,
214–215; review and approval of, 165,
167; role of executive leadership in,
82–83; specific process instructions
for, 164–165; unilaterally making de-
cisions about, 146; zero tolerance for
processes involving, problem with,
146–147. *See also* Structure and
staffing decisions
Staffing announcements, 160
Staffing calendar matrix, 157, 158

- Staffing level, definition of, and considerations for, 150
- Staffing process models, 163–174
- Staffing-related synergies, 198
- Stakeholders: buy-in by, importance of, 126; in the communication-strategy matrix, 123, 124; debriefing, for integration process improvement, 246
- Stark, P. A., 28
- Status quo, the, 153
- Status symbols, maintaining, 131–132
- Stay bonuses, offering, 130–131, 141, 145
- Stock prices, 3, 14, 39, 237, 240
- Strategic business focus, definition of, and considerations for, 150
- Strategic clarification, gaining, 164
- Strategic compensation alignment, case study involving, 230–233
- Strategic decision-making ability, need for, 64
- Strategic direction, interviewing executives with respect to, 43
- Strategic goals, of the new organization, as the cultural foundation, 206
- Strategic integration-planning analysis, 16, 17
- Strategic objectives: linking messages to, 119; retention and rerecruiting becoming part of, 152
- Strategic planning: linking structure and staffing decisions with, 145–146, 147, 148–152; role of executive leadership in, 81–82; work streams beginning with, 76
- Strategic play, candidates representing the most, importance of discerning, 53
- Strategic rationale, overarching, determining overall integration strategy in light of, 25–26, 35
- Strategic vision, assessing candidates on, 171
- Strategy model, 223
- Strategy review and objectives, spending additional time on, 107
- Strategy-setting stage. *See* Formulate stage
- Streamlined data-gathering and data-rating process, using, 193
- Streamlined staffing process model, 163–165
- Streamlined synergy verification process, 199
- Structural alignment, effective, as a key principle, 75
- Structure and staffing decisions: common problems encountered in managing, 145–147; as a critical integration work stream, 76, 77, 79, 86–87, 88; failure to apply effective processes for, example of, 143–145; fair processes in, ensuring, importance of, 161–163; staffing process models for making, 163–174; ten principles for making, 147–161; traditional patterns of, problem with, 146. *See also* Organizational structure; Staffing and selection
- Structured-interview guides, use of: to address miscellaneous feedback encountered in the field, 183–184; in cultural due-diligence analysis process, 40, 41, 43–47
- “Study Reveals People-Related Issues as the Most Critical Success Factor,” 24, 221
- Subteams, task force. *See* Task force subteams
- Success factors, critical: establishing and communicating, 186; getting a status update for, 193; study revealing the most important of, 221
- Successful mergers: and avoiding killer phrases, 254–255; creating, recommendations for, 250–252; ensuring,

- by embedding the capability to conduct integration efforts, 252–253; examples of, that used a structured approach to integration, 247–250
 - Succession plans, documented, 129
 - Sullivan, J., 133
 - Summary position descriptions, 164, 166
 - Suppliers, in the communication-strategy matrix, 124
 - Sustained M&A capability, developing, 252–253
 - Swift, A., 237
 - Synergies: achievement of, planning and verifying, process of, 196–201; capturing, 88, 105, 107, 196; communicating, 196, 201; of cost and growth, accelerating, 62; documenting, 196, 198, 200; focus on new, 89; immediately achievable, focusing on, in integration planning, 106; metrics focused on, balancing, with those focused on day-to-day operations, 193; potential, mutual identification of, 13–14; projected, achievement and surpassing of, 7; reporting, 196, 201, 202, 203; sources of, 197–198; staffing, total approximate range of, compiling, 148; types of, 197; verification of, 196, 198, 199
 - Synergy chart, cumulative, 203
 - Synergy identification and validation phase, 27
 - Synergy, meaning of, 196
 - Synergy originator, verification by, 199
 - Synergy performance scorecard, 202
 - Synergy plans, 105, 196–197
 - Synergy project plans, spending additional time on, 108
 - Synergy report card, as an oversight vehicle, 115
 - Synergy targets, specific, as a component of task force charters, 101
 - Synergy WAGS (“wild audacious guesses”), 145
 - System alignment, effective, as a key principle, 75
 - Systems requirements, 107, 108
- ## T
- Tacit knowledge, importance of, 6
 - Talent wars, 87
 - Target assessment, and Sarbanes-Oxley Act compliance, 31
 - Target verification phase, 27
 - Targets, in deals then and now, 4, 5
 - Task force charter: development of a, 100–101; sample of a, 257–263
 - Task force leader meeting notes, as an oversight vehicle, 115
 - Task force leaders: assessment of integration process as perceived by, 178; breakout session for, 100; described, 94; kickoff meeting for, 97, 98–100, 109, 178; position description for, 95; selection of, 94, 109
 - Task force planning process, model of, 102
 - Task forces: and consolidated project plans, 113; coordinating the, responsibility for, 92; creating, during the discovery phase, 86; debriefing, for integration process improvement, 246; dedicated and capable, importance of, 252; in the delivery phase, 88–89; described, 93, 94; establishing the, 94, 96, 109; integration planning model for, 101–103; in the invention phase, 88; key, formation of, agreement on, issue of, 12–13; launching the planning process for the, 96–108; links to other, as a component of task force charters, 101; and participation in weekly updates, 103–104; using, importance of, 251

- Task force subteams: establishing, 94, 96; integration planning model for, 101–103; resourcing requirements for, 101
- Taylor, P., 237
- Team building, early development of new reports and, 148, 161
- Team-specific communication, 122
- Technical talent, availability of, issue of, 36
- Technology team, responsibilities of the, for HR service center integration, 229
- Technology, use and philosophy of, interviewing executives with respect to, 45
- Telephone surveys, use of, to address miscellaneous feedback encountered in the field, 183–184
- Thatcher, M. E., 68
- Thornton, E., 238
- 360-degree feedback, receiving, 224
- Time, Inc., v. Paramount Communications, Inc. v.*, 38–39
- Time Warner, 38, 237
- Time-based advantage, progress check on, survey including a, 190
- Timelines: establishing, for making staffing decisions, 157, 158; explanation of synergies organized around their, 196–197; missed, 239; summary, high-level, 109, 110, 111; transaction, 77, 78; transition, focusing on, in integration planning, 107
- Timing, of communication, 123
- Title options, and retention, 141
- Top leaders or managers. *See* Executives
- Top leadership or management. *See* Executive leadership
- Top team identity, formulating and establishing, 161
- Total Rewards Team, 226
- Tough decisions, making, 67
- Towers Perrin, 206, 221
- Tracking: and accountability, 113; core questions and information needs regarding, in a cultural integration approach, 209; formal process of, benefit of, 176. *See also* Measurement and feedback
- Tracking spreadsheet, for listing specific synergy projects, 198, 200
- Training: classroom, for educating employees about synergies, 196; in the communication process, 121; conducting formal integration meetings and, of the core team, 246; employing the influence of, 224, 225; of management, common focus in, 68–69; in the organization's M&A processes, importance of, 253; requirements for, determining, 108; in staffing and selection process, for hiring managers, 147, 157, 159; using, to lower resistance to change, 70–71
- Training and development: best-practice objectives for, 54; driving cultural integration with redesigned processes involving, 211; key questions about processes involving, 215; and organizational culture, 207; progress check on, survey including a, 192
- Training campaign, as part of process for cultural integration, 187
- Transaction agreement, negotiation and, involving Sarbanes-Oxley Act compliance, 33
- Transaction phase, planning early in the, importance of, 78
- Transaction timeline, 77, 78
- Transition: fast and focused, as a key principle, 75; initial, 75, 222; to integration planning, phase of, 27; smoother, 7, 31; toward integration, in cultural due-diligence analysis process, 40–41

Transition cost estimate, 107, 108
Transition services, gaining agreement on, 18
Transition timeline, 107, 108
Triangulation, validation, and assessment, for structure and staffing decisions, 147, 156
Troubled deals, repairing. *See* Merger repair
Turnover: business impact of, 133, 134; increased chance for, 226; of key people in both companies, as a symptom of needing for merger repair, 240; measuring rates of, 134, 140; reasons for, 127–128, 133

U

Uncertainty, personal, addressing, 60–64
Unilateral staffing decisions, problem with, 146
Union Pacific Corporation, 47, 143–145
University of Dallas Graduate School of Management survey, 3, 285–291
Urgency, sense of, need for, 226
“Us and them” mentality, as a symptom of needing merger repair, 240
U.S.-based companies, involvement of HR in the due-diligence process in, 50, 51

V

Validation, for structure and staffing decisions, 147, 156
Value, in the Deal Flow Model, 8
Value-drivers, fundamental, achieving, 107
Values, core, lack of demonstrating, as a symptom of needing merger repair, 240
Verification process, having a, for synergy capture projects, 196, 198, 199
Vision: having a compelling, 74; strategic, assessing candidates on, 171; translat-

ing, dedicating adequate resources and time to, 75

W

WAGS (“wild audacious guesses”), synergy, 145
Wait-and-see attitude, adopting a, problem with, 146
Wall Street: heightened expectations of, 5; indicators of merger execution problems as viewed by, 237
Wall Street Journal, 14
Warner Communications, 39
Watson Wyatt Worldwide, 3, 9, 50, 51, 152, 153, 156
Weekly communications, example of, 125
Weekly update process, 103–104
Welch, D., 238
Welch, J., 65
Well-managed integration, positive outcomes of, 6–7, 71
Wellness program, as a metaphor for integration process improvement, 242
Wheelan, T. L., 3
Wilkinson, B., 225–226, 227
WM Morrison, 238
Work flow, overall, focusing on, in integration planning, 106
Worker’s questions and concerns, faster and more effective responses to, 7
Workforce reductions or consolidation: cost of, estimating, importance of, 148; layoffs resulting from, 126, 144–145, 146; massive, wave of, 2, 126; potential impact of, conducting a risk assessment of, 149
Workforce, the: changing composition of, 152, 153; growth rate of, 152
Work-streams model. *See* Merger Integration Work-Streams Model
Written survey: in cultural due-diligence analysis process, 41, 42