DD Consulting M&A Integration: Back Office

Danny A. Davis m: + 44 (0) 77 99 678 088 e: danny.davis@ddavisconsulting.com

w: www.ddavisconsulting.com



Danny A. Davis



- Deals small to large, from 2 days to 3 years
 - Training: teaching you how to integrate
 - Coaching: helping you through
 - Consulting: planning and delivery along side you
 - Integration Director or sitting on the steering committee
- Speaking: Conferences, Business schools (Henley, LBS, Ashridge, CASS, Brunel)
- Author of "M&A Integration: how to do it: planning and delivery", articles with Finance Director Europe (FDE), The Chartered Institute of Management Accountants (CIMA), The British Compute Society (BCS) Developing HR Strategy, Journal of Brand Management, Corporate Financier, The Treasurer.
- Sits of the CMI experts panel
- DD Consulting is a founding partner of the Global PMI partners network



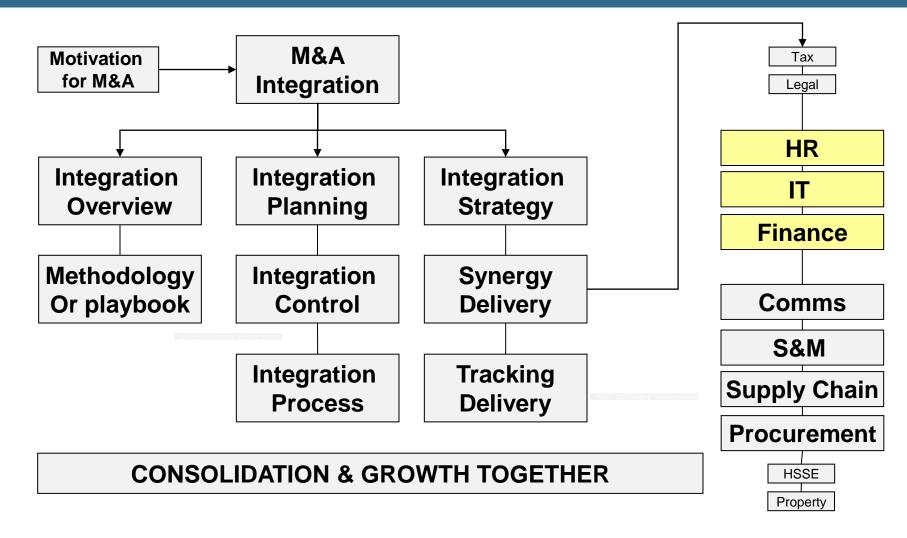
DANNY A. DAVIS





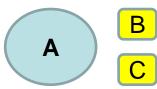
HOW TO DO IT
PLANNING AND DELIVERING
M&A INTEGRATION
FOR BUSINESS SUCCESS

M&A integration overview



Different Types of M&A

Type 1
Geographic merger
3 Different Countries
(customers, power, control)



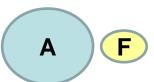
Type 2
Classic overlap
Same country similar size
Merger of equals



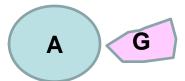
Type 3
Reverse takeover they are larger than us



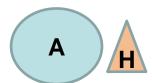
Type 4
We are much larger
Buying skills, IT, process
control to make us better



Type 5
Purchase Customers, for our products (similar geographies)



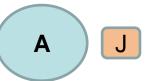
Type 6
Purchase new technology or product, to put through our sales channels



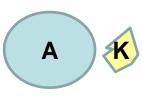
Type 7
Conglomerate & Diversification
Acquire R&D, technology,
people, market



Type 8
Strategic Pull through Service business
Partnership, advertising
agency, consultancy



Type 9
Supply chain protection
Defence of a raw material
with only one supplier



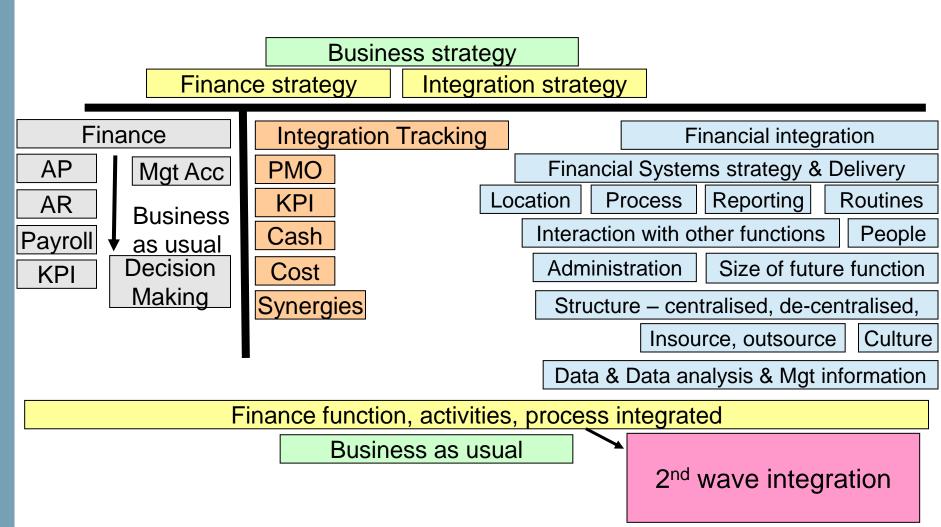
M&A INTEGRATION FINANCE

Danny A. Davis m: + 44 (0) 77 99 678 088 e: danny.davis@ddavisconsulting.com

w: www.ddavisconsulting.com



Danny A. Davis: Financial Integration Model



Shared services, outsource, consolidation

Decentralized

Corporate Staff

Operating

Unit B

Operations

Human

Resources

Information

Technology

Finance &

Accounting

Procurement

Real Estate

Operating Unit A

Operations

Human Resources

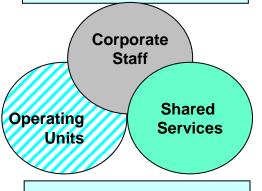
Information Technology

Finance & Accounting

Procurement

Real Estate

Shared Services



Centralized

Corporate Staff

Human Resources

Information Technology

Finance & Accounting

Procurement

Real Estate

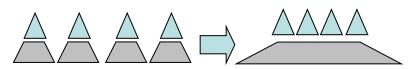
Operating Unit A

Operating Unit B

Operating Unit C

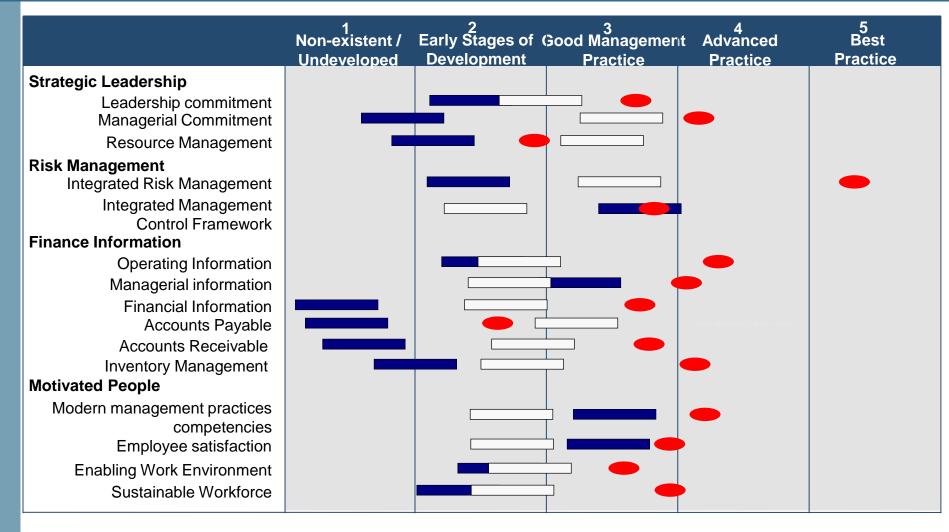
- 077 99 678 088

- Transaction processing and strategic decision support can be provided by separate entities.
- Strategic, value adding services remain close to the business and repeatable
- Shared Services is a distinct operating model that ensures excellent customer service
- What will we share
- **Corporate Services**
- Finance, Procurement, HR. IT, Facilities & Comms
- transactional services that are not "core business"



reserved. Copyright © 2007 by ScottMadden. All rights

Review Financial Process



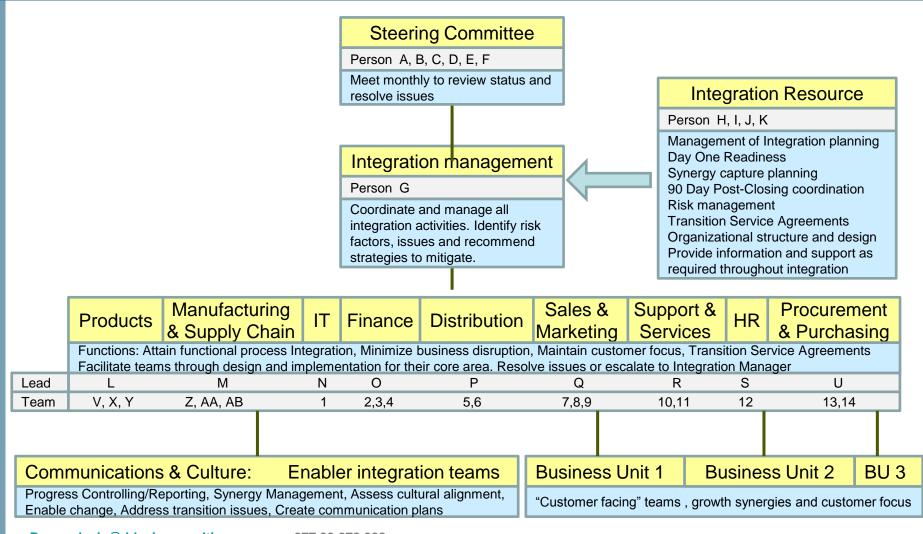
M&A INTEGRATION HR

Danny A. Davis m: + 44 (0) 77 99 678 088 e: danny.davis@ddavisconsulting.com

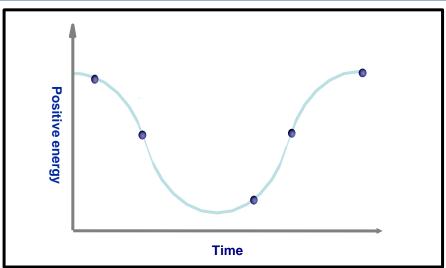
w: www.ddavisconsulting.com

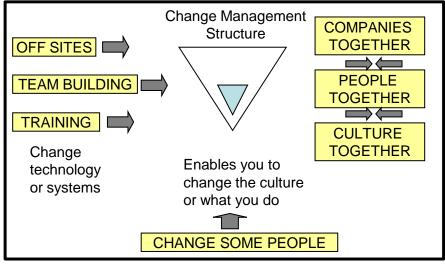


Team Structure

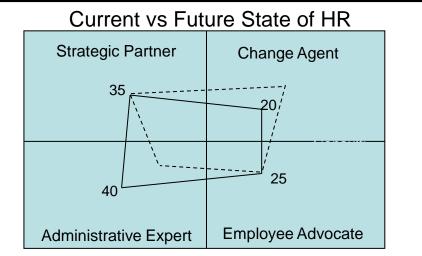


HR Tools, People, Culture





INTERNAL PEOPLE US	CUSTOMERS	SUPPLIERS
INTERNAL PEOPLE THEM	GOVERNMENT	OTHER STAKEHOLDERS
Internally-focused A	В	Customer-focused
Low cost work force	A B	
Company power		
Company power	A B	
Risk-averse	A) B	
Tactically driven	A B	
·		
Centralized	A) UB	
Strategic-alignment (A) Company A (B) Company B		
Officially angument (A) company 1.		
Strategic-alignment (A) Company A (B) Company B		



HR Building Blocks

COMMUNICATIONS STAKEHOLDER MANAGEMENT Workforce READINESS **People Risk** LEADERSHIP COMMITMENT & Uncertainty **Transition** CASE TO CHANGE CHANGE Learning & Leadership **Capability Transfer Alignment GETTING PEOPLE INVOLVED** STABLISH **Talent** Stakeholder 70 Requirements **Engagement** HR ALIGNINGS WITH FOR **Organisational** CHANGE THE BUSINESS **Communications** Design **ENSURING LONG** Ш Culture Governance **TERM CHANGE** HR Organizational **Employment** Performance **Engagement &** Rewards Management Structure Legal Issues Communication **Employee** Cultural Business Resourcing Leadership Relations Integration Structure **RESISTANCE TO CHANGE UNCERTAINTY - JOB, POWER, STATUS**

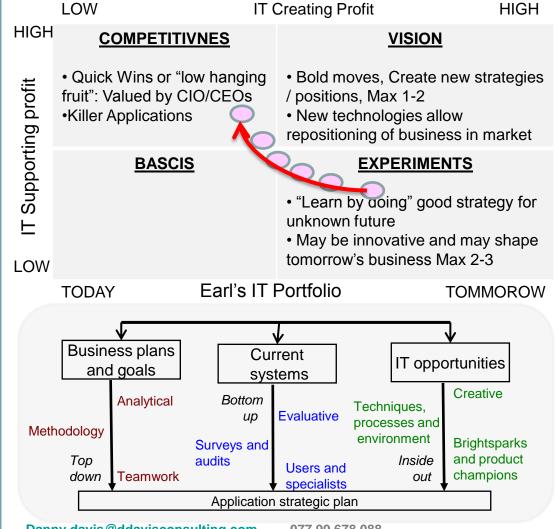
M&A INTEGRATION IT

Danny A. Davis m: + 44 (0) 77 99 678 088 e: danny.davis@ddavisconsulting.com

w: www.ddavisconsulting.com



IT Portfolio analysis



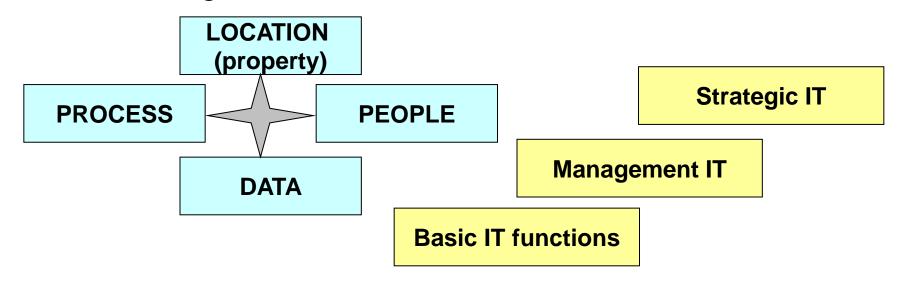
- **Support**: These applications are valuable to the organisation but not critical to its success.
- **Key operational**: The organisation currently depends on these applications for success (mission-critical).
- **High potential**: These applications may be important to the future success of the organisation.
- **Strategic**: Applications that are critical to sustaining future business strategy.



Focused mainly on Today's strategies, Focus of government mainly on efficiency and cost reduction not on competitiveness, Heavily focused on supporting & shaping today's business process

Level of Integration

- Do we need to integrate everything from the start
- If we want to integrate the DATA does this mean we necessarily must integrate the people, system, software and the data centres (possibly but not straight away)
- Outsourcing



Q&A Session