



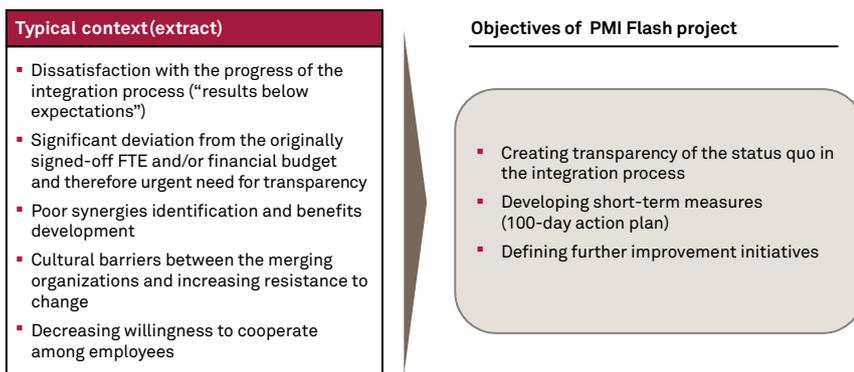
## Post Merger Integration Flash Project

Driving Benefits in Merger Integrations



# Post Merger Integration Flash Project

Figure 1: Context and objectives



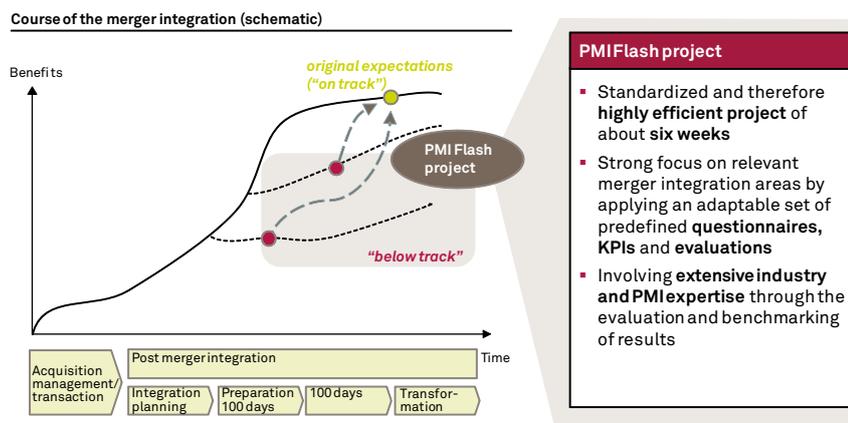
## Background

The integration of two independent corporate entities is generally a complex process. Driven by high expectations in terms of synergies and new business potentials, the integration does often not deliver the desired outcome. Frequently in post merger integrations, the actual development steers off the planned course and results are considered rather “below track”, leading to a significant deviation in terms of performance, synergies and costs. Unforeseen cultural barriers – a typical pitfall of integrations – combined with a decreasing willingness among employees to cooperate often widen the opening gap. At this highly critical stage, our proven PMI Flash project offers you the necessary support.

## What is it about? – Characteristics of PMI Flash projects

A PMI Flash project is an accelerated approach delivering actionable results in a short time (approx. six weeks). It is based on a proven standardized methodology and therefore highly efficient. Unlike conventional projects the focus is not on a comprehensive examination of existing documents but on a standardized, interview-based analysis combined with an intensive evaluation of results. This leads to a solution design supported by benchmarks and based on broad industry and PMI expertise, which also helps to avoid time consuming onboarding.

Figure 2: PMI Flash project characteristics



Our PMI Flash project approach delivers transparency of the actual status of the merger integration, starting with the initial merger rationale and the derived integration targets. A major outcome is a “100-day action plan” with clear roles and responsibilities, as well as further improvement initiatives to ensure the process gets back on track.

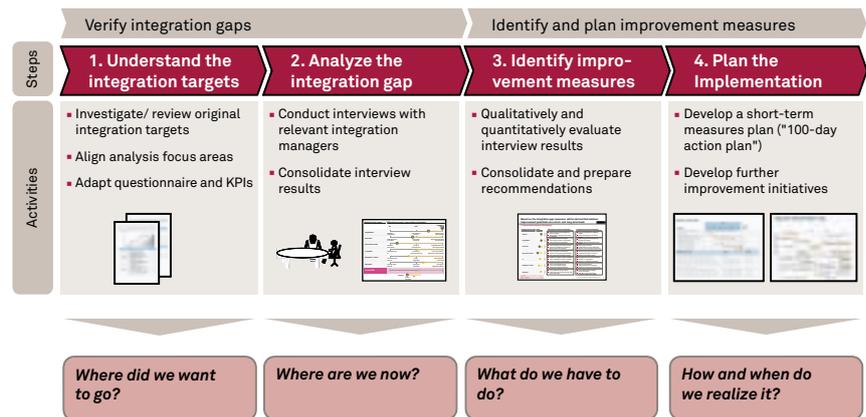
## How does it work? – PMI Flash project approach

A PMI Flash project typically consists of two phases and mainly four steps following a clear and coordinated logic and delivering answers to the following questions:

- Where did we want to go?
- Where are we now?
- What do we have to do?
- How and when do we realize it?

Usually, the first step is to understand the original rationale and strategic goals of the merger. These should be translated into tangible integration targets for each relevant function. For instance, an integration target for the function “product” might be the implementation of a common product catalogue and an effective sales force. However, for the “support processes” (IT, HR, etc.) of the merged companies the integration target might be to implement efficient best-in-class processes. If in some cases the integration targets are not explicitly defined, our methodology will offer support in formulating them ex post. Whatever the respective integration target, the next step in the PMI Flash project approach is to determine and analyze the integration gap. This is done by a customized evaluation of KPIs and benchmarks. The objective of this step is to generate a holistic view of the current integration status, and in addition mobilize important managers of

Figure 3: PMI Flash project approach



both organizations by involving them in the process. Building on the analysis results and addressing the existing gaps, the third step is to identify improvement measures designed to best achieve the defined integration targets. Due to the fact that each company and merger integration process has its own specific characteristics, designing the solution is generally a complex task requiring an extensive industry and PMI expertise. Naturally, due to scarce company resources or interdependencies, not all identified measures can and should be implemented simultaneously. In the last step of the PMI Flash project, they hence need to be allocated to work packages prioritized for benefits and efforts and planned for implementation along a specific timeline.

## What are the benefits? – PMI Flash project results

The main results of the PMI Flash project are:

- Clearly defined and tangible integration targets per relevant function derived from the merger rationale and strategic goals.
- Holistic picture of the merger integration status and a detailed gap analysis for each function.
- Actionable measures that should be implemented to achieve the defined integration targets and ensure the full exploitation of available synergies.
- Implementation plan for short-term measures with clearly defined roles and responsibilities (“100-day action plan”), and further improvement initiatives including interdependencies.

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