



Merger and Acquisition (M&A) Integration

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In today's economy, mergers and acquisitions (M&A) can deliver exceptional value, if managed properly and efficiently. In most cases, the key to such success is a well-managed, thorough merger and acquisition integration process. However, this procedure can be fraught with complications, since every case will need to be managed differently. No two acquisitions can be integrated in exactly the same way. Priorities, timetables, and methodologies must always be customized to suit the deal at hand.

The M&A integration process must, therefore, be approached cautiously, as it can cause significant upheaval. Proper management of the integration process – chiefly including in-depth management and an early start – can help to mitigate potential problems.

Create a Detailed Plan of Action

The first and most important step to execute a smooth merger or acquisition integration is the design of a clear plan of action. This plan ought to be highly detailed, outlining all the steps that need to be taken. Include in this plan a breakdown of which actions must take place, the strategies required to ensure proper execution of those actions, and the approximate timeline as it applies to each step of the process. Such a plan can help maintain momentum in the integration process and provide a roadmap by which progress may be monitored closely.

Monitoring performance on each level of the integration process is crucial to ensuring that all actions are being executed correctly and expediently. With such a performance measurement system in place, it becomes possible to identify and correct issues that arise before they become serious problems.

Open Communication

Also useful for ensuring that all levels of operations are following the plan of action appropriately is the maintenance of open communication throughout all levels. In fact, it is even advisable to integrate communication into your main plan of action. Communication acts as a stabilizer, ensuring that all departments understand what needs to be done and reduces the chances of error due to misunderstanding or ignorance.

It can be helpful to assemble a communications taskforce, composed of representatives from both external and internal sources. This taskforce can then collaborate to ensure that there is a clear protocol for message delivery, as well as for the development, review, and delivery of materials to both your company and the acquiree.

Integrate Quickly

In order to ensure a smooth merger or acquisition integration with minimal problems, the process ought to begin as soon as possible, ideally as early as the acquisition is made final. By beginning as soon as the payment is finalized, the integration team has a greater chance of being able to accomplish all of their integration goals, including all measures necessary to ensure a comprehensive, successful acquisition. The longer and more drawn out this process becomes, the more likely it is that the team will meet with resistance, and be ultimately unable to achieve all their goals.

Depending on the department, integration can take widely varying amounts of time. In fact, some areas are so large that they may require more than a year to complete in full. The area of accounting systems, for example, is generally more time-consuming to integrate fully, as it involves the transition of all accounting operations to the software system used by the acquiring company. Similarly, it can also sometimes take more than a year to extract funds from an acquiree's long-term investment accounts.

Such long-term M&A integration plans can often require the attention of outside specialists, who can focus on executing these strategies while the integration team can focus their efforts on short-term activities.

In Summary

Integration is the most important step in completing a successful acquisition. Though complicated, if conducted properly, the integration process can ensure that the newly acquired company furthers your business's financial and operational goals.

- A clear plan of action can set the stage for a smooth integration. By clearly outlining the necessary steps for integration on a realistic timeline, you can create an easy-to-follow map for the next few months, as well as a measure by which performance during the process may be assessed.
- Ensure that lines of communication are open and accessible during the entire integration process. Creating a taskforce for this purpose is often advisable. They can then monitor all communications and guarantee that all departments are aware of what needs to be done.
- Begin the integration process as early as possible. Ideally, steps toward integration ought to begin as soon as the acquisition payments are finalized.

As the merger and acquisition integration process is exceptionally important, and often quite time-consuming and complex, it is frequently advisable to obtain assistance from outside specialists. Los Angeles executives can benefit from engaging with an outsourced CFO services firm, especially one where formerly-seated CFOs have had experience successfully completing merger and acquisition integration previously.

References and Further Reading

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