

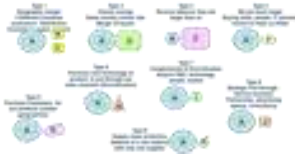
DD CONSULTING's
ROUND TABLE ON
M&A INTEGRATION
PLAYBOOKS (or
Methodologies)



M&A Integration Methodology



Different Deal Strategies



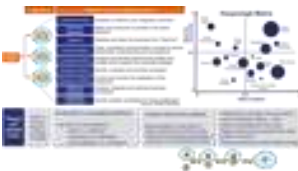
Key Success Factors

Factor	Impact	Measurement	Control	Notes
Leadership	High	Qualitative	High	Strong leadership is critical for success.
Communication	High	Qualitative	High	Clear communication is essential for alignment.
Integration	High	Quantitative	High	Effective integration is key to realizing synergies.
Resource Allocation	Medium	Quantitative	Medium	Proper resource allocation ensures focus on key areas.
Risk Management	Medium	Quantitative	Medium	Identifying and mitigating risks early is crucial.
Stakeholder Engagement	Medium	Qualitative	Medium	Engaging stakeholders builds support and reduces resistance.
Market Understanding	Low	Qualitative	Low	Deep market knowledge informs strategic decisions.
Financial Discipline	Low	Quantitative	Low	Sound financial management supports long-term growth.

Integration Kick-off



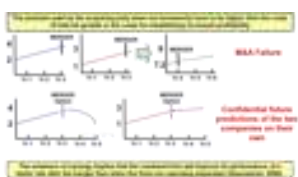
Synergy Estimation, Strategy, Analysis



Synergy Overview



Deal Success

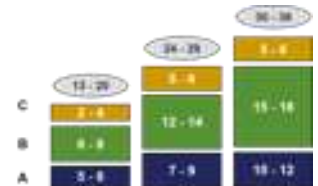


Here at DD Consulting we are often asked about M&A Integration Playbooks and have found during our many discussions with clients and business associates that there is much confusion over what an M&A Integration Playbook is, how it should be developed, and how it should be deployed.

Lessons Learnt

Lesson	Impact	Control
Clear communication	High	High
Strong leadership	High	High
Effective integration	High	High
Proper resource allocation	Medium	Medium
Early risk identification	Medium	Medium
Stakeholder engagement	Medium	Medium
Deep market knowledge	Low	Low
Sound financial management	Low	Low

Group Synergy Potential



So what is an M&A Integration Playbook?

Quite simply it is a project management tool that enables corporate acquirers to plan and deliver a post deal integration. Think of it as a “toolbox” from which elements can be selected to which are relevant to the particular strategy and issues relating to the deal.

No two integration plans are the same as the risks and issues are different in every acquisition scenario, but using a playbook tool will enable acquirers to develop a focused and relevant set of actions plans.

M&A Integration Playbook tools continually evolve as new issues and required actions become apparent in different deals – effectively it should capture learnings from each deal and adapt to make them available for future integration plans.

There is no set format to M&A Integration Playbook tools, but they should contain the knowledge that will be needed to plan and deliver an effective integration. At DD Consulting we have seen everything from 20 page glossy brochures for the top 100 executives through to a granular action by action set of plans which can just be picked up and used by all members of the integration team.

Work stream Strategy & ramp up



IMO Workstream set up



Tool set



Organisational Reframing



High Level Check List



Detailed Planning Tool 6,000 Line Item



At DD Consulting our M&A Integration Playbook:

- All the functional workstreams needed to both plan and project manage the integration
- All the steps and stages needed in the workstream plans, with back up tools, checklists, and knowledge slides

Why do you need an M&A Integration Playbook?

If you were planning a project, would you start with a blank piece of paper and some people who have never planned or run a project before? The simple answer is no. So why would you buy a company with a blank piece of paper? The M&A Integration Playbook provides: a strategic overview driving the deal, a detailed how to/what to do guide for the integration team and enables you to sense check the deal before commitment or diligence.

Any corporate acquisition should be based on sound strategic principles with specific bene-fits/goals (for example cost or revenue synergies) being identified. In order for a deal to be successful, it is therefore critical that these benefits/goals are realised through a targeted and effective integration plan. Using a M&A Integration Playbook provides the structure to ensure that appropriate actions are delivered to realise these benefits/goals – in effect it keeps the integration team focused on realising the value drivers behind a deal.

In addition an M&A Integration Playbook also acts as a basic checklist of micro actions that are often overlooked and may be critical on Day 1 – for example changing control over bank ac-counts.

Ensuring that everyone involved in the integration fully understands what they are doing and how it fits into the bigger picture is key to ensuring success – your M&A Integration Playbook will provide a structure that allows for clear and effective communication with all the integration stakeholders.

Plan the Plan



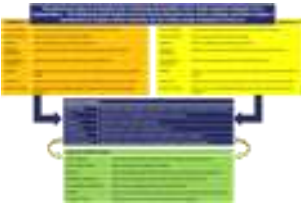
Customer Analysis



Product Analysis



Brand Assessment



HR Strategy & Tools



Culture Analysis



IT Strategy, Analysis, Tools



The creation of a repeatable methodology or playbook will enable you to deliver a far more successful integration than if you create a series of disconnected and unplanned activities.

Further no two deal scenarios will be the same – each tailored playbook will be unique which can only be delivered from a comprehensive and flexible tool.

An M&A Integration Playbook delivers:

- Rigorous systematic framework to deliver an integration time after time
- Consistency
- Governance
- Prioritisation of resources to actions that deliver the highest value
- Accountability/Ownership
- Communication
- Ability to develop from new learnings

Does every company making an acquisition need to develop its own M&A Integration Playbook?

Quite simply – NO.

If you are making very small one off type acquisitions there might not be any need to create your own M&A Integration Playbook. In these circumstances it may be possible to manage the integration through the involvement of an experienced consultant or coach. These individuals provide both the knowledge and resource to do the work.

Where deal activity does require the use of a M&A Integration Playbook, and you don't have an in house tool, then here at DD Consulting we have a comprehensive tool which can be applied to all deal scenarios. Through our experienced associates DD Consulting utilises the tool to design and tailor a comprehensive integration plan including detailed actions for each workstream which aims to deliver your strategic goals for the deal.

Stakeholder Analysis



Knowledge Assessment



Executive Alignment



M&A Integration Readiness Assessment



Level of Integration Strategic, Business, Functional



Leadership Assessments



Risk Workshop



How will the M&A Integration Playbook help you?

The playbook will address the stages involved in an integration exercise:

- What do we need to do?
- The tool will help guide you through questions such as Where do we start? What happens next?, What deadlines are we working to?
- Who is involved?
- Who is in the formal leadership team and who has responsibility for what?
- What resources are required and for how long?
- How is information shared?
- What happens when we come across new scenarios outside of the tool?

Through this structured approach you will:

- Speed up the integration planning and delivery enabling synergies to be planned and de-livered faster potentially yielding a material impact on profit.
- Enable rapid strategic thinking. With the high level guidelines in place, planning can get going in business and functional areas much faster.
- Focus on the money. Understanding the synergies and large ticket items, enables us to get through the chatter and immense about of work and change to deliver the right things fast.
- Plan for Day 1. There is a critical starting point where work kicks off, the target sees us for the first time, a Day 1 plan at the very minimum needs to be in place.
- Communicate effectively. Needs to be in place and running rapidly
- Create accountability. Leadership and accountability needs to be put in place rapidly for both the integration and the business. Authority checked and changed. Delivery commenced.
- Be ready. Ensure you're ready for integration, preparation around resource, plan and culture are key.

Synergies Estimation & Analysis



Synergy Tracking & Reporting



Project Tracking



Workstream Tracking & Reporting JPEG



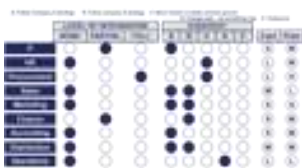
RAID Logs



Team & Workstream Structures



Strategic Business/Function Integration Review



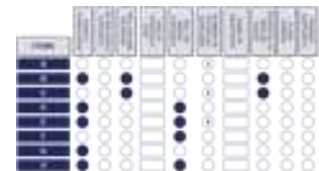
How do you manage an M&A Integration Playbook?

Most companies hold the playbook centrally. The people responsible for the integration can then use the parts of it which are useful for that particular deal and then feedback knowledge, experience, and learnings from that deal. This ensures acquirer becomes better and better at deals as time goes on. This creates a learning loop, where the centre gathers the training, knowledge, capability and ensures it is made available to the wider organisation.

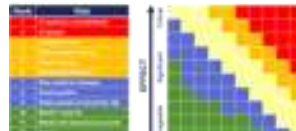
IMO Launch



Contract & Procurement Review



Change Management Assessment



Strategic growth Plan



When should I have the M&A Integration Playbook ready?

As a minimum you should start building your integration plan, as you go through the deal process, however those companies who manage integration best will start in advance of doing the deal.

Considering the key issues and risks, understanding resource gaps, planning an effective roll out, delivering appropriate training, collation of required knowledge, etc in advance will in-crease the speed and effectiveness of the integration project. Clear assessment of organisational readiness for integration from both a cultural and resources perspective will prove invaluable

Strategic Communication Plan



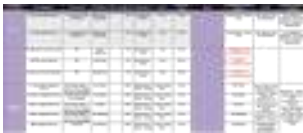
Day 1 Communications Planning



Functional Communications Planning



Full Detail Communication Plan



Communications Tool Set



Day 1 Action Plan



So what are the key fundamental tenets of a successful integration which the M&A Integration Playbook helps to deliver?

Our experience at DD Consulting is that the most successful characteristics of the most effective integration projects are:

- Speed – prolonged programmes often in the end destroy value.
- A clear integration strategy which is driven by the overall goal/benefits driving the deal
- Focusing limited resources on priority initiatives driving the highest value
- Preparing for critical Day 1 actions
- Comprehensive communication plan for all stakeholders
- Clear leadership roles and responsibilities

Product Substitutes



Cost & Working Capital Breakdown

	Current	Target	Current	Target	Current	Target
A	242	188	307	307	51	51
B	45	500	400	300	30	30
C	448	77	512	44	44	44

Strategic Process Review



Project Responsibility Chart



Sales Force Review



Day 1 Checklist





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