Straus Forest CONSULTING

www.strausforest.com
info@strausforest.com

Mergers and Re-organizations: Guidelines and Considerations

- **Management**
  - Types of transition management teams
    - Matrix (ambiguous)
    - Functional/process driven
    - Functional/purpose-driven
    - **Match the structure to the strategy**
  - Provide venues for managers to address important issues
    - Feelings and attitudes, hopes and expectations
      - ...for the new organization
      - ...values
      - ...environment
    - Identify specific behaviors required to make it work
    - Identify what needs to change/stay the same
    - Clarify any role changes
    - Identify what organization structure is needed
  - Use joint meetings to do real work
  - Design structures to do cross-learning
  - Focus on both process and people
  - Manage expectations: there will be problems
  - Have regular progress reviews
- **Employees**
  - Reactions
    - Thinks of own interest
      - Job
      - Livelihood
      - Career
      - **Fear-driven**
    - Post-merger: interested in scope of new tasks and responsibilities
    - Mythologizes old job
- **Critical success factors**
  - Form pre/post-merger transition management teams
    - **When integration team is >40% target, merger return is >6.5%**
    - **Address issues at the individual, team, and organizational level**
    - Identify and resolve organizational and process differences
      - **Focus on the processes, not the situation or not how people are different from each other**
      - Vision, mission, and goals
      - Policies and priorities
      - Management systems
      - Metrics
      - Organizational structure
      - Decision-making styles and policies
      - Roles and role definitions
      - Suppliers
      - Human Resources
    - Pre/post-merger communication, training, and development
      - Identify key employees
      - Determine how to support affected workers
      - **Build commitment to new organization**
      - Team building
      - Survivor skills
  - Plan for possible temporary decreases in productivity
    - How will customers be protected?
    - How will employees be protected?
    - How will critical issues be identified and resolved?
- **Critical destabilizers**
  - Dissimilarity
  - Economic distress
  - Lack or disparity of commitment
    - Professional
    - Personal/emotional
    - Financial
- **Layoffs or voluntary resignations**
  - Time and resources are needed to adapt
  - Effects the emotional system of the organization
    - Stress
    - Uncertainty
    - Anxiety

© 2006 Straus Forest, LLC