



PEOPLE ISSUES IN INTEGRATION PROJECTS: WHAT TO WATCH OUT FOR IN M&A AND OTHER INTEGRATION INITIATIVES

In cooperation with



www.ddavisconsulting.com

The key to a successful integration project is planning. This applies for the integration of departments, functions, groups, units, businesses or companies (M&A). A lot of this involves legal and financial issues, which seem to be reasonably well understood. However discussions with practitioners show that there are many important questions to discuss around people management, culture, HR policies and generally bringing people together.

We list here a few questions to give the reader an idea of the important people issues that should be considered early on:

1. Review culture: Find differences in culture and plan to keep it or change it (how and when?). What are the processes, procedures and stories that have built the culture over time?
2. What is our retention strategy: *Whom will we need to keep?*
3. Review top talent: What are their future career paths?
4. Develop employee communications: What will we tell people when and how?
5. Review relationships: What are the important contacts of management and employees with stakeholders?
6. Review salaries, benefits, pensions and other HR policies: *What differences are there and what issues does this cause?*
7. Review incentivisation: Align performance management and performance related pay across the organisation and with its new goals.
8. Review international HR: Align policy, transfer management, and expat salary.

9. Payroll operations: Make sure everyone still gets paid!
10. Understand HR Systems: What data do we have, what new data will be needed?
11. Plan resources: Where will we need additional knowledge or resource? Consider that the drain of resources resulting from the integration may happen earlier than you've planned for!

Remember: the later in the process you start to think about, plan and act upon these issues, the longer your people will be concerned about their careers, their future, their livelihood, their life. During this period of uncertainty company productivity, service levels and ultimately profit can and will "dip". The key is to ensure you come out of that "dip". Some companies don't...

All functional integration plans have to be aligned with each other. Your HR plan should take into account all the other plans such as the back office functions of IT and finance, but also the sales & marketing, distribution, manufacturing, R&D etc..... It is too easy to get siloed due to the time pressure of these large programmes. However, HR can only help to deliver on the drivers for integration projects (such as cost reduction or revenue growth), if it is aligned with all other functions through an overriding integration strategy.

With over twelve years of experience ensuring the people aspects of large-scale integration projects help deliver successful integration strategy, Danny Davis Consulting and iProCon HCM would be happy to discuss with you how best to take advantage of the opportunities facing your business today.

Danny Davis is Owner of DDConsulting and trustee on the board of the Chartered Management Institute. He can be contacted at info@ddavisconsulting.com.

To subscribe to our free Human Capital Management newsletter please visit www.iproconhcm.co.uk/NL.