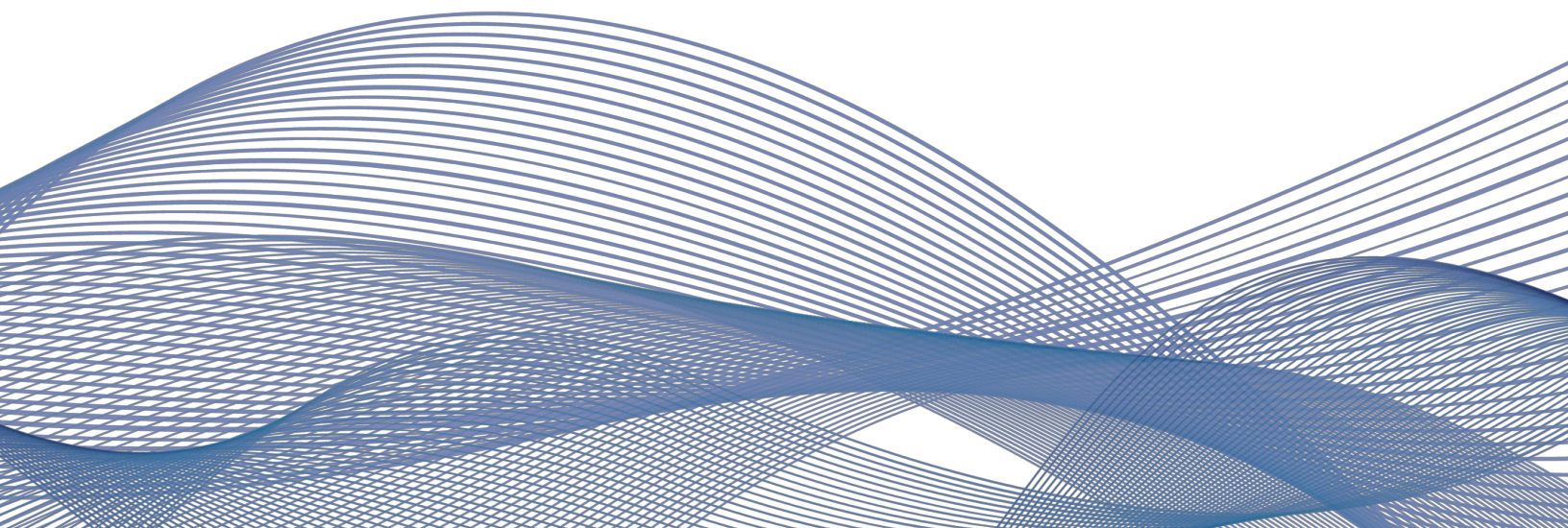# AVIATRXX

Post-Merger and Acquisition IT Integration

How to ensure success by aligning technology, processes and data to support a newly combined organization's strategic objectives

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01 Success Factors

The integration of IT systems following a merger or acquisition is more than combining technologies – it fundamentally changes how people work, as employees must learn new systems, adapt to different processes, and often take on modified roles.

Partnership between the IT and change management teams is a critical success factor in transitioning technology and people into the new or existing IT environment.

02 Start Now

At the start of due diligence, develop a comprehensive organizational change management (OCM) plan, in collaboration with IT, to reduce the risk of:

• Decreased productivity as employees struggle with new systems

• Increased resistance to new technologies and processes

• Higher turnover of key personnel

• Failed or delayed integration timelines

• Unrealized synergy benefits

• Cultural clashes between merging organizations
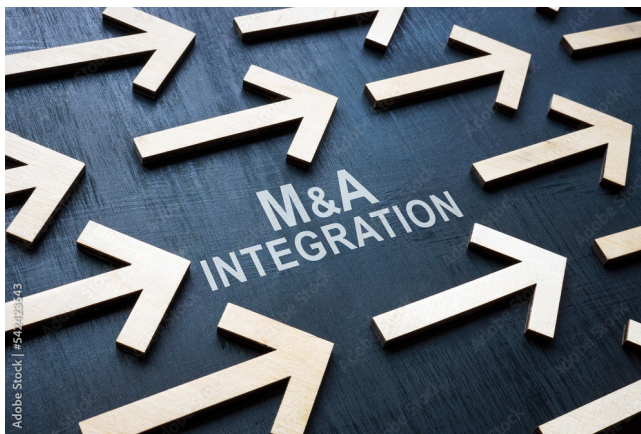
03 Culture First

Because cultural differences can significantly impact the success or failure of a merger or acquisition, a culture assessment of both organizations must be conducted during due diligence.

Every company has a unique culture shaped by geography, values, leadership styles, work ethics and organizational structures. A culture assessment identifies misalignments between the merging companies, such as hierarchical vs flat structures, risk-taking vs risk-averse mindsets, bureaucratic vs entrepreneurial orientations. Understanding these differences early can prevent post-merger conflicts and resistance and help leadership:

• Craft a tailored integration strategy

• Make key HR decisions

• Communicate and align expectations to reduce fear and increase engagement among employees who may feel vulnerable, uncertain and antagonistic in the face of change

• More effectively define how to merge processes, policies and people in a way that maintains productivity and minimizes disruption

• Ensure the newly formed organization fosters a unified workplace culture rather than an "us vs them" mentality

• Ensure consistent services, brand values and market positioning

43% 43% of companies launch OCM before M&A due diligence

71% 71% of companies launch OCM prior to signing the deal

60% 60+% of companies conduct culture assessments during due diligence...part of the go/no go decision

~PwC 2022 survey of senior management from a sampling of Fortune 1000 companies that successfully completed mergers or acquisitions in the previous 3 years.

04 Early Stakeholder Engagement

Building a strong foundation for a successful integration requires early understanding of stakeholder concerns, potential culture conflicts, change readiness within each organization, and developing communication strategies for different stakeholder groups.

To ensure a successful IT integration, change management Integration experts partner with IT leaders, HR, and business unit leaders during due diligence to identify stakeholders as soon as possible.

05 Clear Governance, Decision-Making

The change management team partners in the establishment of transparent governance structures to manage stakeholder expectations and ease decision-making by IT and Integration Management Office (IMO) leadership.

Establishing governance structures includes defining clear roles and responsibilities for IT issues escalation:

- Setting communication protocols

- Outlining authority levels for different types of decisions

- Creating escalation paths for issues

Because change management leads the communication about the IT integration, the team often is the first place end users go for support when technical issues arise. The team plays a critical role in:

- Establishing an escalation process and path to ensure the most effective IT sources are available to respond to end-user issues.

- Documenting the issues solutions and support sources, then publicizing them in multiple venues accessible to all stakeholders.

- Setting up regular check-ins with key stakeholders and maintaining two-way feedback mechanisms for all end-users.

06 Leadership Role

Executive leadership plays a crucial role in successful IT PMI and the change management Integration team prepares leaders how to demonstrate their commitment through:

- Visible sponsorship of the integration effort

- Regular communication about progress and challenges

- Modeling adaptability and openness to change

- Ensuring adequate resources for change management

- Making tough decisions when needed

- Celebrating successes and acknowledging difficulties.

07 Comprehensive Communication Strategy

"Structured communications are vital during mergers to clarify subsequent steps, dispel misinformation, and set the foundation for the combined organization's success."

~McKinsey & Company, 2024

Years of experience in Post-Merger Integrations (PMI) prove communication must be consistent, transparent and focused. Virtually all stakeholders want to know everything from the vision and rationale of the IT changes to ongoing general and focused updates on integration progress.

To maintain engagement and productivity, communications must include messaging about key milestones reached and integration successes achieved.

> During a recent IT PMI, change management Integration experts developed and distributed communication to 6000 end users in 28 countries, all in each country's and region's native language, delivered in their preferred communication venue. The communication updated them on the impacts to them, the timeline, how to prepare and where to go for information and support.
> In parallel, program, function, country and corporate leadership communications kept key stakeholders apprised of Integration progress, issues, successes and support needed
>
> The IT Integration completed successfully with no business disruptions.
>
> *AviatrXX, LLC, 2024*

08 Training and Support

Employees need more than just technical training – they need comprehensive support through the transition to quickly resolve issues that can cause significant business disruptions.

Offering Help Desk and online support resources, self-help materials, role-based training and super-user networks provides end users with multiple sources to ensure they can work without interruption despite the integration of systems and processes.

09 Measuring Success

Effective change management in IT PMI should be measured through both technical and human metrics.

Multiple data sources can provide metrics such as monitoring business operations, productivity metrics and system adoption rates, which should be monitored pre, during and post-integration, to gain visibility into integration impacts and where issues may be occurring.

Retaining key personnel is crucial for success, as losing them can jeopardize integration milestones and synergy targets; plan to monitor retention rates along with other success metrics.

Measuring progress is an area often overlooked during a PMI, as all teams rush to achieve milestones and "check the box" of their responsibilities.

But metrics are easy to establish and monitor and will keep your PMI on track, from culture alignments to IT integrations and help you course-correct if you veer from your goals.

10 Common Pitfalls to Avoid

- Focusing solely on the technical aspects of an IT Integration:

    o Underestimates the time people need for training and to adapt to new systems.

- Lack of visible executive sponsorship and insufficient communication:
    o Employees will create rumors and become resistant

- Ignoring cultural differences between organizations, functions, countries and regions:
    o Lead to integration failure

11 Implementation Best Practices

1. *Start Early*. Begin change management planning during Due Diligence, not after the deal closes.

2. *Focus on Culture.* Understand and address cultural differences between the merging organizations.

3. *Measure and Monitor*. Establish metrics to track both technical progress and human adoption of changes.

4. *Build a Coalition.* Create a network of change champions across both organizations to drive adoption.

5. *Stay Flexible*. Be prepared to adjust your approach based on feedback and changing circumstances.

6. *Build a Partnership*. IT and Change Management must partner on integration by assessing integration impacts and requirements during Due Diligence.

For more information:

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