

# M&A Integration Risk Assessment

AgriCore Agriscience → BioNexis & Synterra Acquisition

Risk Assessment Prerequisites & Dependencies Synergy Tracking Recommendation

Overall Risk Score  
**8.2/10**

Cultural Friction  
**7.9/10**

Integration Complexity  
**8.6/10**

Talent Retention Risk  
**7.9/10**

## RECOMMENDED TRANSITION TYPE

### Bolt-On

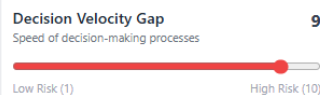
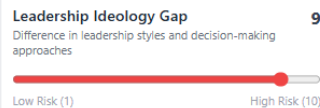
Maintain operational independence. Integrate only shared services and reporting.

Critical Risk Factors (Score ≥ 7):

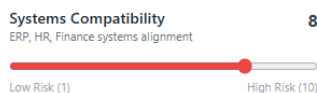
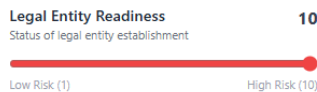
- Leadership Ideology Gap
- Decision Velocity Gap
- Legal Entity Readiness
- Systems Compatibility
- Key Person Flight Risk
- Infrastructure Compatibility

Risk Level  
**CRITICAL**  
Timeline  
**24-36 months**

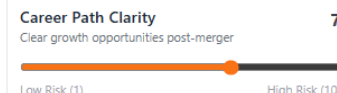
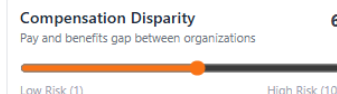
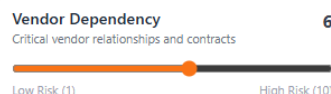
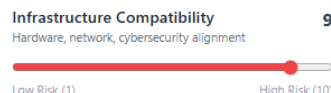
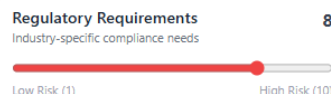
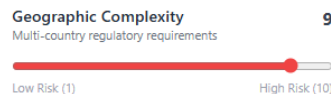
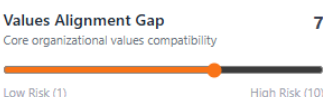
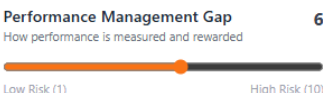
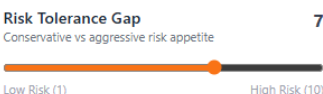
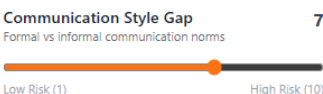
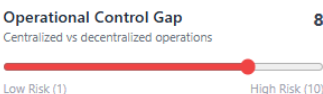
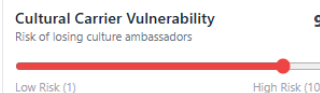
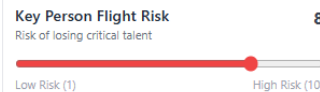
### Cultural Friction (40%)



### Integration Complexity (35%)



### Talent Retention Risk (25%)



Overall Risk Score

8.2/10

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7.9/10

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8.6/10

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7.9/10

RECOMMENDED TRANSITION TYPE

**Bolt-On**

Maintain operational independence. Integrate only shared services and reporting.

Critical Risk Factors (Score  $\geq$  7):

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Risk Level

**CRITICAL**

Timeline

**24-36 months**

**AgriCore Case Study: What Went Wrong**

AgriCore proceeded with HRIS integration and cybersecurity upgrades BEFORE legal entities were established. This resulted in \$30M+ in additional costs, 18-month delays extending to 5+ years, and 50%+ employee turnover. The dependency engine below would have BLOCKED these activities until prerequisites were complete.

**Legal Entity Establishment**

Critical Path

NOT STARTED

Blocks: Workday Integration, Finance Systems Integration, Server Procurement (International)

Not Started

**Due Diligence Completion**

Critical Path

NOT STARTED

Blocks: Legal Entity Establishment, Cultural Compatibility Assessment

Not Started

**Cultural Compatibility Assessment**

Critical Path

BLOCKED

Blocked by: Due Diligence Completion

Blocks: Transition Type Decision

**Transition Type Decision**

Critical Path

BLOCKED

Blocked by: Cultural Compatibility Assessment

Blocks: Integration Planning

**Integration Planning**

Critical Path

BLOCKED

Blocked by: Transition Type Decision, Legal Entity Establishment

Blocks: Workday Integration

**Workday Integration**

BLOCKED

Blocked by: Legal Entity Establishment, Integration Planning

Blocks: Cybersecurity Infrastructure Upgrade

**Finance Systems Integration**

BLOCKED

Blocked by: Legal Entity Establishment

**Server Procurement (International)**

BLOCKED

Blocked by: Legal Entity Establishment

Blocks: Cybersecurity Infrastructure Upgrade

**Cybersecurity Infrastructure Upgrade**

BLOCKED

Blocked by: Server Procurement (International), Workday Integration

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Risk Level

CRITICAL

Timeline

24-36 months

Synergy Realization Tracker

\$200M

Target Synergies

\$0M

Realized

4

At Risk

Headcount Optimization

cost

AT RISK

\$0M / \$45M

⚠ Legal entities not established - cannot proceed with restructuring

Procurement Consolidation

cost

AT RISK

\$0M / \$25M

⚠ Systems incompatibility blocking vendor consolidation

Cross-Sell Opportunities

revenue

AT RISK

\$0M / \$60M

⚠ Sales teams operating in silos - no unified CRM

Market Expansion

revenue

\$0M / \$40M

Process Efficiency

operational

AT RISK

\$0M / \$30M

⚠ Cultural friction preventing process alignment

ROI Impact Analysis

Cost of Inaction

\$202.0M

If cultural issues are ignored

Turnover Risk

41%

693 employees

Turnover Cost

\$85.2M

Lost Synergies

\$97.8M

Integration Delays

\$18.9M

Cultural Investment ROI

2222%

\$8.7M investment prevents \$202.0M in losses

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Timeline  
**24-36 months**

**Bolt-On Strategy Recommended**

Maintain operational independence. Integrate only shared services and reporting.

**Key Actions**

- ✓ Maintain separate legal entities
- ✓ Preserve target company brand and culture
- ✓ Integrate only financial reporting
- ✓ Shared services for back-office only
- ✓ No systems integration in Year 1

Recommended Timeline  
**24-36 months**

**Risk Score Rationale**

**Cultural Friction** **7.9/10**  
Weight: 40% | Contribution: 3.18

**Integration Complexity** **8.6/10**  
Weight: 35% | Contribution: 3.01

**Talent Retention Risk** **7.9/10**  
Weight: 25% | Contribution: 1.96

**Overall Risk Score** **8.2/10**

**Transition Type Thresholds**

- 8.0+ → Bolt-On (Maintain independence)
- 6.0-7.9 → Tuck-In (Phased integration)
- 4.0-5.9 → Hybrid (Selective integration)
- Below 4.0 → Full Integration

**AgriCore – BioNexis - Synterra : Lessons Learned**

**What Went Wrong**

- Proceeded with Workday before Legal Entities complete
- \$30M+ cybersecurity overrun due to hardware incompatibility
- Some LATAM IT server procurement blocked by missing LEs
- Leadership ideologies were polar opposites
- Decision velocity gaps caused constant friction
- Teams worked in silos without Integration Lead
- 50%+ retention turnover in 18 months
- Synergies gone in 6 months
- Timeline extended from 18 months to 5+ years

**What Should Have Happened**

- ✓ Cultural assessment BEFORE planning phase
- ✓ Risk score calculation would show 8.0+
- ✓ Automatic recommendation: Tuck-In or Bolt-On
- ✓ Legal Entity completion as hard prerequisite
- ✓ Dependency engine blocks premature activities
- ✓ Integration Lead with real-time dashboard
- ✓ Synergy tracking with early warning alerts
- ✓ Cultural friction monitoring throughout
- ✓ Quarterly reassessment of transition type