

# 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%)

##### Leadership Ideology Gap

**9**

Difference in leadership styles and decision-making approaches



##### Decision Velocity Gap

**9**

Speed of decision-making processes



#### ● Integration Complexity (35%)

##### Legal Entity Readiness

**10**

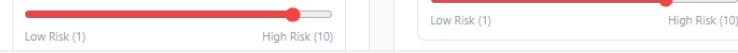
Status of legal entity establishment



##### Systems Compatibility

**8**

ERP, HR, Finance systems alignment



#### ● Talent Retention Risk (25%)

##### Key Person Flight Risk

**8**

Risk of losing critical talent



##### Cultural Carrier Vulnerability

**9**

Risk of losing culture ambassadors



#### Operational Control Gap

**8**

Centralized vs decentralized operations



#### Geographic Complexity

**9**

Multi-country regulatory requirements



#### Executive Alignment Gap

**8**

Leadership team compatibility



#### Communication Style Gap

**7**

Formal vs informal communication norms



#### Regulatory Requirements

**8**

Industry-specific compliance needs



#### Risk Tolerance Gap

**7**

Conservative vs aggressive risk appetite



#### Infrastructure Compatibility

**9**

Hardware, network, cybersecurity alignment



#### Compensation Disparity

**6**

Pay and benefits gap between organizations



#### Performance Management Gap

**6**

How performance is measured and rewarded



#### Vendor Dependency

**6**

Critical vendor relationships and contracts



#### Values Alignment Gap

**7**

Core organizational values compatibility



#### Career Path Clarity

**7**

Clear growth opportunities post-merger



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**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

Blocks: 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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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

Risk Assessment
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Synergy Tracking
Recommendation

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 Legal Entity Readiness
 Systems Compatibility
 Key Person Flight Risk

Infrastructure Compatibility
Risk Level **CRITICAL**

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