



ACHILLES GROUP

There is a lot of buzz surrounding M&A this year; whether firms are evaluating distressed books of business or looking for niche/synergistic businesses: corporate buyers are looking for customers, technology, and to add additional product lines that will improve their operations to leapfrog their competitors.

What role does HR play in M&A?

HR has three (3) critical roles in an M&A transaction:

#1 Culture Fit and Strategy Alignment: Strategic HR has the responsibility to protect the culture and company's focus by making sure the M&A transaction aligns all constituents with the vision and values of the combined entity. Strategic HR's role starts and ends with ensuring results are realized. Specific action programs include:

1. Assess Organizational Fit: Perform SWOT on the people capabilities and competencies
2. Facilitate Change Management: this requires a proven, pragmatic methodology that generates results
3. Provide Proactive Communication:
 1. Ensuring the Message (Vision/Values) is heard and understood
 2. Keep communication going in all directions (upwards, downwards, across departments, across organizations)
 3. Establish Meeting/Communication Standards, Practices, and Expectations
 4. Ensure Goal Setting, Performance Reviews, and Accountability
4. Update and Align Policy, Programs, Practices, and Philosophies

#2 Workforce Planning: HR will evaluate the combined entity's workforce to determine supply and demand imbalance by role and location, ascertain current and future gaps, and create and implement a Leave Management and/or Staffing Plan as required. In fact, HR is responsible for evaluating and modeling the current and future people costs of the transaction. Specific Workforce Planning components include:

1. Scenario Planning Turnover and Recruiting
2. Succession Planning
3. Retention of key people and separation of redundant staff
4. Development of a total rewards strategy for the combined companies

3 Organizational Development: The new leadership team will need to work together on a daily basis, despite cultural and personality differences, power issues, and other barriers. HR's role is that of the facilitator enabling team members to work together constructively. Specifically, HR will

1. Deal with power and cultural issues as well as resolve conflicts
2. Help employees agree on priorities and focus on tangible results
3. Identify and develop people capabilities and competencies
4. Facilitate initiatives and manage the learning processes, knowledge sharing, and knowledge repositories

M&A success entirely depends on the performance of the people and Strategic HR gives you the ability to do all of the above with speed.

*A KPMG study found that **83% of merger and acquisitions failed** to produce any benefits – and actually reduced the overall value of the combined entities involved.*

Have You Aligned Your Workforce?

Last year a gentleman named Mr. Charles, the head of JPG Corporation decided to take over ISolutions Inc..

There were many rumors floating around the grapevine ranging from salary hikes to reduction in the workforce! Nobody knew exactly when the process would complete and what would be its implications.

There were rumors of a particular team to be shutdown and the employees were at loss when asked about their future plans.

This ambiguity clearly impacted the work efficiency of the employees as well as their morale.