

Post-acquisition integration – points to consider

1. Differences in company cultures might undermine the success of the deal.
2. Managers should not underestimate the co-ordination problems associated with a merger.
3. The acquirer should investigate different options for an appropriate organisational design for the target, rather than imposing its own structure. Replacement of leadership has a negative effect on performance. Integration has a positive effect on performance.
4. Issues around control should be carefully managed. Centralised control, with a removal of autonomy for the target's management team, might demotivate and result in a poorly performing organisation.
5. The acquirer should carefully design appropriate incentives for the acquired organisation's management team.
6. While there tends to be a high rate of exit among key employees, previous compensation arrangements affect how any new arrangements are perceived.
7. Standardising pay scales, work rules and brands may not always be best.
8. Worker dissatisfaction can be very damaging, especially within service industries or where key employees have a high degree of bargaining power.
9. It is not so much what you buy but what you do after you've bought it, and how well you do it, that matters in distinguishing failure from success.

Are you planning to acquire another business? For help in addressing the important issues mentioned above, [email me](#) or call me on **020 7099 2621**.