

## Overseeing a valuable acquisition on the global stage

The acquirer was a €12 billion revenue consumer packaged goods (CPG) company based in Germany. The target was a large US-based CPG business with an international footprint similar to that of the acquirer. The acquirer's board asked me to oversee and direct the process to successfully execute the transaction and the post-acquisition integration.

### My mentoring objectives

My key tasks were to:

- confirm the acquisition rationale, the potential synergies and the critical success factors
- advise on the selection of the optimal internal executive project team and their external advisers
- set up regular meetings with the project task leaders and provide advice and guidance as needed
- develop and maintain good working relationships with the key business equity holders
- keep the board updated on progress and risk factors as they developed.

### Preparing for the acquisition

I set up regular meetings to:

- help the board prepare for a transactional process
- help the executive team consider all aspects of the potential transaction, with a view to clearly defining their desired outcomes
- set a realistic plan and time frame, and
- allocate roles and responsibilities to avoid substantial wasted time and distraction later.

At the time, the board had several new members with limited board experience. My deep understanding of the steps in an M&A process enabled me to help the board avoid the trap of underestimating:

- the investment of time necessary to execute a successful deal
- the very detailed nature of the information required for due diligence and disclosure processes, and
- the highly iterative nature of the negotiation process.

I was then able to help the board:

- define the criteria for assessing prospective advisers
- set expectations around scope, fees and the appointment process
- determine the importance of factors such as geographical reach, sector knowledge, resource capacity, a hands-on approach, experience and fees

and, most importantly,

- identify appropriate potential advisers to present to the board.

My insights into the relationship dynamics between board members and shareholders enabled me to suggest roles and responsibilities that would optimise strengths and preserve trust.

Knowing that board members' workloads can be unequal, and that those not immediately involved in the process can feel excluded or marginalised, I ensured that:

- all parties were kept informed at every step of the process, and
- key decisions were properly and fully socialised, so that individuals could air concerns and seek clarifications or amplifications.

Free from the burden of the day job, and having an objective overview of the process, I was able to help ease the social aspect of the deal with the "other side", by:

- hosting and chairing "getting to know you" meetings
- attending dinners to make sure none of the executives put their foot in it after a glass of wine too many, and
- reading the body language of sellers while the executives were presenting or debating.

Whenever the relationship with the appointed advisers came under pressure, I was able to help clarify the issue. I then addressed it objectively with the individual or individuals concerned. For example:

- The board hadn't fully appreciated how long due diligence enquiries would last.
- It was difficult to pin down the CEO to delivering information or meeting dates.
- The advisers were perceived not to be following the process laid out.
- It had been too long since the shareholders had seen the lead adviser, and they were concerned about his focus.

In each case I was able to weigh up the legitimacy of the concern and address it pragmatically to help unstick the process.

Finally, I brought perspective by contextualising the multiple micro-negotiations that came later in the deal process. The executive team and shareholders could then see them against the background of the overall transaction, and not allow them to undermine or damage relationships with the other side.

Alongside the advisory team, I sat with the board at a time when the principal team were weary, mistrustful and deal fatigued. I provided encouragement, support, context and perspective, and helped the advisory team put individual concerns to rest where they were unfounded and respond to them effectively where they were not.

Many transactions can and do complete without the support and input of a non-executive board director. However, as detailed above, there are many ways in which a strong NED can add value.

## A profitable acquisition

The acquisition was completed on time and on budget and was, overall, very successful. However, some of the synergies identified in the planning process were not realised, owing to issues with the post-acquisition implementation process. This was a significant learning point, and the lessons will be covered in another case study.

### [Video version of this case study](#)

## Contact me for more information

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