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**HR**

**SURVIVAL GUIDE**

**TO MERGERS AND  
ACQUISITIONS**

 **Insperity**<sup>®</sup>  
**OrgPlus**<sup>®</sup>



Moving in with somebody is a big step. Apart from the emotional implications, there's the matter of consolidating both parties' stuff.

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Which bathroom towels stay and which are demoted to car wash duty? Whose flatware makes the final cut? Will your "Star Wars" posters survive? Will your relationship survive?

**When companies cohabit through mergers and acquisitions (M&A), a similar degree of disorder and doubt (and disregard for cinematic gold) can exist.** But this is when HR strategists should welcome the spotlight, pushing through the workforce integration process and crafting a better organization.

## KNOW YOUR ROLE

Most M&A deals are made in the boardroom. C-level executives see an opportunity to expand market share or plug a hole in the production process, and then they pull the trigger. But the success of an M&A transaction is all about handling the aftermath.



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“That’s when HR steps in,” says Eric Kilponen, manager of marketing and sales operations at Insperty® Performance and Organizational Management. “The M&A process can be broken down into four phases: strategy and targeting, valuation and due diligence, integration planning, and implementation. HR’s presence is greatest during the final two stages.”

That said, HR should get in on the act as soon as possible. Time is of the essence, as missed business opportunities and disruptions should be kept to a minimum.

## KNOW WHAT YOU'RE UP AGAINST

Research varies on the success of M&A deals over the last 20 years, with some studies putting failure rates at as high as 90 percent. But at best, companies undergoing M&A are flipping a coin.



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The difference between heads and tails is the amount of organizational planning that goes into the combination of workforces.

**Some of the biggest reasons for failure include:**

- Waning financial performance
- Culture clashes
- Losing key players
- A decline in production
- Ineffective change management



## KNOW THE STRATEGY

### There's more than one way to execute an M&A transaction.

The chosen strategy generally depends on the degree of integration the acquiring company or merging companies decide on. This strategy will then dictate the breadth and depth of the implementation process.

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If the companies involved are interested only in combining their efforts to achieve certain financial goals, minimal integration is necessary. At the other end of the spectrum is the complete and total combination of both staffs, creating one new company with a collective culture and common HR policies.

## LOOK AT THE BIG PICTURE

Combining separate workforces is a huge undertaking. There's a mountain of information to pore through—perhaps two mountains—and it's your job to make sense of it all. That's where a good org charting solution comes in.



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**“An effective org charting program gives HR strategists the ability to visualize, plan and model the new organizational structure,”** says Kilponen. “This helps identify redundancies at all levels of the business and pinpoint key personnel, ensuring that the emerging company is the strongest it can be moving forward.”

Additionally, filling your org chart with pertinent workforce metrics like salary, headcount and performance rating drives people decisions that make the integration process more manageable. And don't worry about getting it perfect the first time. Like anything else in the business world, your org chart will change – often.

## ESTABLISH NEW LEADERSHIP

Going through an M&A transaction can be a confusing time for employees, no matter which “side” they’re on.



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By formulating and communicating the new management structure as soon as possible, your workers will know that an integration plan is already being executed.

If employees don't know who's calling the post-M&A shots, top talent may wander or employees may make up their own version of the new reality. Create a sense of stability by telling it like it is.

## KEEP YOUR EYES ON THE PRIZE

**Remember:** The reason the merger or acquisition took place was to maximize the value of the new organization's products and/or services. The financial strategy behind the deal was hashed out well before it took place, but the staff has to be able to carry out that strategy.

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"HR can add a lot of value to the department during an M&A transaction by creating and executing a solid integration plan," says Kilponen. "Doing so gives the new organization its best shot at business success, which is, after all, the whole point."







## Organizational Planning Tools Can Help

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### OrgPlus® RealTime

**Visualize, strategize and optimize your workforce online**

OrgPlus RealTime is a cloud-based organizational management solution that empowers businesses to strategically plan, refine and analyze their entire workforce to make more informed, collaborative decisions and better adapt to organizational change.

#### Features

- Accessibility anytime, anywhere with role-based security that allows employees access to only those features they need
- The ability to track and measure key employee metrics such as performance rating, compensation, budget and headcount
- Insight into how workforce changes can affect your organization
- A way to easily and effectively manage changes under a merger or acquisition
- In-the-cloud infrastructure with no desktop hardware, a limited initial investment and online access using a variety of compatible Web browsers



### OrgPlus® 2012

**Organize, visualize and strategize your business**

OrgPlus 2012 allows companies to easily view their organizational structure and make more informed decisions using dynamic, professional org charts and best-practice analytics.

#### Features

- Boardroom-quality charts with insightful workforce analysis tools to reveal key metrics
- Drag-and-drop functionality to plan organizational change and optimize your workforce
- A wide variety of publication options, including Word, HTML or navigable PDF and PowerPoint documents
- Standard, Professional and Premium editions to meet the needs of any small or medium-sized business

Get more information at [orgplus.com](http://orgplus.com)  
or call us at **877-451-9324**.

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## About Insperity

Insperity®, a trusted advisor to America's best businesses for more than 27 years, provides an array of human resources and business solutions designed to help improve business performance. Insperity® Business Performance Advisors offer the most comprehensive suite of products and services available in the marketplace. Insperity delivers administrative relief, better benefits, reduced liabilities and a systematic way to improve productivity through its premier Workforce Optimization™ solution. Additional company offerings include Human Capital Management, Payroll Services, Time and Attendance, Performance Management, Organizational Planning, Recruiting Services, Employment Screening, Financial Services, Expense Management, Retirement Services and Insurance Services. Insperity business performance solutions support more than 100,000 businesses with more than 2 million employees. With 2012 revenues of \$2.2 billion, Insperity operates in 57 offices throughout the United States. For more information, **visit [insperity.com](http://insperity.com)**.

To find out more or learn how Insperity can help your company, call us at **800-465-3800**.

 Visit us at [insperity.com](http://insperity.com)

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