



# M&A Communication Essentials for Acquiring Companies



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# Webinar Agenda

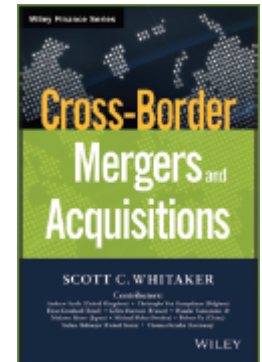
- + Presenter introduction
- + Introduction to M&A communication
- + Why conducting a stakeholder analysis is paramount for a good communication plan
- + Building your communication plan
- + What to focus on in communication for “Signing”, “DayOne” and during the “First 100 Days”
- + Q&A

# Presenter Profile: Thomas Kessler

**Thomas Kessler** is the **German based Partner with Global PMI Partners**, a consultancy **exclusively** focused on **post merger integration** and a full spectrum of services across the M&A lifecycle.



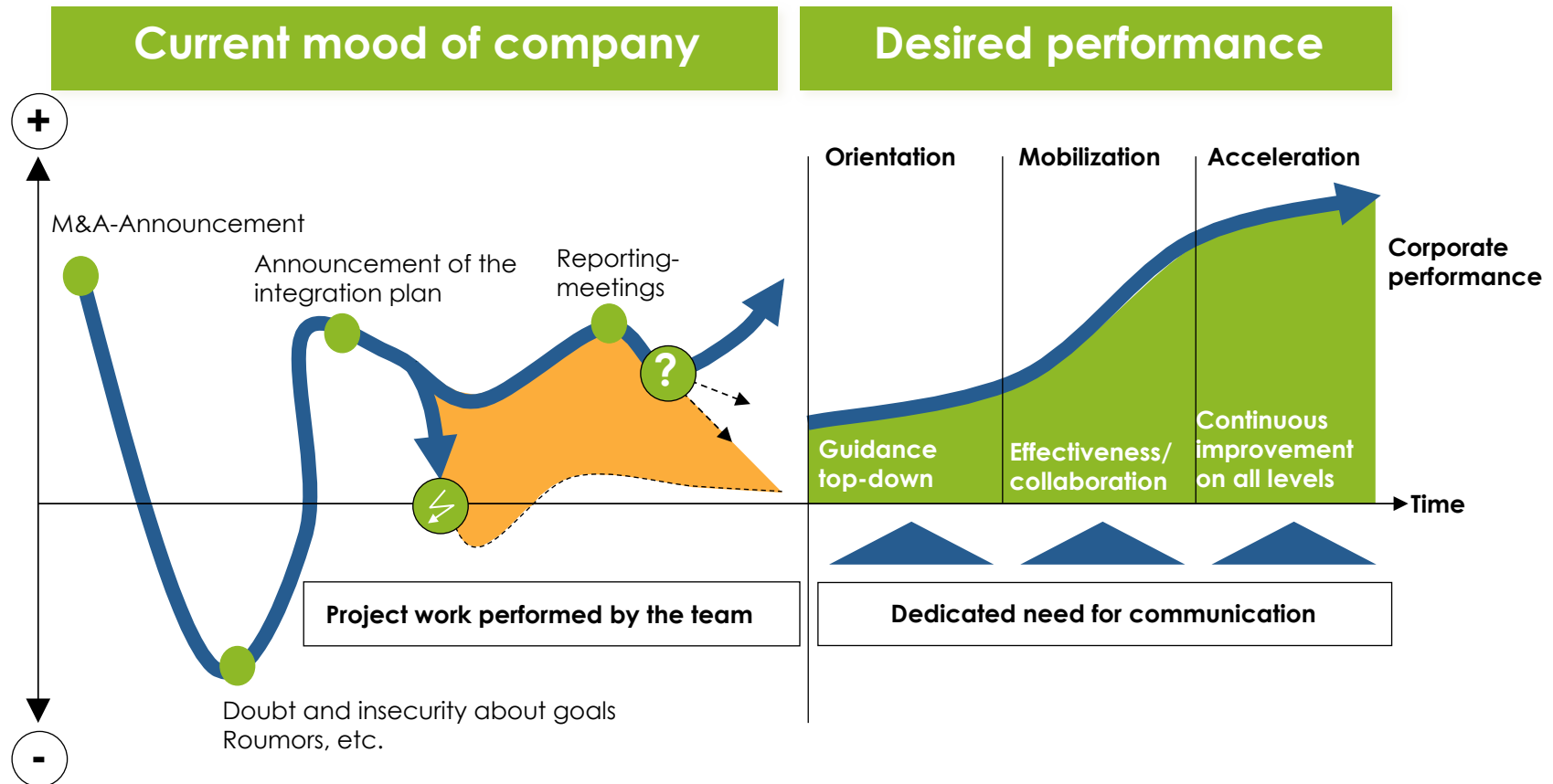
- Extensive experience in all aspects of merger and post-acquisition integration, and has advised clients across a wide **variety of industry sectors** covering **small, mid and large cap** transactions totaling more than \$60 billion in value.
- Worked internationally in **US, South East Asia**, across **Europe** and **Northern Africa** on a variety of Post Merger Integration assignments, and specializes in mobilizing **Integration Management Offices** (IMO's) including the management of **Transition Service Agreements** (TSAs) and supports companies to identify, quantify and implement **synergies**.
- **Trained several hundred executives on M&A integration.**



Mr. Kessler holds a B.B.A. from Mannheim University, an MSc in Business Administration from Goethe University, Frankfurt and an MBA from Business School Lausanne. He is an accredited CEFA and co-author of *Cross-Border Mergers & Acquisitions*

# Controlling the mood of the company is one of the core secrets to success during any merger integration

## Dynamic of the change process



1

# Poor Communication Planning

Frequent communication to all stakeholder audiences is one of the hallmarks of a sound integration plan. Poor communication planning can negatively impact morale and even slow your integration down as people clamor for information.



## Symptoms and Signs

- Executives' communication reactive vs. proactive
- Lack of established communication vehicles for acquiring organization
- Limited risk assessment prework to determine high priority communication needs
- Information sharing to date on as “as needed basis”



## Potential Outcomes



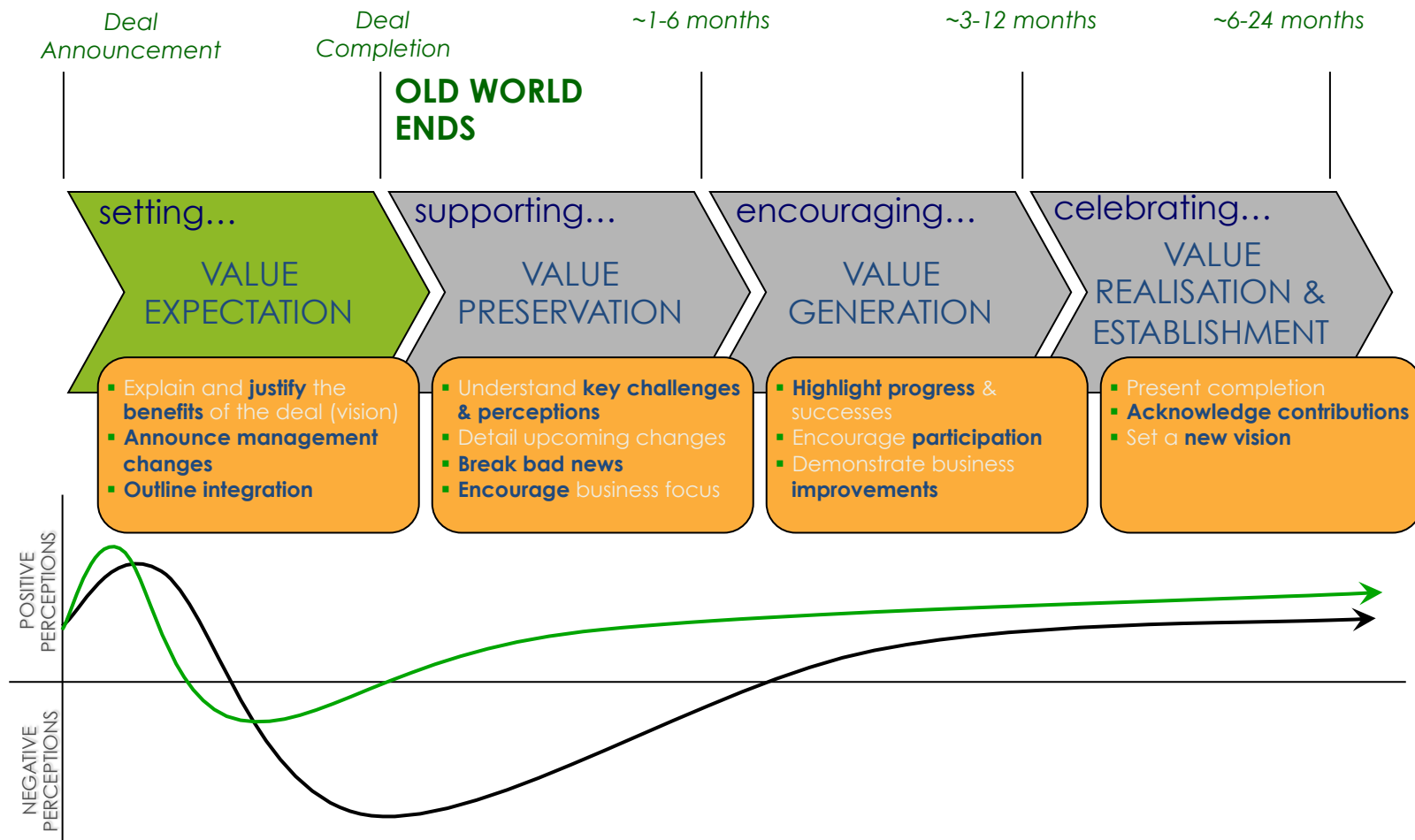
- Employee morale negatively impacted as they are “kept in the dark”
- Customers are confused as to next steps and become prime targets of competitors
- Employee defections (good people leave when they feel they are not valued)
- Integration energy spent on reactive issues and putting out fires

## Steps to Address

- Solidify key messages for each key stakeholder audience in advance of Day 0.
- Create communication plan matrix for Day 0 thru 90 days.
- Establish communication channels and vehicles (if needed, create new ones to support the integration).
- Draft communications for senior executives to speed execution.
- Create “rolling FAQ log” that can be updated weekly and shared with affected employees.

# Key Communication Objectives

+ The **purpose of communication will change** over the course of integration.



# What are the key components of an accelerated strategic communication ...?

## Processes and Outcomes

### 1. Stakeholder Analysis

- Context & culture
- Issues & questions
- Resistance or barriers
- Message refinement

Strategic  
Realignment  
As Needed

Proactive  
Message  
Management

### 3. Ongoing Communication

- Multi-channel & periodic marketing
- Influencer
- Evaluation measures
- Upward feedback loop

Defined  
Process &  
Accountabilities

### 2. Targeted Strategy

- Audience focused
- Clear objectives
- Channels & timing
- Roles & responsibilities



# So ...! Why is a stakeholder analysis important ...?

## THE AIRBAG PROOF

... saying, writing, guaranteeing  
... that the airbag will go off if it  
needs to, is a fact we trust in  
... when buying a car!

You **cannot** expect stake-holders to  
fully absorb 100% or even 50% of the  
messages communicated!

## THE MERGER INTEGRATION FALLACY

... saying, writing, guaranteeing  
... what we communicate post  
merger, however does not  
guarantee that  
... it will be accurately recalled

You have to **test it to proof it** works,  
just as the manufacturer has to test  
that it works!

M&A are emotional laden change events

# The Mickey Mouse Tie - How to handle objections to conduct a stakeholder analysis ...?

## WHAT OBJECTIONS HAVE WE EXPERIENCED ON AN ONGOING BASIS

- **Blind arrogance**  
... executives **believe they know everything** stakeholders will say
- **Fear**  
... executives are **scared to hear the responses**
- **Apathy**  
... executives do not care, **do not want to know to not have to respond**
- **Ignorance**  
... executives **just don't understand**
- **Myopic cost cutting**  
... executives will spent huge sums for a deal but **very little to make it work**
- **Distrust**  
... executive that just **do not believe in the value focus groups can add**

# Merger integration communication

## How to build an evolving, targeted strategy ...?

### 5 RULES OF MERGER COMMUNICATION

#### 1. Business / HR / Organization issues

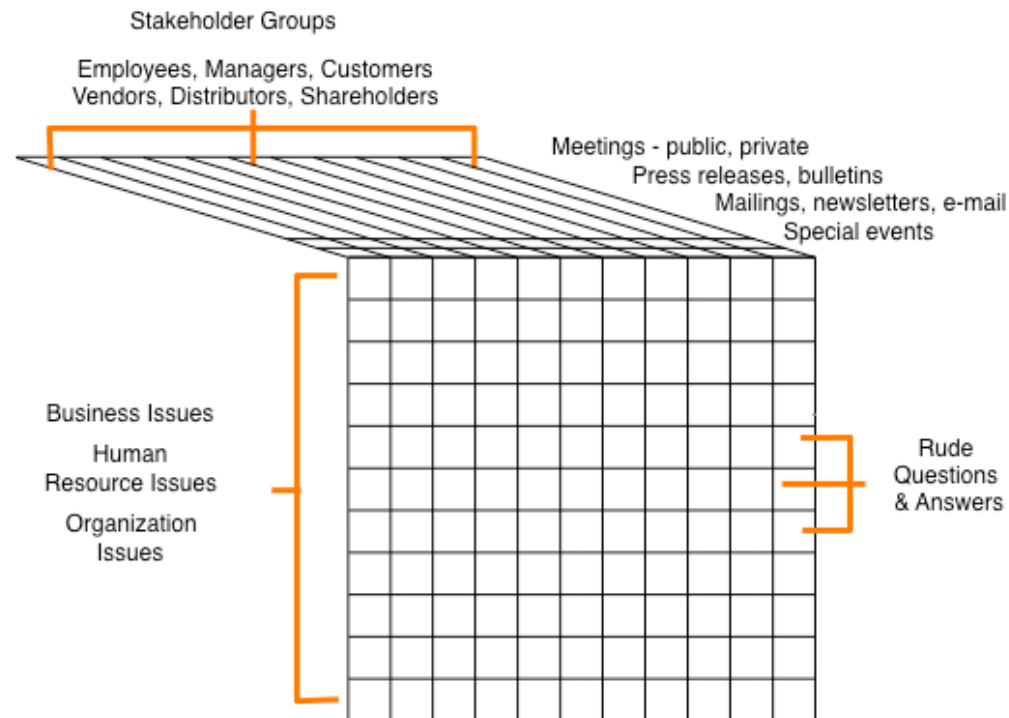
- Build a matrix of key issues and answers
- Build a 'Rude Q&A' guide that provides short answers
- Define charters of responsibility

#### 2. Audience

- Who and when to talk to
- Develop a timeline based on key events *and* stakeholder needs

#### 3. Channels

- Identify preferred communication vehicles



# Merger integration communication

## How to create stability ...?

- + *Given:* **there are many more questions than answers**
- + *Given:* **"business as usual" doesn't exist during a merger**
- + *Given:* **the further removed from decision-making power, the lower the tolerance for ambiguity**
- + *Given:* **in the absence of frequent, credible official communications, the rumor mongers take control**
- + So:
  - Anticipate rude Q&As
  - Develop core messages that reiterate the business case
  - Increase visibility of senior executives; coach them with consistent messages and "talking points"
  - Ensure genuine two-way dialogue with all stakeholder groups

# Template for a communication plan

Example

Phase	Timing	Audience	Media	Objectives/ Messages	Spokes- person	Responsibility
1. Initial Announcement	15 January	News/ media	<ul style="list-style-type: none"> <li>• Press releases</li> </ul>	<ul style="list-style-type: none"> <li>• ABC intends to purchase XYZ</li> </ul>	CEO	Investor Relations
		ABC employees	<ul style="list-style-type: none"> <li>• Memo</li> <li>• Copy of press release</li> <li>• ABC conference call supported by key-points minutes</li> <li>• Branch managers information</li> </ul>	<ul style="list-style-type: none"> <li>• ABC announces merger with XYZ</li> <li>• Here are the key advantages we hope to leverage:                             <ol style="list-style-type: none"> <li>1.....</li> <li>2.....</li> <li>3.....</li> </ol> </li> </ul>	CEO	Corporate Communications
2. More detailed Announcement	20 January	ABC employees	<ul style="list-style-type: none"> <li>• E-mail newsletter</li> <li>• Branch managers information</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy behind the merger</li> <li>• Operational impact</li> <li>• Management changes</li> <li>• Benefits/ compensation issues</li> </ul>	CEO	Corporate Communications

# Signing Communication

Topic	Time	Public	Employees	Customers	Supplier
Deal announcement/press release	Signing	X			
Executive alignment	Directly after deal announcement		X Face-2-Face Videocall		
Integration governance	Directly after deal announcement		X		
Consulting assistance communication	Directly after deal announcement		X		
Announcement integration team	Post signing		X		
Employee integration communication <weekly update>	3-6 w. p. signing / 1 w. p. anti trust		X		
Permitted 'Pre Close' HR updates <Benefits, Compensation, HR Development, Staffing>	Decisions made & timing of those 'To Be' made		X careful sensitive		
Closing Announcement	On day of closing	X			
Closing letter to shareholders	On day of closing	X			
Closing letter to customers & distributors	On day of closing			X	
Closing letter to partners/suppliers/ service providers	On day of closing				X
Welcome letter	On Day of closing		X		

# Communication Development: Day 1 Resources

Employee communication kits can help address questions quickly

**Actual Day 1 employee and customer packet contents**

## Contents

EMPLOYEE COMMUNICATION KIT .....	3
Communication Guidance .....	3
Key Messages for Employees .....	4
Employee Talking Points .....	5
Employee FAQs .....	7
Integration Approach .....	10
Impact on operations .....	11
Compensation, Benefits, and Incentives .....	12
Sales Professionals FAQ .....	13
Questions Specific to New Employees .....	14

## Contents

CUSTOMER COMMUNICATION KIT .....	2
Customer Communication Guidelines .....	2
Customer Key Messages .....	3
Customer Talking Points .....	3
Customer FAQs .....	4
Customer Letter (Copy – Not for Distribution) .....	7
Customer Letter Attachment .....	8

# How to keep the momentum, motivation and a good spirit during the first 100 days ...?

- + Be **credible** in your communication
- + Be **accessible** for employees
- + Position the **experience as a fun and exiting** one
- + **Celebrate quick wins** through achievement events and (they do not need to be huge parties)
- + **Acknowledge individuals** for particular contributions

- + Communicate the **successes of highly visible role models**
- + If you **don't know s.th.** important people expect you to communicate about, **state that you are working on it – no information will trigger the rumor mill**
- + **Smile** for once – and do that a lot
- + **Keep your composure at all times** – how? Balance the stress you experience with a solid program of physical exercise



# Communications Development

## Essential Communication Planning Requirements

### Vision Deck

- Comprehensive overview of transaction, rationale, strategy & objectives, key messages & all other pertinent details
- Multiple uses: Day 1, IMO onboarding, internal & external employee communications

### Stakeholder Mapping

- Mapping of all stakeholder audiences, concerns, key message points, communication vehicles, owners for content, approval matrixes
- Plan should also include feedback and effectiveness measurement

### Day 1 Plan

- Day 1 packets for acquiring company managers
- Resource guides for new employees
- Media and investor relations materials
- FAQs

### Ongoing Communication Plan

- Plan should extend thru all integration phases (can adjust frequency after 6 months)
- Ongoing communication vehicles to support integration or Newco messaging

# THANK YOU VERY MUCH FOR YOUR ATTENTION !



For those interested in exploring my next **Online Mastermind**

**“Post Merger Integration for Executives”**

which will start on Thursday July 28th I will offer a free consultation. Please contact me @

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Q & A