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VIDEO SUMMARY:

Tone At the Top: Intersection of Leadership & Culture in M&A

M&A Virtual Summit

www.masience.com

KEY TAKE-AWAYS:

1 Culture and poor leadership are cited in studies as causes for deals failing

to meet their deal thesis; in fact, it is reported 70% of serial acquirers feel they do not do a good job of assessing leaders and culture.

2 If you do not fully investigate culture and leadership during a deal's lifecycle,

you cannot build a plan to address potential differences and problem areas, which has a negative impact on business.

3 Culture and leadership are inherently linked because leaders influence their followers;

what feeds both is leadership skills and training.

4 The optimum point to begin looking at culture and leadership

is as soon as you identify a potential target because the deal thesis drives what you need leaders to successfully execute; you are in a much better position as an acquirer if you can do this.

5 Some effective ways to learn about a company's culture and leadership as a buyer

is to perform a leadership assessment (of course, there can be some fear and bias surrounding this process, but it can help extract information), and investigate using the internet, looking specifically at the leadership and its background/connections/publications, as well as what customers say about the business; these actions help you build a hypothesis about culture and leadership that will ultimately be tested during due diligence.

KEY TAKE-AWAYS:

6

Once the deal is closed and your hypothesis is either proven correct or incorrect,

work to get information from employees, which will allow you to bring the cultures together and better leverage leadership.

7

Additionally after close, a leadership alignment session will help drive success and prepare you for the future.

8

Ideally, companies will have dedicated teams that repeat deals

(of course, this is not possible in all organizations depending on size and resources) and can extract data from past/similar deals, which can lead to better outcomes.

9

Working to help HR build a M&A skillset also drives positive outcomes;

leverage consultants when you have specific or difficult parts of deals and your skillset is lacking; be sure to learn from the consultant so next time you can keep the work in-house...no one knows your company better than you do.

10

Retention is obviously imperative to deal success;

the number one best practice when it comes to retention is to give employees a compelling reason to come to work everyday; do not focus only on top leaders - work hard during diligence to gain access to key people below the top leadership team and work to keep them by ensuring competitive compensation and a sense of a promising future.

KEY TAKE-AWAYS:

11

Avoid acquiring toxic leaders (a leader who just does not want to be part of the new company)

by interviewing the CEO and top leaders during diligence to see what their goals are; this is also a perfect time to ask more questions surrounding key talent.

12

Research tells us middle managers have a large impact on deal success

especially for the acquired company; therefore, engage with middle management because it keeps the company running and acts as an agent of change.



Watch Video Here

<https://dealroom.net/webinars/tone-at-the-top-intersection-of-leadership-and-culture-in-m-a>