An M&A Case Study:
Merging Two Leadership Teams

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Background

Global Finance Consulting Firm wanted to extend its services by acquiring a specialist company to bolster its expertise and footprint in one of its key growth markets. It was new market, a bold decision and one of its 'Big Bets' for the future. As part of the due-diligence process, the leadership team of the acquiring company and the target company were profiled with The GC Index®. The focus was upon 'culture fit': would, and how, would these two teams work together and complement each other as they entered unchartered territory together?

The GC Index® individual and team profiles (presented below) were used to accelerate the integration of the two businesses by focusing on how they would leverage complementary strengths and minimise possible 'integration pains'.

Leadership Team of Acquiring Company

The Leadership Team of the acquiring company maintained a culture within which the following behaviours are valued and rewarded:

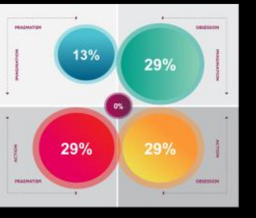
- The capacity to develop strategy and see action within a longer-term strategic context.
- Strategy that is developed through a rigorous and analytical attention to detail.
- Delivering to the highest possible standards.
- Self-sufficiency.
- A 'scientific' rather than 'creative approach to problem solving.

Leadership Team of Acquired Company:

The Leadership Team of the acquired company maintain a culture within which the following behaviours are valued and rewarded:

- Creative, practical problem solving.
- Fixing client problems with urgency rather than developing perfect/elegant solutions; pragmatism.
- Opportunism, not being a 'slave to strategy'.
- Collegiate self-sufficiency.
- 'Nous' rather than academic intellect.

The Merged Leadership Team



The merged Leadership Team has the potential to leverage complementary proclivities so long as:

- They talk to each other- there are no natural Play Makers in the team. There is a risk is of siloed activity, a business within a business.
- There is a Strategy that allows the acquired team a degree of flexibility when it comes to pursuing opportunities
- Action is not 'bogged down' in over-debate and bureaucracy.
- Pragmatism is valued.

Merged Leadership Team Destroying Value:

Potential value will be destroyed if the acquired team:

- Is not given freedom for creative and opportunistic expression.
- Is stifled by inflexible, strategy, structure and process.
- Do not feel that they have the autonomy to act.

The question then for the acquiring team was: How do we add value without undermining the talent that we have acquired?
 An initial recommendation was for someone to take on the role of Play Maker (internal/external consultant) to facilitate the integration of the teams around the challenges highlighted above. These teams need to keep talking to each other in a focused, possibility-centered way."

"We have never had such high quality debate and effective decision making with any of our previous acquisitions. The GC Index® gave us the framework to quickly align two very different leadership teams and get them to focus on collective business outcomes in half the usual time."

Managing Partner – Acquiring Company

THE GC INDEX®

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