Successfully integrating acquired companies can be challenging because of people, policy, process, and technological changes for the acquired company (and often for the acquiring teams). There are many aspects to a successful integration, such as understanding the emotional climate, considering environmental factors, managing stakeholders, defining technological changes to the infrastructure and/or tools, and defining processes, all while balancing the needs of the teams fairly.

To make progress, it is essential to first build bridges with the people and seek to understand the integration team and other key members of the organization, with their strengths, expertise, needs, and existing dynamics. This foundation is a pre-requisite for building the relationships needed to project manage the merge of disparate teams.

Having played a variety of roles for acquired company integrations, on both sides of the table, I have found that certain strategies and behaviors help build these bridges. This paper suggests considerations and approaches to establishing the stakeholder connections. The optimal situation is for the project manager to be part of the main acquisition integration team; this article focuses on this scenario, with a separate set of suggestions for other scenarios.

**Emotional Landscape**

Every employee at the company being acquired is worried about being offered a position and whether or not the department will survive the integration; however, first and foremost, people are concerned with their own fate. The most salient questions employees are asking themselves, each other, and anyone who can provide an answer, are:

- Will I be offered a job at the parent/acquiring company?
- If so, what is that position (responsibilities, title, location, compensation, and so forth)?
- Who will I report to in the new organization?
- What will change about how I do my job?

Employees of a company being acquired need careful tending. There is a critical time period between the acquisition announcement and when the acquisition actually happens. People fear that they won’t receive an offer from the acquiring company; for them, this is the most critical issue. Given the frequent downsizing that occurs as companies are acquired, this fear is quite reasonable and well founded. As the project manager for the integration, you may or may not have information about which functions, or precisely who,
will be retained; unless you are charged with communicating this information, it is safest to not get involved.

Some people seek jobs at other companies as soon as the purchase intention is announced, so targeting specific key employees with retention bonuses may assist with a successful integration.

In addition, some customers of the company being acquired may expedite contracts to lock in certain terms or may delay them until the acquisition closes. Both of these customer reactions contribute to the pre-acquisition disruption of normal operations, increasing stress levels for leadership and other employees, as well as introducing potential conflicts when the terms are not aligned with the acquiring company’s policies.

There may also be people in the acquiring (parent) company who feel threatened by this new team, as new players are introduced to the political landscape; include these people in your stakeholder register, as well as the communications plan. Communicate early and often, because people may seek to gain political power over each other by being the first to share integration plan details. To manage these stakeholders effectively, clearly define who is responsible for which decisions, communications, and tasks in the project’s Responsibility Assignment Matrix (RAM).

Project managers focused on integrating acquired companies need to also be sensitive to the cultures, both of the parent company and of the acquired company. Cultural differences should be on your risk assessment checklist — at the corporate, organizational, and regional levels.

Communications and Information Security

Take great care to communicate only the information approved by corporate policy. Your communication management plan should reflect and reference these policies. These policies and other organizational process assets provide valuable guidelines for project execution; ensure that the entire team is respecting these limits for all communication prior to the acquisition closure, before the legal combination of corporate entities in each country, and after integration occurs. Carefully check the locations of information recipients if the legal entities for the two companies have combined in some, but not all, countries. If a particular country still has two separate legal entities for the acquired and acquiring companies, tight restrictions may apply for sharing information.

Your company policy may limit information sharing to employees with a “need to know” during certain phases of the integration. Clearly mark information that is not to be communicated outside the integration team, because there are often corporate requirements to safeguarding these strategic details. To that end, clearly identify the members of the integration team to each other, so each member knows who the designated contacts are.

Stakeholder Management

In general, employees at the company being acquired are quite helpful and they quickly provide requested information and work hard to be seen as important and valuable. They want to be the people selected for retention if staff cuts are made. They want respect. They want to build relationships with employees of the acquiring company. They want to be viewed as smart and knowledgeable. In summary, they want to be the influential, “go-to” people for information or decisions about the integration.

This eagerness both helps and hinders the integration process. Uncertainty about the future can drive people to compete with their peers for the limited number of primary stakeholder positions. Communication can suffer, as people want to have an “edge” by appearing to be “insiders” in the integration project. After all, knowledge is power! Be aware that these dynamics may come into play and facilitate the necessary communication. Any bottlenecks caused by politics can slow down the integration’s progress or cause the need for course correction later due to inaccurate and/or incomplete information.

Multiple people may claim to be the expert, manager, or owner of a certain process or tool. The objective truth about who can dependably represent the greater organization is sometimes difficult to ascertain and may change over time. It is not always obvious who has true buy-in from the teams he or she represents or who has the expertise to make an informed decision about each business area. Project managers need to carefully assess who has authority over each area of the business and the related processes, systems, and people who have the day-to-day expertise. These people may be different from those stakeholders who will make the final decisions.

One way to achieve this is to obtain regional feedback about the information provided by people representing the acquired company on a global level. The same holds true for teams within the acquired company for the companies they themselves have acquired. There may be regional or product line variances that the global team is not aware of or that they are choosing to not highlight for a variety of reasons. Ensuring alignment early on will save time in the long run and reduce “pushback” as the integration proceeds.
There are useful clues about what role each stakeholder should play, such as whether or not he or she is a reliable source of information and empowered to make certain decisions. One such clue is the reactions of the other stakeholders to the person’s decisions or data. Listen to other business representatives and get feedback on both accuracy and acceptance. Yes, people may disagree to undermine someone else and thereby be seen as the key contact themselves, but watching these trends will indicate who has the knowledge about the company and trust of the organization. For example, if person X frequently discounts information and/or decisions by most people, then person X may be politicking. However, if several people, who aren’t usually in disagreement, express concerns about a decision or provide contradictory feedback from person Z, then it would be wise to weigh the information from person Z carefully. Person Z may remain a stakeholder, but you may not want to steer the project based on his or her input alone.

Another concern is reassignment of decision-making roles. The stakeholder moving into this role may or may not agree with the decisions made by the person formerly representing a particular business process, tool, or organization. Ensure that the new person is brought up to date with the current direction and invite his or her feedback. One approach is to facilitate meetings, wherein the person taking over the role can explore the history and reasons for the previous decisions with the previous decision-maker.

Scope Management
Like most projects, integrations require tight scope control. The business and information technology teams of the acquired company will push for increased data migration, system integration, and influence in the overall company’s policies and process assets. Stakeholders in the acquiring company will attempt to use this change opportunity to push their usual agendas if their project requests have not been getting the desired attention during portfolio planning. IT organizations in the acquiring company will seek to reduce scope and/or extend schedules, which is the nature of each role.

Your scope management and change management plans should identify how these requested changes will be controlled at each stage of the project. For example, if the team is still drafting the business requirements, the hurdle for changing scope may be lower than if the scope was locked in a month ago. Communicate the change management process and ensure that the team fully understands the change request review and approval processes. Provide any forms or templates used in the integrated control process. For changes requested after the appropriate milestone, investigate how the lack of the requested change would impact the business. Explore possible alternative ways to achieving the same ends, instead of broadening the scope.

Data Deliverables
Understand what metrics the acquired company currently tracks, so you can set reasonable quality control and schedule targets for information requests. When metrics or other business data are provided, consider how long you would expect the report generation to take, given the data detail and volume requested. Suggest possible target dates for deliverables, but make it easy for people to identify an alternate, more realistic timeframe for providing accurate and high-quality data. Graciously acknowledge the difficulty of these tasks, on top of running the day-to-day business.

Systems and Applications
Most companies will have a variety of applications and systems in place to managing their business and automate tasks. There are typically a set of tools provided by a centralized information technology (IT) organization, a set of semi-official supplemental tools from other internal and external suppliers, and a selection of unofficial internal tools. These official and unofficial tools need to be tactfully but thoroughly assessed as part of scope management, because the creators will be proud of their contributions and rate their applications as essential. There may be a small group, usually spearheaded by the person who invented or built the system, declaring that the tool must remain operative post-integration; sometimes this is aligned with the business needs, sometimes it isn’t. There may be an alternate process and/or system already in place within the parent company.

Developers and advocates of these non-IT ancillary systems can be quite vocal and passionate about the value the tool brings. Listen with an open mind, request demonstrations, find out what problem the tool was created to solve, understand the business process and use cases, collect feedback from the organization; then, have the integration team make an objective determination about the tool’s future, based on post-integration business processes and existing alternate applications. Record these decisions in the project documents and communicate the scope to stakeholders.

Integration Kickoff Recommendations
There are certain team-building activities that are appropriate at project initiation; set the stage with these actions:
• Invite team members to provide detailed introductions describing their roles for both the acquiring and acquired companies. Summarize this information in the stakeholder register.
• If at all possible, have a focused integration team meet in person. When building relationships, there is no approach more powerful than meeting people and chatting over dinner. You may need to balance this cost with other expenditures, but it is worth it.
• Learn everyone’s name quickly.
• Offer your business card as a prompt to receiving other business cards. Share contact information as early as possible.
• Most companies have an internal jargon and a plethora of acronyms — exchange terminology lists (with definitions) to help the team speak a common language.
• Share as much of the expected integration plan as is possible within corporate policy.

Considerations When Not in the Integration Team
This is a particularly difficult situation, which requires careful consideration in the communication management plan. For example, plan for frequent calls with the leader of the integration team to get updates about status, milestones, and strategic direction. These meetings will also be an opportunity to get feedback on the WBS (work breakdown structure), WBS activities, resource utilization, risk register, project schedule, and overall project management plan. Together, you can review risks and identify preventive and corrective actions to mitigate or prevent those risks from having a negative impact on the project. How to best remain informed depends on how information is managed within your organization. These suggestions may help you stay “in the loop”:
• Request that the integration leader provide minutes from the main team’s meetings. If they are not documenting minutes, volunteer for that task; this is a fabulous opportunity to participate in the discussions.
• Send minutes from your meetings to the integration team. This helps information flow up the chain and provides an opportunity to identify any lack of alignment.
• Explore “subscription” options for the document storage locations. For example, wikis often have a method for receiving notifications about content changes. Look for an RSS feed from the document repository, web page, or project wiki.
• If possible, go to lunch or have coffee with people in the integration team. There is no communication method more effective than a face-to-face discussion.

Conclusion
Keep in mind that stakeholders in both the acquired and acquiring teams can feel threatened. To pave the way for project success, create opportunities to build the team’s interpersonal relationships early on in the process. The fastest and most effective means for establishing these relationships is a face-to-face meeting. Communicate updates and decisions as widely as possible, within company policy at each stage of the integration. This will strengthen the team and reduce the risk of re-work later in the project.

Exercise care when selecting stakeholders and other meeting participants. It can be challenging to determine the optimal stakeholders and their roles — invest time learning the politics and dynamics at play. Consider the reactions of several stakeholders to decisions because they can indicate the best decision-maker for each area.

About the Author
Ms. Kramer serves as a program manager within Oracle’s Customer Support organization. She has over 15 years of program and project management expertise in the information technology industry and has focused on the integration of acquired companies and global process standardization for the past six years. Her certifications include Project Management Professional (PMP)® and Information Technology Infrastructure Library (ITIL) version 3.