

Case Study - Global Manufacturer transformation design

Acquisition Project

- Our client was assessing the viability of acquiring a complementary global manufacturing firm.
- In the past it had struggled to effectively realise the benefits of similar acquisitions due to poor integration planning and execution.
- Helmsman was engaged by the acquisition project team to develop a high level integration approach that the client team could present to their board. This was to give confidence that risks associated with integration planning and benefits realisation had been considered and were being mitigated through effective planning.
- Specifically Helmsman was brought in to develop 2 artefacts:
 - A board presentation to provide them confidence that the proposed acquisition would not be at risk due to integration execution.
 - A high level integration planning blueprint for this and other future acquisition/integration opportunities

What were the challenges?

The complexity assessment identified 3 key risk areas:

1. **Ambiguity:** they had a business case with a lot of assumptions in it, which could not be used for integration planning;
2. **Project management:** their approach to transformation was insufficient to manage the complexity of the integration. Traditionally they have gone into acquisitions with no real plan and under resourced the integration team;
3. **Social:** the largest contributor to the complexity score and thus their ability to realise their intended benefits was social: performance would suffer if they failed to effectively resource and support management of the social aspects of this integration.

What changes were proposed?

1. **Use a tested methodology** to define, diagnose, then design an accurate scope of work, then put effort into effective management of additional emerging risks.
2. **For such a complex project (6.1) they needed to:** resource a robust project management capability to weave the program together; be explicit about the benefits and how they would measure that they were realising them; involve the acquisition target management team in shaping the future of the combined organisation.
3. **Resource a strong stakeholder engagement capability** to ensure leadership was effective in enabling the Integration, employees understand the impact on them and thus continued to perform; with strong governance to ensure quick decisions to build & maintain momentum.

What was achieved?

- The acquisition project team was able to demonstrate that Board concerns about integration execution weakness were being mitigated, creating the space for the transaction to occur from an execution perspective.
- The project team was able to move to the next stage of integration planning with a clear purpose and approach and leverage for other future acquisitions.