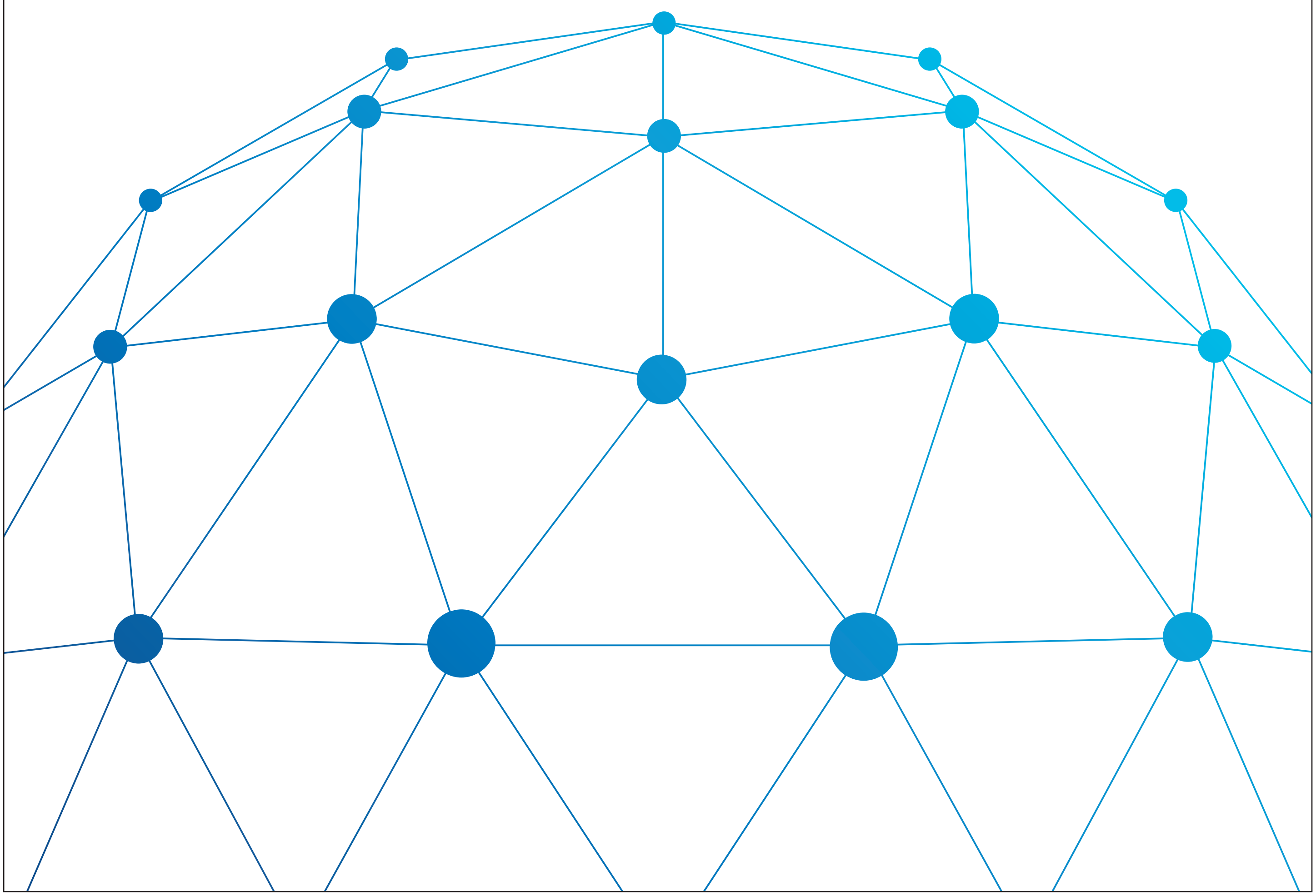
VALUE AND INTEGRATION MANAGEMENT OFFICE™ (VIMO)

A PRACTICAL FRAMEWORK FOR POST-MERGER INTEGRATION



jābian consulting

ABOUT US

Jabian Consulting is a strategic management and technology consulting firm tackling our clients' top priority projects with senior-level functional and industry specialists.

Jabian takes an integrated approach to creating and implementing strategies, enhancing business processes, developing human capital, and better aligning technology — ultimately helping clients become more competitive and profitable. It's a Strategy that Works.®

For more information, visit www.jabian.com.

OUR APPROACH

Merger and acquisition activity has seen a steady recovery since the 2008/2009 financial crisis as the stockpiles of cash companies have on hand become an avenue for growth.

But with excess comes a tendency for waste, and when used as a growth strategy, many mergers and acquisitions fail to achieve the value potential identified at the outset of the deal. The Jabian Value & Integration Management Office ™ (VIMO) methodology provides a practical framework to support each of the core integration capabilities while maintaining a focus on visibility and accountability to the strategic goals of the acquisition throughout the post-merger process. Our approach allows companies to leverage maximum value from M&A activity, ensuring the best possible outcomes from the deal.

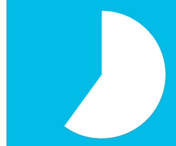
Jabian's VIMO approach ensures the necessary tactical components of the integration are addressed while keeping stakeholders accountable for value alignment throughout the post-merger process. Companies utilize the VIMO framework as an overarching model that provides organizational and operational structure to an often ambiguous and complex undertaking. The core components of the framework also drive the strategic and tactical planning for the integration.

47%

of organizations are looking to enter new markets within two years

40%

or more of organizations do not have an effective, formalized transition process between due diligence and integration teams



60% or fewer M&A deals return positive value

THE #1 CAUSE

for concern during post-merger integration is achieving a cultural fit

AGAINST THE ODDS

The VIMO framework contains the core capabilities for a successful integration.

More than 45% of mergers and acquisitions done for scale, and more than 70% done for scope, end up failing to return intended value. Most companies enter the M&A process with the best intentions, but ultimately succumb to common traps that derail the deal. The M&A Spectrum below highlights just how difficult it is to successfully realize the value targeted at the beginning of the M&A process. Jabian has identified a number of traps to avoid, detailed on the following pages, and the keys to success for maintaining proper focus during and after a deal.

THE M&A SPECTRUM

Where many finish

- *Both companies end up failing*
- *Don't try to merge and just sell off the company later*
- *Quantifiably bad with a long time, if ever, to cure*
- *Long-term underlying culture killer*
- *Perceived as bad internally and/or externally resulting in a political failure*

Where some finish

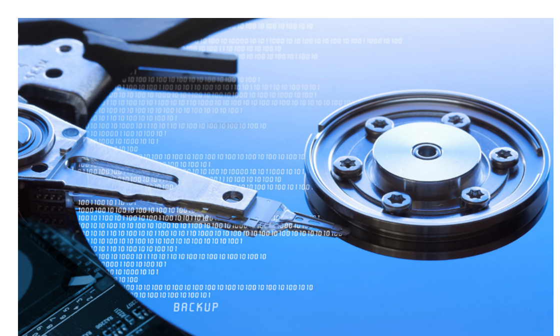
- *Mostly forgotten over time with no success or failure metrics*
- *Struggle at first, but ends up okay*
- *No real success or failure metrics but culturally a win*

Where all aim, but few finish

- *A measurable success*
- *Wildly successful with additional measurable value created*

MERGER FOR SCALE: HOW WE GOT IT RIGHT

A multi-billion dollar financial services company acquired a several hundred million dollar competitor. They needed large scale integration help across the enterprise in front office areas such as sales and HR, as well as back office areas such as their CRM, ERP, call centers, and others. Jabian implemented VIMO to oversee all aspects of the successful integration.



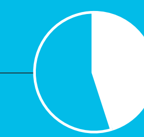
MERGER FOR SCOPE: HOW WE GOT IT RIGHT

A two billion dollar software company purchased a small, family-run company to fill in critical gaps in their product portfolio. Jabian's VIMO integration approach focused on quickly folding in the acquisition across strategy, people, process, and technology with minimal operational disruption.

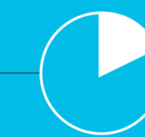
THE M&A ROLLERCOASTER

The M&A journey can often feel like a rollercoaster ride of highs and lows. After setting or aligning to a corporate strategy, mergers and acquisitions typically involve four fundamental phases — Research and Diligence, Purchase, Post-Merger Integration, and Produce.

We have identified 11 traps along the M&A rollercoaser ride that can drain the value of a merger or acquisition while straining the company, employees, and shareholders. These traps are identified below, and in greater detail on the following pages. Left unchecked, these common traps can turn a potentially valuable deal into a costly one.

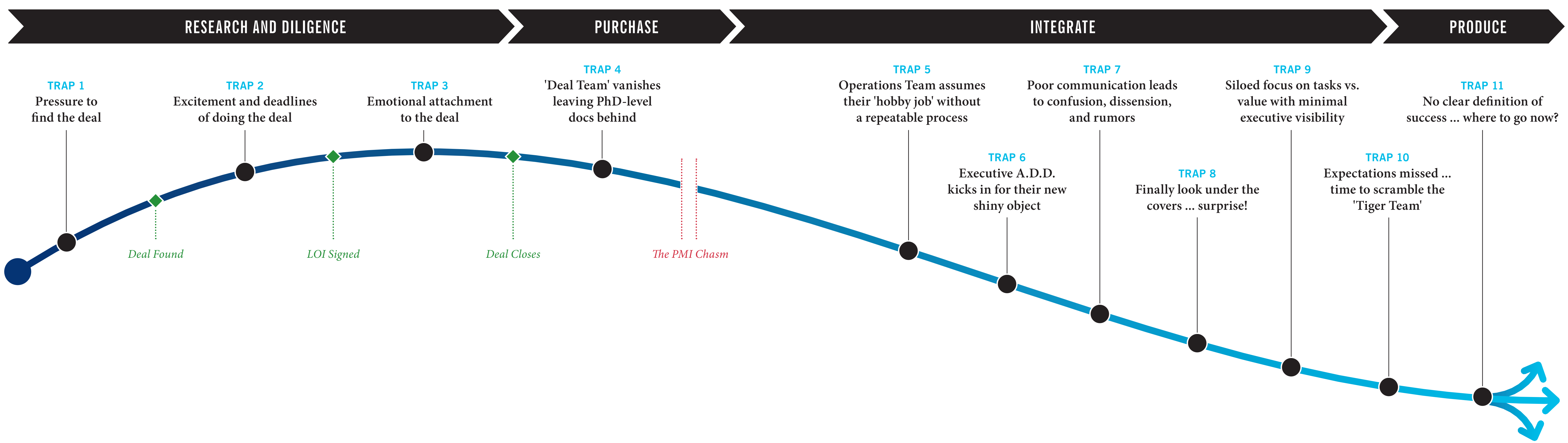


45% of executives say their organizations are seeking smaller strategic deals over the next three years



18% of executives say their organizations are seeking major transformational deals over the next three years

THE 11 TRAPS OF M&A



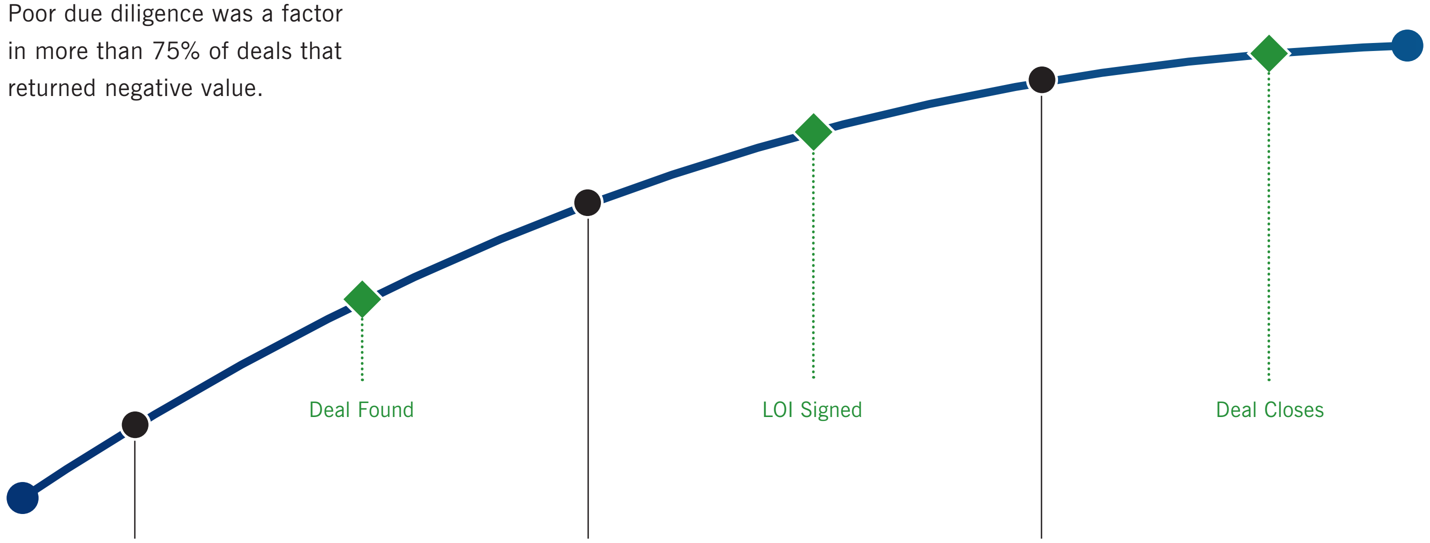
RESEARCH AND DILIGENCE

1

The first phase of M&A activity is one of the most important – Research and Diligence. Most companies focus a lot of effort and resources on getting data during this phase of the process, but fail to avoid three common traps that can cause good data to be ignored.

EXTRA INSIGHT

Poor due diligence was a factor in more than 75% of deals that returned negative value.



TRAP 1

Pressure to find the deal

KEYS TO SUCCESS

Patience is a virtue for M&A activity. Sometimes the best decisions are the deals that you pass on. Create a discovery cadence and do not let the team get down during periods of inactivity. Staying plugged into the integration of past deals also helps the team through slow times. Use this downtime to increase knowledge and expand your toolset.

TRAP 2

Excitement and deadlines of doing the deal

KEYS TO SUCCESS

There is no shortage of deals that you could do, but that doesn't mean you should do them. Never look at a deal in isolation; it will always look better when standing alone. Always maintain a robust list of potential deals, objectively scored against your deal criteria. Maintain a list of deals that score poorly and some that score okay. Then, when you finally find "the one," it will be more apparent when compared to the laggards.

TRAP 3

Emotional attachment to the deal

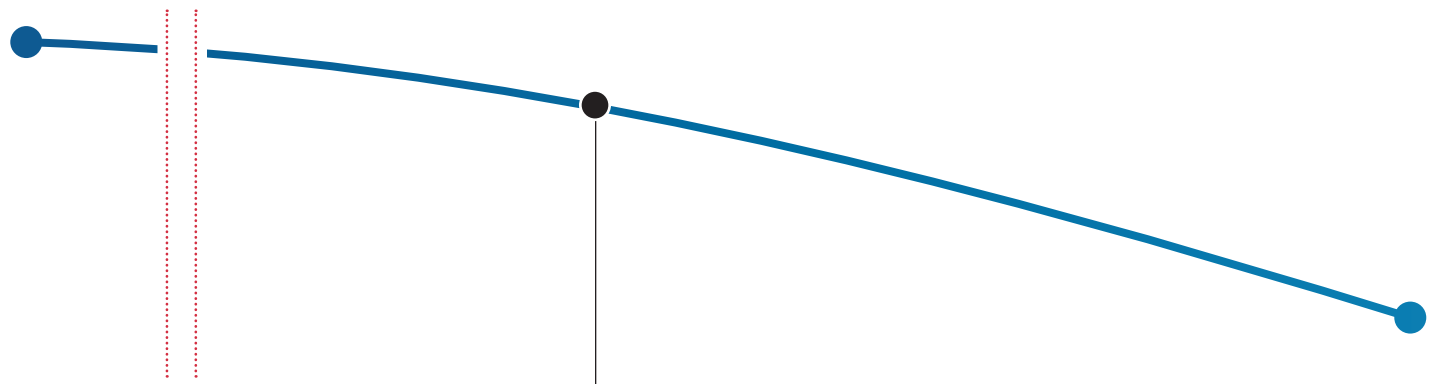
KEYS TO SUCCESS

Start with the assumption that you should not do the deal, and then work to convince yourself why you should do it, using facts and data, not vice versa. Find a naysayer who will be the devil's advocate and challenge your assumptions, logic, models, and rationale. After you convince yourself that it is a good deal, work on something else and then come back to it once it is not as fresh in your mind. If your model still convinces you that it is good after your break, then proceed.

PURCHASE

2

The second phase of M&A activity – Purchase – is not without potential pitfalls and is where companies must cross the 'Post-Merger Integration (PMI) Chasm' from intended outcomes to operational realities. This phase begins the confusion and 'lost-in-translation' periods for many deals lacking centralized integration processes.



EXTRA INSIGHT

Decision-making frameworks are shared less than half the time between the due diligence team and the integration team.

TRAP 4

'Deal Team' vanishes leaving PhD-level docs behind

KEYS TO SUCCESS

The Post-Merger Integration (PMI) Chasm is the most difficult to cross successfully as teams are left with strategic analysis, but no tactical integration plan. The Jabian Executive Direction Worksheet helps to translate the due diligence work into actionable decision-making criteria for the implementation team. When possible, include the implementation team early in due diligence to smooth out this transition. Fresh eyes are good, but continuity of the team and the process will always help. Firms with centralized integration functions/partners excel here.

For additional information about the 11 M&A traps and how to avoid them, read "Surviving the M&A Rollercoaster" from The Jabian Journal by visiting www.jabian.com/m-rollercoaster.

INTEGRATION

3

Post-merger Integration, the third phase of M&A activity, involves the most potential for disaster if left unchecked and the greatest source of value-draining oversights. With so many moving parts post-merger, a centralized integration function or partner is essential to success.

TRAP 5

Operations Team assumes their 'hobby job' without a repeatable process

KEYS TO SUCCESS

Just because someone knows the core business does not make them an integrations expert. Support them with a repeatable and proven integration process and a strong governance model. Focus on visibility and accountability. Avoid making it a "hobby job," but if that is required then give them the proper support. Embrace continual improvement with surveys and retrospectives. Firms with centralized integration functions/partners excel here, too.

TRAP 6

Executive A.D.D. kicks in for their new shiny object

KEYS TO SUCCESS

Since most businesses are in a constant state of flux, it is easy for executives to forget about the deal for the next big thing. Leverage prioritization matrices and use integrated workplans and KPI dashboards to visualize the integration in the context of the core business.

TRAP 7

Poor communication leads to confusion, dissension, and rumors

KEYS TO SUCCESS

Communicate early, often, and honestly. It is okay to communicate to your organization that you are still figuring out the plan. That is better than the rumor tree making up your plan for you. Create a PR campaign around the integration. Leverage core change management principles with executive stakeholders and inclusion at all levels. Listen more than you talk and address the concerns and fears of the organization early.

TRAP 8

Finally look under the covers … surprise!

KEYS TO SUCCESS

Involve operational SMEs early in due diligence, especially to validate assumptions. Create an overlap (minimum of three weeks) between the due diligence/purchase phase and the implementation so that the teams collaborate and the work is not "thrown over the wall." Leverage a process framework to identify focus areas and gaps in terms familiar to the core business. Utilize visual tools to communicate quickly and at the correct level. Continuity and repeatability of a standard PMI process help here.

TRAP 9

Siloed focus on tasks vs. value with minimal executive visibility

KEYS TO SUCCESS

Launch a Value and Integration Management Office™ (VIMO) with a strong governance board empowered to make decisions in support of the value proposition of the integration. Utilize KPI dashboards to report on the progress towards due diligence goals as well as tactical implementation tasks. Setup C-level readouts in advance at a minimum of 30/60/90 days after the deal closes.

PRODUCE

4

The final phase of M&A activity – Produce – involves putting the plans and tactics into action, and can be a source of lost value without a clear definition of success. So much time is spent identifying and integrating a deal, that actually producing the original planned results with the merged companies can become an afterthought.

TRAP 10

Expectations missed … time to scramble the "tiger team"

KEYS TO SUCCESS

Whoever you pick for the "tiger team" probably should have already been involved in the integration, so plan for this ahead of time. Many times expectations are missed because they were not clearly documented, communicated, or understood up front, so plan and monitor this throughout. Firms with centralized integration functions/partners with repeatable standard PMI processes excel here.

TRAP 11

No clear definition of success … where to go now?

KEYS TO SUCCESS

When things get bad, teams will focus almost 100% tactically, forgetting all rationale around the original business case. Avoid this by always grounding the team in the core business case. Be ready to pivot if needed, but not out of ease; it must be out of necessity with strong business justification. Sometimes teams need to hit bottom in order to rebound. Stay positive and focus on the strengths of the organization. Leverage strong leadership and governance to maintain consistency. Set realistic goals that achieve short- and long-term success.

EXTRA INSIGHT

More than 60% of M&A professionals say true business metrics of success are undefined post-integration

THE UNDERLYING ISSUE

STEP 1: ENGINEER VALUE → STEP 2: MERGE/ACQUIRE → STEP 3: INTEGRATE

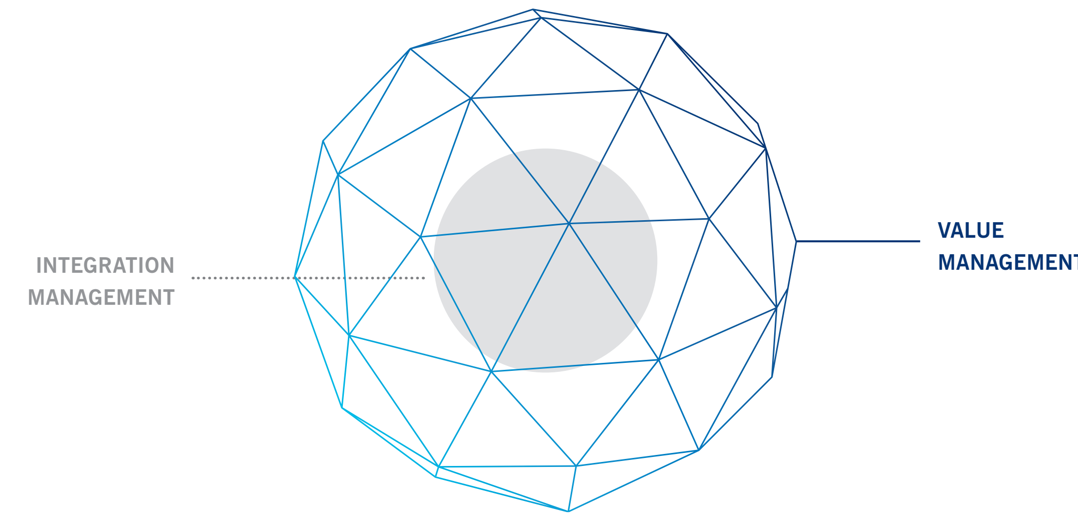
TRADITIONAL POST-MERGER INTEGRATION MINDSET

'Value' is a step in the process rather than a critical focus factor.

It becomes a means to an end rather than the "why" of a deal. Once value has been identified or defined, the focus is shifted to what to integrate, and the irony is that value realization becomes less of a conscious effort.

THEIR WAY:

'Value' is a step in the process. Once due diligence is complete, most of the focus is on what to integrate, not why.



JABIAN VALUE AND INTEGRATION MANAGEMENT (VIMO) MINDSET

'Value' is the primary focus of the entire M&A process.

Throughout the entire lifecycle, the focus is on why things are being done rather than just how to do them. This ensures all activity tracks back to the larger acquisition strategy and helps avoid the traps.

THE VIMO WAY:

'Value' is the focus of the process. Throughout the lifecycle, the focus is on why, not just what, to integrate.

THE VIMO GUIDING PRINCIPLES

The VIMO Guiding Principles were developed specifically to address and avoid the traps of integration.

These principles should be used to evaluate and monitor the integration process from due diligence through post-merger integration and production.

1. Strong leadership with effective governance
2. Sustained strategic value creation mindset
3. Communication and collaboration
4. Visibility and accountability leveraging metrics and dashboards
5. Decision focused
6. Consistent repeatable cadence with continuity between phases
7. Visual and lightweight tools
8. Tailored to fit culture and scope of integration

THE JABIAN VIMO FRAMEWORK

The VIMO framework contains the core capabilities for a successful integration.

The VIMO approach keeps stakeholders accountable for strategic value alignment throughout the post-merger process while ensuring the necessary tactical components of the integration are addressed. During M&A integrations, Jabian leverages the VIMO framework as an overarching model that provides organizational and operational structure to an often ambiguous and complex undertaking. When combined with senior-level Jabian M&A professionals, the VIMO framework and toolkit provides enhanced speed, accuracy, and overall value to any integration. The core components of the framework also drive the strategic and tactical planning for the integration.

> "An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."
>
> – Jack Welch

VALUE AND INTEGRATION MANAGEMENT

1. STRATEGY AND EXECUTIVE LEADERSHIP
2. VALUE REALIZATION AND TRACKING
3. GOVERNANCE
4. INTEGRATION PLANNING AND MANAGEMENT
5. CULTURE, CHANGE MANAGEMENT, AND COMMUNICATIONS
6. BUSINESS DOMAIN STRATEGIC AND OPERATIONAL PLANNING

You can't build a house with the blueprints alone.

You need a specific set of tools in order to turn your plan into a reality. This concept is as true for integrating two companies as it is for constructing a house. Jabian VIMO toolkits have been developed to support each component of the framework and can be tailored based on the needs of the integration.

STRATEGY AND EXECUTIVE LEADERSHIP

Direction setting, scope definition, and key decision making

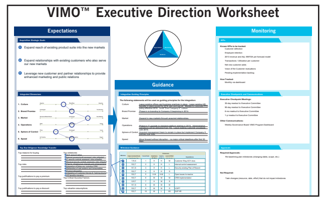
As with any major transformational program, setting the proper strategy and aligning actions around it is a key to success.

M&As are no different. However, since no two M&A transactions are exactly the same, the strategic planning process must be tailored to meet the needs of the program. In some cases, a merger or acquisition may be in support of an existing corporate strategy. In others cases, it may totally redefine the corporate strategic direction (or anything in between). Jabian's strategic planning facilitation framework is a simple, straightforward toolset to define and document strategic plans without getting in the way of integration progress.

As rudimentary as it might sound, oftentimes the barrier to successful strategic alignment is the lack of simple and direct documentation from executives regarding the rationale, goals, and success criteria of the integration. The Jabian Executive Direction Worksheet plays a critical role as the go-to document for strategic direction throughout the integration. Otherwise known as the "integration placemat", this 11x17 strategy map is the decision framework for all levels of the organization, especially during the integration. It helps the teams not lose sight of the underlying mission and real value that is expected from the deal and guides decision making around these goals.

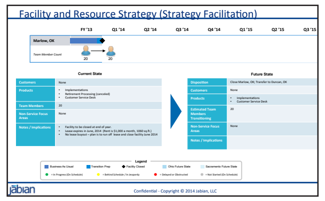
Another key aspect to strategic alignment is documenting and understanding risk. The Jabian M&A Success Factors Assessment Tool helps quantify the many dimensions of risk and, more importantly, translate them into integration actions to mitigate those risks. Additionally, strict attention is paid to scope definition since a scope misalignment at the beginning of an acquisition can be very costly down the road. The Jabian Scoping Worksheets are great tools to support this effort.

AVAILABLE TOOLS:



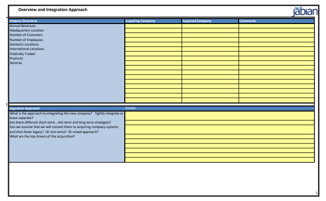
EXECUTIVE DIRECTION WORKSHEET

Executive team (deal team) providing direction on expectations, guidance, and monitoring



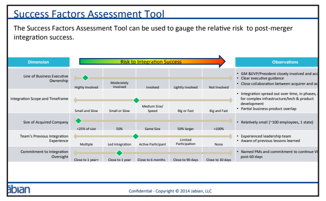
STRATEGY FACILITATION

Facilitation of sessions to make key decisions around integration and future direction



SCOPING WORKSHEETS

Detailed acquisition scoping worksheets with integration considerations and risk areas



SUCCESS FACTORS ASSESSMENT TOOL

Gauge the relative risk to post-merger integration success

VALUE REALIZATION AND TRACKING

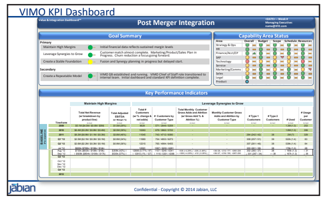
Definition and tracking of integration value

As they say, 'you get what you measure.' Yet, many key performance indicators of a successful integration go unmeasured.

The list of reasons go on and on as to why companies avoid it, but it is proven that the companies who embrace transparency of their goals and the tracking of progress against them via visual dashboards perform better. Jabian's Value and Integration Management Office includes simple tools and processes to document goals, establish KPIs, and track progress during an integration. Specifically, the underlying value drivers of the deal are translated and mapped to metrics for objective determination of M&A success.

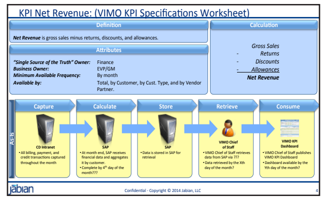
Since a dashboard is only as good as the data presented on it as well as the ability for executives to interpret it, another key VIMO tool is the KPI Specification Worksheet. These worksheets are simple visual tools for defining each metric and its associated data, calculations, systems, timing, owners, and impacted teams. Not only do these tools accelerate the creation of the value dashboard, but they also improve consistency, accuracy, and ultimate buy-in of the data that are presented.

AVAILABLE TOOLS:



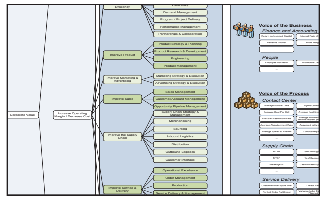
VIMO KPI DASHBOARD

Executive visual dashboards of key value metrics, trends, and risk indicators with definitions



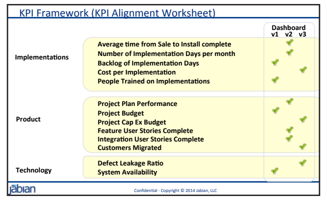
KPI SPECIFICATIONS WORKSHEETS

Detailed KPI specifications with calculations, processes, and owners



VALUE AND KPI WORKSHEET

Structured visual worksheet for KPI planning



KPI ALIGNMENT WORKSHEET

Alignment of KPIs to strategic goals with phased rollout

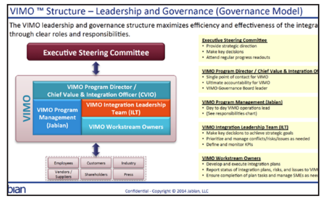
GOVERNANCE

Ongoing centralized decisions, risk management, and monitoring

The VIMO Governance toolkit streamlines many of the core executive management tasks required to launch, sustain, and close a successful integration program.

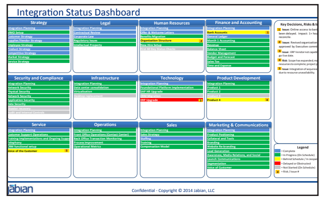
In addition to governance frameworks and team structures, the toolkit contains visual status dashboards that highlight key issues and risks for executive management attention. The VIMO maturity model helps organizations track and plan their progress towards improving their M&A integration capabilities, especially for organizations where M&A is an integral ongoing part of their growth strategy.

AVAILABLE TOOLS:



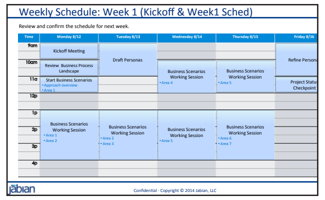
GOVERNANCE MODEL

Defines structure, stakeholders, roles, and responsibilities



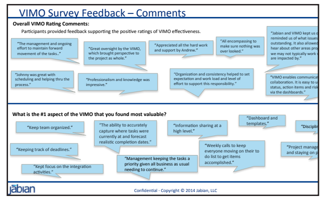
INTEGRATION STATUS DASHBOARD

Executive visual dashboard of plan components, impacts, risks, and status



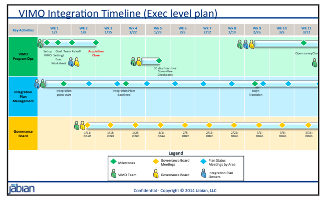
KICK-OFF AND WEEK ONE PRESENTATIONS

Reusable VIMO Kick-off and Week 1 presentation guides for successful launch



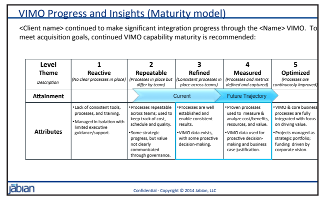
CLOSE-OUT PRESENTATION

Reusable VIMO Close-out presentation including transition plan



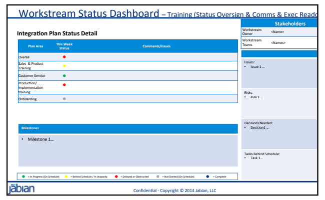
VIMO EXECUTIVE LEVEL PLAN

Executive level visual integration plan



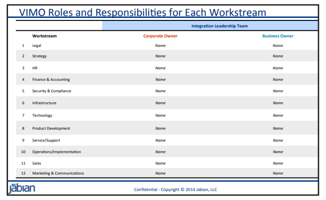
MATURITY MODEL

VIMO maturity model for capability planning and long-term continuous improvement



EXECUTIVE READOUTS

Reusable executive level status readout presentations



ROLES AND RESPONSIBILITIES

Resource and role identifications

INTEGRATION PLANNING AND MANAGEMENT

Creation, oversight, and statusing of integrated workplans

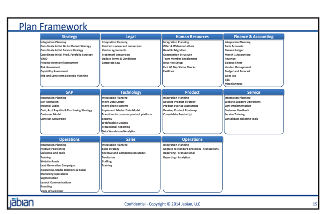
The VIMO Integration Planning and Management toolkit includes a workplan framework and associated detailed project plan as a starting point for integration planning.

The detailed Jabian integration plan template spans over 15 business unit areas that can be selected and configured to meet the specific size and needs of the integration. Each step of the plan creation process is tracked and reported to improve the accuracy and timeliness of plan creation.

The toolkit also includes detailed status report templates tailored for integrations for each affected business unit. These visual tools streamline and standardize the status reporting process.

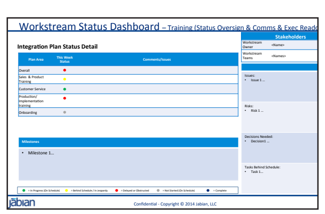
For organizations performing multiple integrations, the toolkit is setup to be configured for the specific needs of the organization and greatly improve the speed of future integrations through standardized templates and the familiarity that executives develop with the tools and visual components of the toolkit.

AVAILABLE TOOLS:



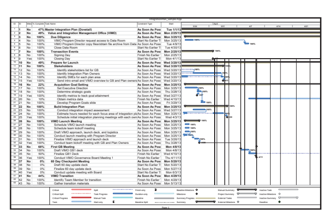
PLAN FRAMEWORK

Defines structure of the integration plan and helps estimate effort and initial impacts



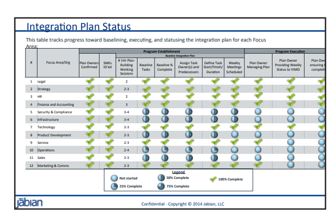
STATUS OVERSIGHT AND COMMUNICATIONS

Executive visual detailed status dashboard of each impacted business unit



INTEGRATION PLANS

Baseline integration project plan, including 30/60/90+ day milestones



INTEGRATION PLAN STATUS

Detailed status to track integration plan creation

CULTURE, CHANGE MANAGEMENT, AND COMMUNICATIONS

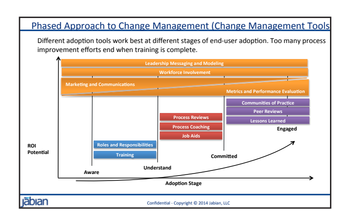
Ongoing centralized decisions, risk management, and monitoring

Results from the Jabian annual M&A survey confirmed that not only are communications and culture the most critical factors for M&A success, but ironically it is also the area that organizations perform most poorly in, and spend the least time focusing on.

The VIMO toolkit addresses these concerns at all levels of the organization through multiple communications channels. The toolkit includes examples of successful communications and strategies to achieve buy-in across an organization.

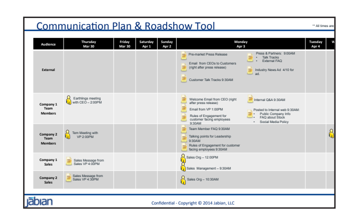
A key element to a successful M&A communication strategy is to facilitate communication in both directions. Conducting in-person dialogs, involving affected teams in the planning process, and listening formally through surveys and informally through open dialog is key. The VIMO toolkit draws upon Jabian's vast array of change management tools and frameworks that have been tailored to M&A.

AVAILABLE TOOLS:



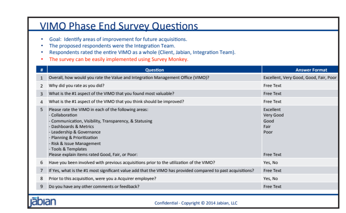
CHANGE MANAGEMENT TOOLS

Multiple change management tools for adoption, engagement, and communication



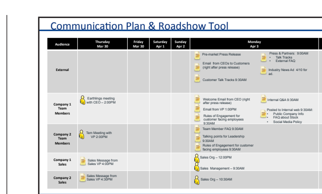
COMMUNICATION PLAN

Reusable Communication Plans to facilitate key messaging



VIMO SURVEY

VIMO integration survey for feedback and continuous improvement



TOWN HALL/ROADSHOW TOOLS

Broad internal and external communication tools and reusable presentations

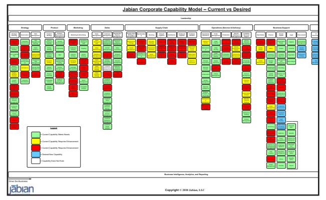
BUSINESS DOMAIN STRATEGIC AND OPERATIONAL PLANNING

Translation of overall integration direction into actionable strategic and operational plans for each business unit. Data analysis, process engineering, benchmarking, and competitor/pricing/industry studies

Integrations can be great opportunities to define (or redefine) key processes and capabilities of the organization or strategies in areas such as product, marketing, sales, IT, and human capital.

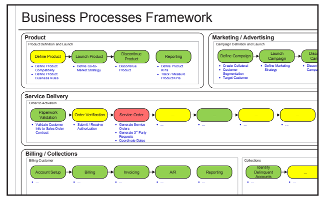
They can also be opportunities to dig deeper into the data to learn more about customers, competitors, pricing, etc. The VIMO toolkit leverages frameworks and methodologies from many of Jabian's other service offerings to facilitate fast progress in these areas.

AVAILABLE TOOLS:



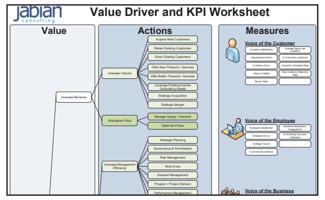
CORPORATE CAPABILITY

Visual baseline framework and structure of corporate capabilities



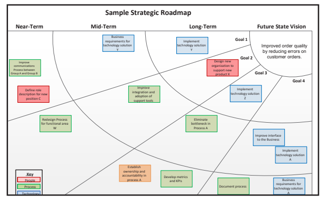
PROCESS FRAMEWORK

Visual end-to-end process flow across an organization



VALUE AND KPI WORKSHEET

Structured visual worksheet for KPI planning

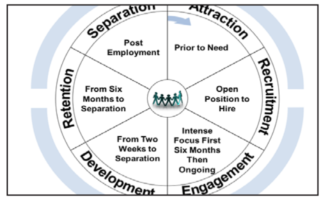


STRATEGIC ROAD MAPS

Executive visual road maps with key milestones

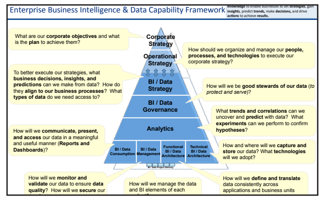
PRODUCT INNOVATION FRAMEWORK

Visual product framework for assessing, planning, and innovating



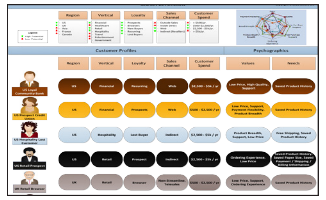
TALENT LIFECYCLE FRAMEWORK

Visual Talent / HR lifecycle framework



BI FRAMEWORK AND ANALYSIS

Visual BI, data, and analytics framework and data analysis services



CUSTOMER PERSONAS

Visual customer persona dashboard

VIMO PARTNERSHIP: ROLES AND RESPONSIBILITIES

The partnership between Jabian and our clients is critical to a successful VIMO engagement and can be customized to fit the needs of the organization. At Jabian, we pride ourselves on teaming with our clients to help them think strategically and act practically. We are not afraid to get our hands dirty and do whatever it takes for our clients' success.

VIMO Integration Responsibility	Client	Jabian
Key decision making and strategy setting	●	Support
Lead the execution of integration tasks	●	Support
Execution of integration tasks	●	●
Build and maintain integration plans	●	●
Draft status and other program communications	●	●
Deliver program communications	●	●
Conduct background analysis to aid efficient decision making		●
Provide leading practices and insights from other integrations		●
Provide a repeatable consistent cadence for structure, accountability, and visibility		●
Provide an objective third-party perspective on issues and risks		●
Train internal resources on VIMO and transition responsibility		●
Conduct process improvement, data analysis, benchmarking, and competitor/pricing/industry studies		●

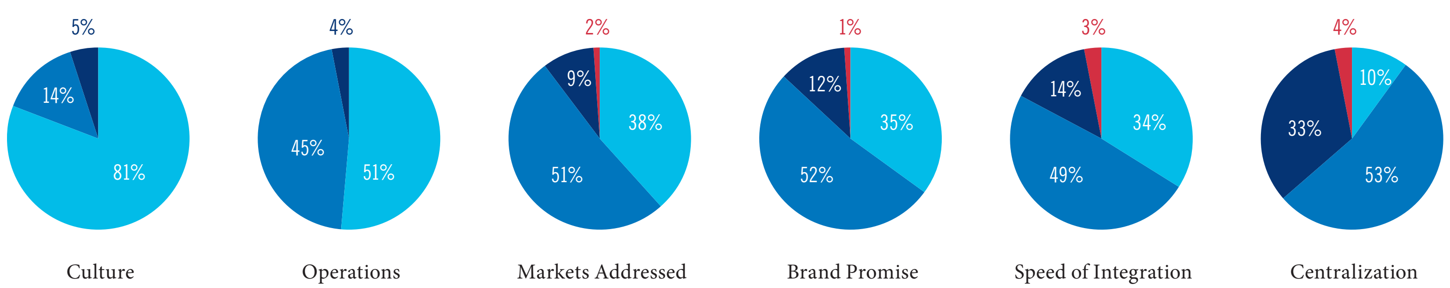
THE ANNUAL JABIAN M&A INDUSTRY SURVEY

Jabian conducted a survey of 159 North American M&A professionals seeking to understand best practices utilized during the M&A process. The goal was to see whether the best practices help to ensure success in achieving the benefits promised to shareholders by avoiding the Jabian-identified value-draining traps companies consistently fall into during the M&A rollercoaster. Here is what we found:

CULTURE IS KING

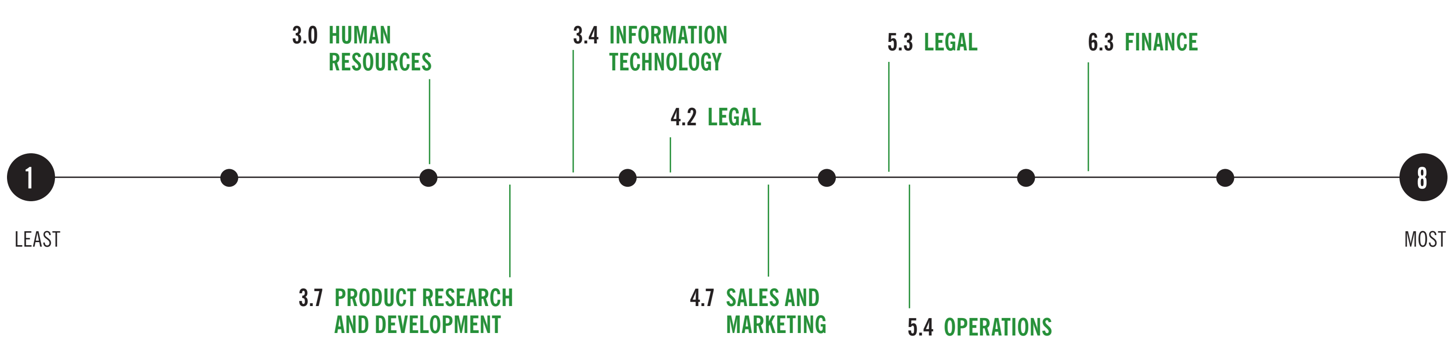
M&A executives say culture – far more than other factors – is most important to an integration team working to combine two organizations.

Very important · Somewhat important · Not very important · Not at all important



UNDER THE M&A MICROSCOPE

Which departments get the most scrutiny during due diligence and which the least? Here's how M&A pros rank each department.



WHAT'S AHEAD FOR M&A?

Executives say their organizations are seeking ...

45% are looking for smaller strategic deals

18% are looking for major transformative deals

The top two drivers for M&A activities over the next three years:

47% are looking to enter new markets

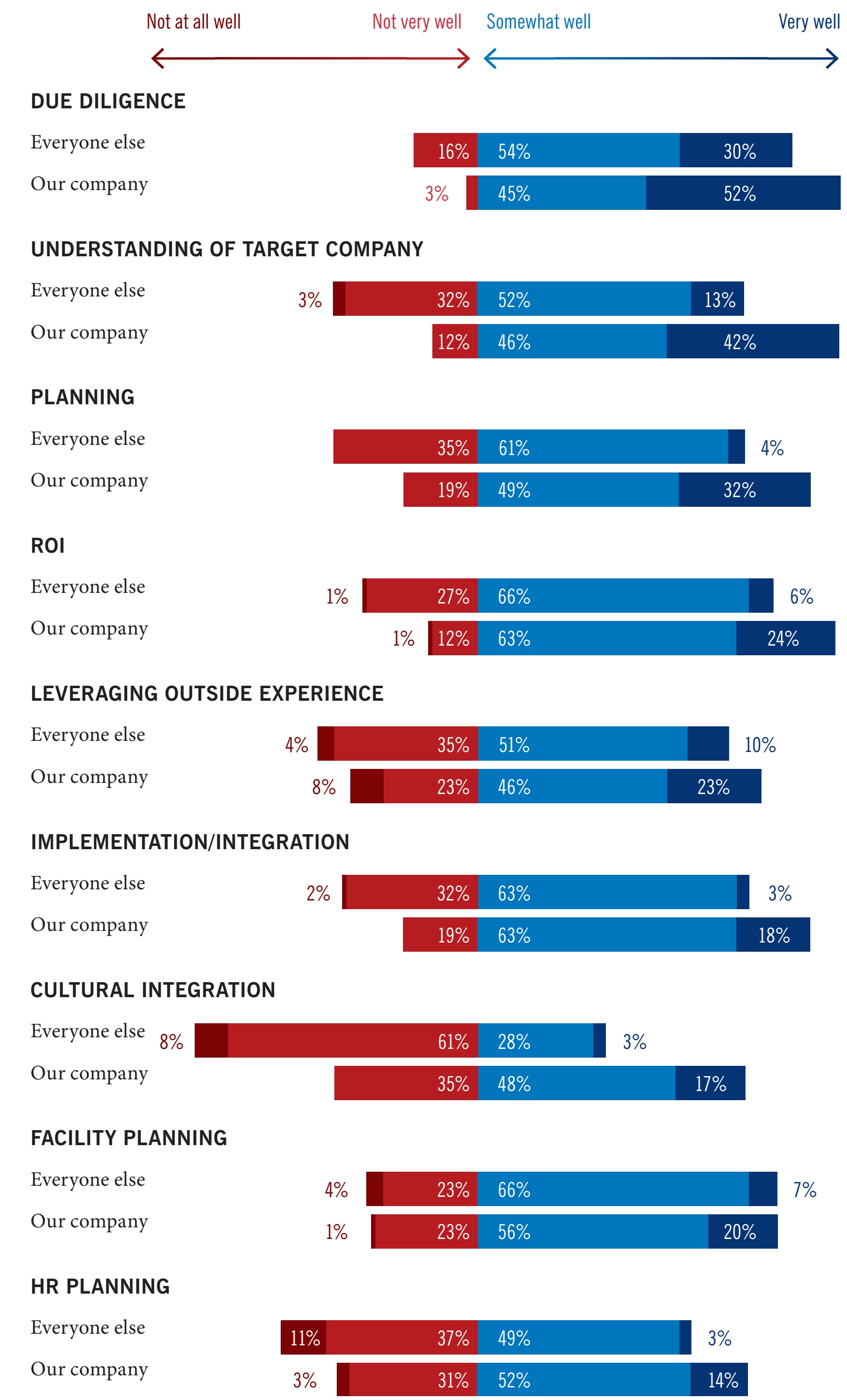
36% are looking to increase market share

When asked to rank the types of mergers or acquisitions that proved to be the hardest to obtain value from, the following deals topped the list:

1. Accessing new product offerings
2. Acquiring efficient business processes
3. Adding technology capabilities
4. Reaching new customer segments
5. Attaining economies of scale

EVERYONE IS ABOVE AVERAGE

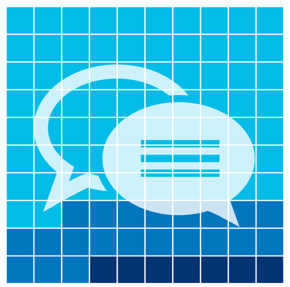
When asked to evaluate performance of the industry as a whole – and their own company – on key M&A factors, everyone claims to outrank the average, suggesting that perhaps no one is getting it just right.

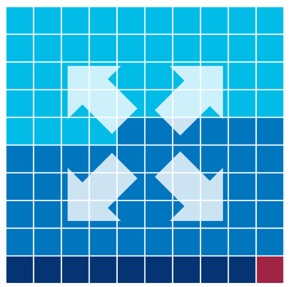


THE 11 M&A VALUE DRAINS

Nearly all (93%) of surveyed M&A professionals agreed that 60% or fewer of U.S. mergers or acquisitions returned a positive value during the past five years. How likely is it that these failures are attributed to one or more value-draining traps:

Very likely · Somewhat likely · Not very likely · Not at all likely


Poor communications


Unclear expectations


'Deal team' vanishes

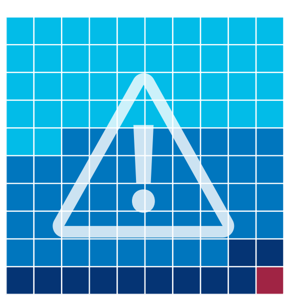

Emotional attachment to the deal


No clear definition of success


Deadlines of doing the deal


Focus on accomplishing tasks not value


Loss of executive focus


Unforeseen surprises not uncovered in due diligence


Operational team assumes integration without a repeatable process

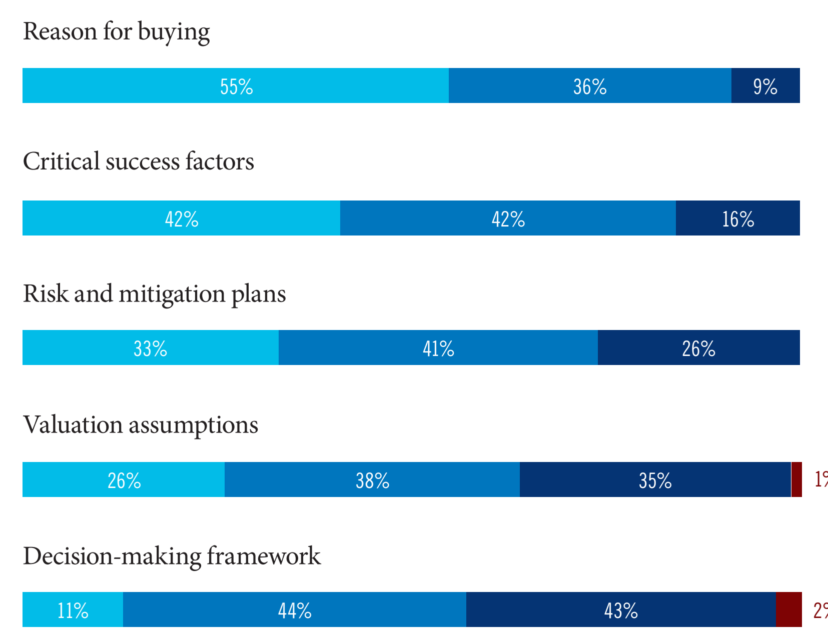

Pressure to find the deal

KNOWLEDGE IS POWER

Only 60% of M&A professionals say they have an effective, formalized transition process between their due diligence team and integration team, and virtually the same number (63 percent) rate the transition process between the two teams as effective.

Here's how often respondents say different types of information are shared:

Very often · Somewhat often · Rarely · Never



GETTING A PASSING GRADE?

M&A executives gave themselves passing, but not stellar grades on the financial performance of their most recent merger or acquisition.

Those acquiring

Those acquired

CORPORATE IMPERATIVES

STRATEGY, OPERATIONS, AND CUSTOMERS

Mapping the importance of corporate imperatives over the next 12 months was fairly straightforward for this group of executives:

About Jabian

Jabian Consulting is a strategic management and technology consulting firm with an integrated approach to creating and implementing strategies, enhancing business processes, developing human capital, and better aligning technology—ultimately helping clients become more competitive and profitable. Jabian blends functional expertise, industry knowledge, and senior experience to think strategically and act practically. It's a Strategy that Works®

For more information, visit www.jabian.com.