The Morning After Checklist

I have often compared a merger to an iceberg. You only see about 20 percent of the iceberg above the water. The rest, which is the most dangerous, is hidden from view. The same can be said of mergers (or acquisitions).

You just signed the merger agreement and everyone goes out to celebrate. The work is over and now you think you can relax. The financial deal has been cut. What else is there to worry about?

Think again! You now have to move your eye from the financial to the human side of the merger. Your work in this area has just begun and may last for 12 months or more. In order to make sure your merger has a better than average chance of succeeding, here are some key items to be thinking and concerned about.

1. Has an integration team with senior leaders and staff from each firm been created?
2. Have senior leaders determined how the new firm will operate?
3. How will you capture feedback on what is working and what's not working?
4. Have you thought about how your new and existing employees will behave?
5. Which groups in the new firm will feel ignored or even threatened by the merger? How will you proactively address their concerns?
6. When employees have questions about the merger, the new organization, etc., whom can they go to for answers?
7. How will you make sure that consistent information is distributed about the merger? Having an official communication vehicle can stop many of the water cooler rumors.
8. How will you deal with those employees (new and existing) who are negative about the merger? You will need to clearly set and define the limits. Act quickly so the negativism does not spread.
9. What will you do to ensure that the two firms (i.e., the people from each firm) form a new firm? Both firms will lose some things in the merger. Mergers are about creating a new entity.
10. Every merger disrupts the status quo. How will you deal with this?
11. Productivity usually decreases after a merger. What will you do to make sure that it does not spiral out of control?

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12. New and/or existing partners may try to make power plays. How will you handle these events?
13. Have you made a list of who is important to keep and is not?
14. Key staff that you want to retain may decide to leave. How will you communicate your intentions to these important members? You don't want to lose key people because you haven't told them how critical they are to the future of the firm.
15. What new training will be required? You want to make sure that everyone is following the same procedures and policies.
16. Benchmark employee attitudes soon after the merger and then again at the end of 12 months. This will tell you what still needs to be worked on.
17. Have you clearly articulated the new firm's mission and communicated it to the firm?
18. What are the three key strategic opportunities that need to be addressed during the first 12 months? Develop specific objectives in order to implement these strategies.
19. What processes will you need to change in order to integrate the two practices? Take the best of the best from each firm.
20. What real-time information should we be getting and giving to our partners/staff?
21. What type of internal and external communication programs should we develop?
22. What will be your procedure for resolving internal conflicts?
23. How do the two client bases fit together? Do a quick analysis of the market niches you are now serving, your service offerings and talent base.
24. Are there new products/services that should develop right away to service your niches?

The so-called soft side of doing a merger is just as important, if not more important, than the financial side. Just like with an iceberg you don't know what lies beneath the surface. Just ask the Captain of the unsinkable Titanic. Don't let this same danger destroy your practice.

Contact August at aaquila@aquilaadvisors.com or 952-930-1295 if you need merger and acquisition assistance.

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