Mergers, Acquisitions, and Divestures

HR plays a key role in enabling successful mergers, acquisitions, and divestures. It’s critical to get the people side of a deal right, as this is often the cause of failure.

Despite strong financial planning and due diligence, a majority of merger, acquisition, and divesture transactions fail to meet the financial expectations of the buyer or shareholders. In practice, a large number of the most detrimental pitfalls for buyers turn out to be non-financial in nature and are often related to HR challenges, including:

- Retention of key employees
- Incompatible cultures
- Inability to implement change
- Failure to integrate the new workforce into the organization
- Clash of management styles
- Loss of productivity
- Poorly defined objectives
- Failure to exploit synergies between the buyer and acquired organization

**Buck can help**

We have the full range of consulting talent, technology tools, and transactional service resources to deliver comprehensive, strategic solutions to the complex challenges posed by mergers or the creation of new organizations through spin-offs, initial public offerings, or joint venture formations. Our timely insight and advice on HR position you to:

- Plan an effective strategy
- Negotiate an equitable deal
- Conduct thorough due diligence
- Establish or validate pricing of the transaction
- Manage transition activities
- Design and staff the new organization
- Retain key staff
- Establish a common identity and culture for the new entity

**Our approach**

We offer support and services for both pre- and post-deal phases. Before the merger, acquisition, or divesture takes place, we partner with you to complete due diligence and preparation activities. Following the transaction, our team of specialists assists in the transition and integration phases.

From pre-deal to post-deal, our model demands focus on three areas that are critical to the long-term success of a deal: organization and talent, rewards and benefits, and change and implementation. As part of organization and talent, we address organizational design, HR service delivery, and technology. Rewards and benefits cover compensation, benefits, and retirement. Change and implementation includes project management and change management.
By focusing on all three components, we ensure the people-related aspects to a successful deal are considered. We make certain that all the people-related activities are coordinated and are in line with your culture and workforce needs, retention requirements, and motivation challenges, and that changes are adopted quickly and effectively.

Figure 1. Pre- and post-deal support delivers value to organizations before and after a corporate transaction takes place.

Figure 2. Consistent focus on three areas ensures holistic strategy, coordinated messaging, and results-oriented tracking.

Contact us
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