Why Your Post Merger Integration Approach Should Link to Your Business Strategy

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No two businesses are the same, and no two M&A projects are the same. Which means every PMI is different and needs to be project managed so that it aligns with your overall business goals.

Your IT integration needs to be more wide-ranging than simply just merging two companies so that they're capable of working together.

To gain maximum value from your new acquisition, you need a plan that's linked to your business's strategy at every stage of the integration.

Let's look at some recent M&A statistics

According to the Office for National Statistics the value of successful mergers and acquisitions involving UK companies during the second quarter (Apr to Jun) of 2017 saw a notable increase when compared with Quarter 1 (Jan to Mar 2017).

This increase in activity was driven by acquisitions made abroad by UK companies; there were 24 such transactions in Quarter 2 2017 worth £18.3 billion. This was the largest value for outward M&A transactions recorded since Quarter 1 2011 (£19.8 billion), which actually reflected one high-value transaction.

These figures are based on mergers and acquisitions involving UK companies making transactions that result in a change of control of the target company and have a value of £1 million or more.

Don't focus on short-term results

When you look at the sums these companies are investing, you can see why their PMI strategy needs to link to their long-term business objectives. Simply put, your business strategy should inform your PMI plans, and as a result, your PMI will help you achieve your business strategy.

If you focus purely on short-term results such as an immediate financial return, you could find that your investment in the target company is not contributing as much to the long-term goals of your organisation as you'd hoped.

Whereas, if you use your PMI to review your current IT infrastructure and take the merger as an opportunity to revaluate your technology in line with your future plans, then you'll build a more solid foundation for business growth.

Don't lose sight of your objectives

When you're up to your neck in the usual complexities that need to be negotiated with any M&A project, it's easy to lose sight of your overall objectives. This is when it pays to take advice from PMI experts.

At Beyond Migration, we have vast experience of handing post-merger integrations, which has led us to develop tried and tested methods to ensure the success of large scale PMI projects.

For instance, we know that successful projects rely on a flexible IT architecture that looks beyond just the integration - it also needs to strengthen the value created by the acquisition.

That's why we help internal IT teams going through an M&A to develop standard processes, robust plans and tools so they can absorb an acquisition more effectively. We work with IT leaders and engineers to make decisions about integration, including which legacy systems should be left behind and which ones should be migrated to the acquiring company's infrastructure.

Once the PMI is complete, we undertake workshops and assessments to ensure the original guiding principles and goals have been achieved. By following this methodology, we enable companies to focus on their overall objectives and make significant strides forward in achieving them.

Want to know more about Beyond Migrations methods?

If you'd like to find out more about aligning your PMI approach with your business strategy, contact us for a friendly discussion regarding your individual company needs.

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