

M & A Integration Advisor

Strategy Partners

Cultural Assessment Interviews

Company culture is like the air we breathe: many companies and many executives are not actively aware of culture or its impact on their behavior until they are deprived of it or asked to change it. The primary value of a cultural audit is that it raises sensitivity to and awareness of issues that should be proactively managed during integration. The integration of cultures is the third highest rated importance to the success of the integration plan. Therefore, making an accurate assessment of the culture to be integrated is of paramount importance. This can best be done with structured interviews of key employees. The dimensions of culture to be analyzed via an audit will be different for each company and situation, but these ten categories are common:

“The primary value of a cultural audit is that it raises sensitivity to and awareness of issues that should be proactively managed during integration.”

1. Business Strategy

What are the key elements of the business plan? What is the company’s distinct competitive advantage? What are the key business drivers behind the strategy?

2. Performance Measures

What is measured and why? How are these measures linked to rewards and incentives? To what degree is the company focused on meeting customers needs?

3. Organizational Structure

How is the company organized (functionally, geographically, divisionally)? What does the org chart look like? How so staff and line units relate to one another? What level of customer-focus exists within the staff functions?

4. Planning and Decisions

How are strategic planning and budgeting implemented and what level of in-

A Successful Integration Plan Requires (in ranked order):

- Retention of Key Talent
- Honest Communication
- Integration of Cultures
- Management of Resistance

Upcoming In Future Issues:

- Integration begins with Due Diligence
- Honest Communication
- Retaining Key People
- Structure and Staffing Decisions
- Integration Monitoring Systems

About Strategy Partners

Strategy Partners is a merger and acquisition consulting firm specializing in integration planning and implementation. Successful integration planning needs to begin as early as the due diligence phase. Working with your management team, we develop detailed implementation action plans. Our involvement during the implementation phase depends on the client’s needs. We

can conduct follow-up meetings (usually monthly) with the implementation team to check progress and make mid-course corrections. We can also serve as the “integration manager” executing a majority of the implementation action items. For more information, please contact us at 612-860-6984 or don@strategypartners.biz.





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**Merger & Acquisition Integration
Planning and Implementation**



Cultural Assessment Interviews (continued)

involvement do employees have? What level of authority do managers have? What type of decision making do employees perceive the company as having (i.e., consensus, collaborative, delegative, highly controlled, hierarchical)? What degree of flexibility exists in implementing day-to-day policies?

5. Empowerment

Are employees on teams? How are teams used? What level of input, influence, autonomy or control do individuals have with respect to their work? Are employees involved in the business planning process?

6. Physical Appearances

What do the offices and factory look like? Is there a dress code? Are offices open or private?

7. Company History & Paradigms

In the company's history, what major events led to its formation? What do employees have to say about the company? What social or special activities do employees want to see continued?

8. Communication

Is information (esp. financial) shared throughout the company? What is routinely communicated? To what extent

do employees and managers have access to important information? Is communication between individuals and departments formal or informal (in writing or in person)? What types of regularly scheduled meetings exist in the company to transfer information? Is there an open door policy?

9. Leadership Style

Are managers primarily serving as coaches and facilitators or mostly focused on getting out the work? What type of boss-subordinate relationships exist?

10. HR Issues

Where is the HR department positioned in the company, as a strategic business partner or an administrative unit? Can HR have a significant impact on the company? How are reward programs designed to motivate and are they aligned with the business objectives? What do employees think about the benefits? What do the employees say about the HR department's helpfulness?

A thorough audit of these issues can help an acquirer avoid senseless mistakes and can stimulate much faster resolution of key disagreements. Early identification of cultural issues and the creation of solution sets in the integration plan is the goal of this suggested cultural interview audit.
