



Building Strong Businesses

Your Business Merger: What Will It Mean to Your Legacy?

As a business leader, you want to build a lasting legacy for your family, your employees and your fellow shareholders. A business merger is just a means to that end.

What if your legacy gets tarnished or falls apart because of people's missteps, which happens. Numerous studies have shown that the failure rates of business mergers range from 50 to more than 90 percent in terms of meeting the strategic objectives of a business mergers. Too often, business mergers result in

- lower productivity
- poor employee retention
- reduced shareholder value.

Stories of failed mergers are epic. What does failure do to your legacy? How do your family and values get destroyed?

So, it is no surprise that 75 percent of business executives regard “the integration of people and cultures” as the key component in creating deal value. Business analysts have consistently rated it as one of the key variables in determining the success or failure of a business merger.* I'm sure you know that people are the source of intellectual capital and the greatest asset a company has in the information age. You can either ignite and focus people on their energies for forward change, or dampen and diffuse enthusiasm by the corporate culture that you create.

IMPACT ON PEOPLE

Business mergers put significant stress on the merging employees. These employees are not just employees, these are your friends, and family members. The relationships are priceless. Those stresses will magnify character or behavioral flaws and deplete productivity, unless you proactively assess the people and cultures and execute a plan that combines the cultures and get the employees functioning to their fullest potential as an integrated unit. Even so, most executives still do not invest in due diligence plans for determining whether people and cultural values will mesh in a merger. You know instinctively you need an integration plan that maximizes the success of a merger by reducing or eliminating destructive post-merger tensions and conflicts. In fact, more than 90 percent of large mergers (valued at more than \$500 million) have resulted in some form of litigation by buyers or sellers in recent years.

But there is a way to avoid or mitigate the time and money wasted on bitter disputes arising from the clashes and disintegration often associated with business mergers. There is a way to get people functioning optimally as a unit so that they don't unravel in the merger cyclone, resulting in a more positive and lasting business legacy.

SOLUTION IS AVAILABLE

The solution is to perform the due diligence necessary to cover the most important and often neglected aspect of a business merger – the assimilation of people, values and cultures. We've developed methods – based on years of work with successfully growing businesses – to help owners proactively identify likely conflicts in business mergers, and coach owners and managers how to eliminate or reduce those frictions, unlocking the potential of your people. We support use owners assess up front whether business combinations are likely to work. We give practical people tools necessary to make merger work optimally.

- ❖ Citations to authoritative sources for quotes and data supplied herein are available separately for interested readers. A white paper is also planned for release on the subject of meshing cultures, values and people in mergers and acquisitions.

“By failing to prepare, you are preparing to fail.”- Ben Franklin

DO NOT FAIL TO PREPARE!

WHAT WE OFFER

- Pre-closing due diligence regarding the people and culture of the acquired entity
- Post-closing strategies for successful integration of people, values and cultures
- Step-by-step, real time assistance in the execution of post-closing strategies

OBJECTIVES

- Higher merger success ratio
- Help leaders get the most productivity out of their people and themselves
- Improve communications and operational efficiency within and among groups
- Improve performance, productivity, revenue, margins, employee retention and integration
- Unlock the individual and collaborative potential of key performers, enabling them to do their best during periods of intense disruption and change
- Minimize inevitable post-merger tensions and conflicts
- Help people fine-tune their personal and organizational goals
- Improve mental, emotional and physical health of employees

HOW WE DO IT

- GAPM Generally Accepted People Metrics™, an on-line survey tool for assessment of employee attitudes and behaviors
- 3-Circle model to identify strengths and weaknesses
- Identifying which processes best fit with a given culture
- Analysis and recommendations simultaneously for faster results
- Fitting cultures together and training people to work cross-culturally
- Developing tracking tools to measure progress against goals
- Developing family and stakeholder assemblies, advisory boards or other tools, as needed

WHY WE DO IT

- To make full use of our unusual dual-capability of assessing problems using professionally recognized diagnostic tools (such as Generally Accepted People Metrics™) and implementing practical solutions based on business experience
- For the great satisfaction we get from seeing our clients' exhilaration upon achieving their dreams
- To help preserve lasting legacies of commerce, wealth and meaningful relationships
- We really want to help people reach their career potentials, with joy and enthusiasm, and lasting meaningful legacy

ABOUT DAVID PARADISE

David M. Paradise, Ph.D., has more than 30 years of experience as a management consultant, counselor and trainer serving individuals, families and businesses. He is also the founder of the Family Business Resource Center, which has served more than 100 closely-held family businesses.

He helps clients to make forward progress through the application of behavioral science skills acquired in extensive clinical training at prestigious schools. David's clients also benefit from his post-doctoral experiences at Harvard Business School and Harvard Medical School, where he participated in specialized training in organizational diagnosis, corrective program evaluations, and strategic intervention.

David is uniquely qualified to help clients with a multi-disciplinary approach that utilizes cognitive, interpersonal, intra-psyche and other behavioral sciences. He focuses quickly on problem diagnosis and repair as a trusted outside adviser with a highly-trained eye and objective viewpoint.

CLIENTS and INDUSTRIES SERVED

- Successfully served hundreds of companies, including family businesses and leading local hospitals, having revenues of \$30 million to \$300 million per year
- Successfully served more than 100 CEOs as an adviser, coach or consultant
- Sought out by other successful professional consultants who want to raise their game
- Successfully served business clients in more than 40 different industries, including : Accounting; Advertising; Automotive; Construction; Education; Engineering; Financial Services; Food and

- Beverage Service; Health Care; Insurance; Legal Service; Manufacturing; Printing; Real Estate
- Sales and Development; Retailing; Staffing; and Transportation affiliations.

AWARDS, CERTIFICATIONS and PUBLICATIONS

- 2012 certification in the use of Generally Accepted People Metrics™ and member of the Founders Council for the field of Accountable Culture Management
- 2009 Family Firm Institute (FFI) Conference: recognition for successful mentoring of those in other professional disciplines
- 2007 FFI Family Business Award (MA chapter)
- 2007 FFI Certification as a Family Business Adviser with Fellow Status
- Board certified diplomat in clinical social work
- Author of 14 articles in academic and business publications on human behavior and business
- Quoted: Wall Street Journal, Providence Business News, Entrepreneur magazine and elsewhere

RECENT CASE STUDIES

- Helped client grow a family of enterprises from \$30 million in sales to \$300 million
- Served high-tech product maker that won a Small Business Administration award for its sustainable growth from 7 to 36 employees in one year (plans for another 100 with new funding)