

Mergers & Acquisitions Case Study

Risks from Client Strategies:

- **Contagious financial losses**
- **High employee turn-over**
- **Increased cost of finalization**

Benefits of Proposed Solution:

- ❖ *Structured action plans*
- ❖ *Clear strategies for acquisition*
- ❖ *Risk & Impact planning*
- ❖ *Decreased organizational risk*
- ❖ *Decreased overall acquisition cost*

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Business Problem

- A VOIP Company recently acquired a Telecom Equipment Company which offered a complimentary product to VOIP's existing product line-up
- ABC Company acquired Telecom because it was a good price, but went in with no plan or detailed understanding of Telecom's business operations
- Telecom Company had been started with \$15 million in investment capital and sold for \$50 K

Known Project Issues:

- No business planning going into acquisition
- Business critical decisions not made
- Lack of vision going into acquisition
- No Change Management strategies before acquisition
- No communication to employees to inform of impending changes
- No organizational planning done prior to acquisition

Client Strategies

- VOIP Company was content to leave Telecom Company to operate without leadership or planning
- Rejected support and expertise of outside firms with experience

Probable Results

- Loss of resources due to lack of information
- Productivity decline due to loss of confidence in management
- Lack of focused organizational efforts to improve Telecom Company
- Continued & contagious financial losses

Proposed E2 Solution

- E2 resources proposed to facilitate working sessions with key management to solidify business vision for each company and the newly amalgamated entity
- Proposed identifying business integration point through decision to run Telecom as either a division or subsidiary
- Proposed establishment of a communication and change management strategy for both companies
- Proposed infrastructural and organizational planning to support amalgamated entity
- Proposed business planning to focus efforts and ensure success
- Identify & initiate technology integration project(s)
- Identify & initiate process re-engineering and integration project(s)