Amalgamated Growth: Post Merger Integration and Value Creation with Data, Technology, and Clients

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Discussion Areas

Building upon takeaways from the previous discussion, this session addresses three core areas for PMI success: data, technology, and clients.

With hybrid work arrangements now par for the course, establishing an efficient and versatile tech strategy is crucial for optimizing business operations and customer experience.

- When and how should an organization recognize the need for greater resources or investment during the integration process?

- What strategies can PMI leaders deploy around software and hardware consolidation, network systems and applications, or proprietary data sets?

- And what are best practices for communicating with or engaging customers about the new organization?

Key Areas to Monitor for Additional PMI Resource Investment Needs

- <u>Hypercare</u> period needs to be planned and staffed

- <u>Recruiting</u> - Key resources are missing in the organization – 6 months, 12 months, 24 months

- <u>Change management</u> will need continued investment

- <u>Resourcing</u> for additional transitional/bubble resources for some period

- <u>Sales & Marketing</u> - Customers will take advantage – sales will over commit

- <u>Bonuses / retention</u> - Customer facing teams will be challenged

Discussion Topics for the IT role in PMI

- Importance of technology in communication tools / change management

- The role of Enterprise Architecture in the PMI process

- Example of data issues that can occur from merger of two companies

- Current challenges in IT's role in the PMI

Develop a Transition Microsite Post Announcement to Effectively Communicate Internally and Externally

No emails – one stop shop

Customers / Sales

- Timeline for key activities
- Communication materials
- Product changes
- Customer letters
- Banking change information
- Invoicing changes
- Product returns
- FAQs

Employee - WIFM

- Who is transitioning? Timeline
- Change management support
- Real estate / office changes
- Key points of contact
- Organization structure
- Benefits of new company
- FAQs – pay levels, bonuses, 401K, policies, etc

Importance of Enterprise Architecture in PMI

- Provides a single source of truth for PMI team and clarity to key stakeholders

- Drives the overall documentation of new business processes, key risks and challenges

- Reduces risk to the IT and business teams by creating transparency to the overall IT landscape

- Well developed EA plan will be a catalyst to accelerate value from the acquisition

- Provides a roadmap to both the IT and business function for future planning

Data confidentiality when the acquired company is competitive with current customer base

- Develop communication strategy during pre-close on how confidentiality will be managed

- Give sales team talking points how to handle customer concerns

- Avoid over committing to customers under pressure

- Build potential revenue loss into deal model / customer retention

Current Post Merger Integration IT Challenges

- Plan in advance for hardware needs – lead times have been longer than expected

- Standardize quickly on remote access - everyone's work-from-home technology is not the same

- Be thorough on due diligence - Security needs have increased and will continue

- Understand and protect the value of the data of the acquired company

- Pay attention to overloading the team during the PMI process – resources are hard to find

Go To Market (GTM) Strategy Development

Business Strategy

Market / revenue opportunity

High level strategy, roadmap direction

Transformational requirements: new capabilities, organization and talent

Monetization model

Roadmap strategies for acquired offers:
- Lift and shift
- Augment offer
- Replace offer
- New platform

Offer Strategy

Offer components (HW, SW, Consulting/Service)

Customer value proposition

Monetization model

Positioning within portfolio

Roadmap/phasing, End of life

Offer Details:
- Offer structure
- Offer configuration
- Pricing
- User entitlement
- Offer naming
- Consumption

GTM Strategy

Customer value proposition

RTM Plan

Compensation Strategy (high level)

Sales targets from deal

Target market (geo, segment, customer, partner)

GTM Details:
- Customer/partner experience
- Customer value prop/ positioning
- Demand Gen
- Use entitlement
- Selling motion
- Route to Market

GTM Framework

	Typical Deliverables
Product Engineering	• Code Remediation, rewrites • Major Features • Product Integration strategy (release schedule, platform alignment, API, Docs) • Localization / Geo requirements • Licensing
Offerings	• Brand & Design Roadmap (SKU Plan) - Sell standalone existing brand, standalone acquirer brand, embedded in existing product • Update & align target pricing, contracts, and support & maintenance plans • Release schedule and promotions • Legacy customers – Promotion and step-up to final SKU path
Customers and Partners	• Announce messaging and communications roadmap • Brand strategy • Digital Marketing, Advertising, Web presence & Collateral • Integration across current marketing channels and programs • Design future Partner strategy (press, incentives, programs, training, onboarding) • Plan for Legacy Customer Migration & Renewal – Pricing/Contracts/Timing • Partner & Key Accounts Readiness and training • Establish consulting and agency alliances for offering(s)
Sales Enablement & Readiness	• Design & execute coordinated sales motion with both sales teams • Update sales Collateral - Develop training and docs including the value proposition • Define and align incentive comp (for salesforce) to motivate sellers; include scorecard metrics and upsell/cross-sell incentives • Integrate into Sales events – for readiness and launches • Services/Consulting Roadmap: Implementation, Deployment, etc. • Develop international markets expansion strategy and plan • Integrate into sales onboarding, field training, and certifications
Support and Operations	• Define resourcing plan to ensure legacy customer support/maintenance obligations are met • Ramp support for new offerings and train staff for levels 1-3 support • Plan the lead-to-renewal process from close to fully integrated • Migrate and integrate order to cash process and align to standard tools and processes • Pipeline / Opportunity Mgmt Approach – Manual vs automated

GTM Best Practices

Process Complexity: GTM is complex and requires collaboration across organizational silos, making it challenging to stay efficient and agile

Functional Alignment: Staff typically have domain expertise, and have difficulty with thinking out of the box

Governance: Define a strong governance structure to facilitate shared accountability, including deliverable ownership, across IMO, function and business leaders

People: Establish a stakeholder RACI matrix early to strike a balance between ownership vs. information sharing

Outcome Focus: Work with deliverable owners so that they drive to the larger outcome vs. mere functional tasks

Success Metrics: Establish goals and reporting norms for deal value drivers

Successful Sales and Marketing in PMI

- Minimize disruption to sales teams and customers
- Analyze growth opportunities through data analysis
- Define go to market strategy
- Develop customer experience
- Prepare customers and channel partners for change
- Generate quick wins with cross-sell strategies
- Build brand and digital presence
- Bring together value offering and sales teams
- Track long-term revenue savings in addition to cost savings

Establishing a Customer Experience Strategy

- Evaluate the current customer experience and assess the voice of the customer
- Develop customer experience personas to build a customer-centric organization
- Identify and prioritize customer experience improvement opportunities
- Execute and measure the improvements

Preparing Customers for the Transition

- Engage customer early and often

- Determine the combined customer base needs

- Create playbooks

- Establish a central point for customer issue resolution

- Prepare and support customers and partners for changes (I.e., ordering, payments, etc.)

Combining Brands and Leveraging Digital Capabilities

- Don't rush when making brand decisions

- Be cautious about overly, long branding processes

- Assess which brand is more valuable

- Utilize technology and data: websites, mobile apps, and social media channels to represent the company's brand

- Formulate a digital roadmap

Bringing Together Sales and Marketing

- Consolidate of sales force (right mix of indirect sales and direct sales)
- Develop communications, training materials, and enablement activities (I.e., quoting, ordering, and invoicing
- Establish cross-selling strategies
- Create customer and channel partner messaging
- Measure and monitor success from customer satisfaction to sales synergies
- Manage stakeholders through change