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M&A: Integration best practices

While all M&A events are unique, the primary goal is always the same: efficiently integrate operations, people and cultures to realize the anticipated benefits as quickly as possible. Because speed is such a critical factor to success, CRE teams have to mitigate risks by adopting the latest M&A best practices.

Regardless of whether M&A activity is a rare or frequent occurrence for your organization, the five integration best practices identified below will ensure an efficient and successful integration.

1 Establish a Program Management function
The CRE organization's primary responsibilities for M&A are clear: drive portfolio strategy, integrate people and processes and brand new buildings. Given the close attention paid by enterprise leadership, the collection of projects associated with these responsibilities is best managed as a single, complex program via a formal Program Management function.

A Program Management function provides senior management with a single-point-of-contact to monitor the integration of real estate and facilities. This approach helps to organize and resource the work streams needed for all CRE M&A activities, ensuring efficiency, timely dissemination of information and status reporting (see Figure 1).

Figure 1: Work streams managed by the Program Management function

	Work stream	Objective
Program Management	Portfolio Optimization	Set portfolio strategy and then execute on consolidations and dispositions
	Facilities Integration	Integrate "keep sites" facilities and improve work space productivity
	Signage & Re-branding	Deploy target brand signage across all impacted sites
	Operating Model	Integrate CRE acquired employees and vendors
	Data & Systems	Integrate the CRE systems, ensuring data alignment / accuracy

Each work stream should be managed by a team lead as each team will have its own objective, tasks and challenges. The work stream leads should report to the Program Management leader who coordinates and communicates with other functions, such as IT and Finance.

2 Recruit the right players
Even the smallest mergers or acquisitions have numerous moving parts that require dedication and persistence to be executed efficiently. Be prepared to assemble a team regardless of the project size.

Companies that execute integrations well ensure the CRE team has the right people with the time, skill level and focus for M&A projects. Prior M&A integration experience is particularly valuable.

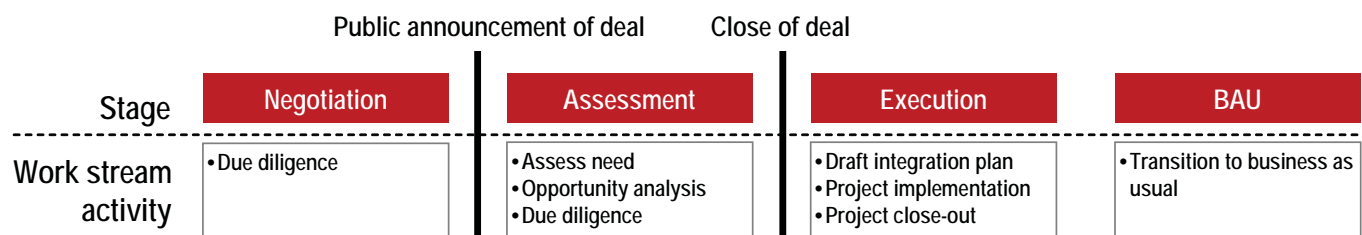
If the right team cannot be coordinated, reach out to your outsourcing partner(s) with prior M&A experience. With the quick pace of M&A integration and the pressure from senior leadership for a smooth transition, leverage your relationships with these partners.

3 Use a phased approach
Typically, M&A progress comprises four stages:

1. Negotiation
2. Assessment
3. Execution
4. Transition to Business as Usual

Organizing your work stream activities around these stages will help identify key milestones and manage the multitude of tasks underway. Recommended CRE activities for each stage are outlined in Figure 2. Customize these activities to suit your company's needs.

Figure 2: A phased approach



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Develop a communications plan

A communications plan is vital to integration success. The CRE communication strategy should be developed and monitored by the Program Management function and align with the enterprise communication schedule, and monitor communications coming from or going to other groups such as HR or Finance.

The components of a strong communication program include:

- Frequent touch points between Program Management and the enterprise M&A team
- Regular meetings between Program Management and the work stream leads
- A consistent and frequent relay of information down from the work stream leads to team members
- Clear indication of what information is sensitive or restricted, and whom to ask if there is a question
- Easily accessible location for the sharing of documents, lists, agendas, plans, etc. for the entire CRE M&A team
- Protocols for communicating broad messages to the employee base
- A line of communication for external partners and vendors

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Create a playbook

Even for the seasoned integration team, a playbook helps position team members for success by creating structured, streamlined and efficient projects.

Creating an accessible, revisable playbook will institutionalize knowledge versus housing in one person, group or desktop. The playbook is a template for organizing individual projects and becomes the central repository for standardized tools, best practices, lessons learned and “how to” information. The playbook should follow the phased approach outlined in best practice number three.

The benefits of a M&A playbook include:

- Improved response time and preparedness
- Faster on-boarding of new team members to the unique aspects of M&A
- Clearer understanding of typical business drivers and processes that CRE will need to align with
- Increased work efficiencies and anticipation of necessary internal coordination
- Development of a common organizational framework
- Transferred learnings, tools and templates from one M&A project to the next
- Singular reference point for M&A content even when enterprise M&A activity goes dark

For more information on how to streamline M&A activities and increase CRE value, please contact: **Sally Fisher**, at +1 310 722 7739, sally.fisher@am.jll.com or **Richard McBlaine**, at +1 312 228 2793, richard.mcblaine@am.jll.com.

To read more on M&A, please visit [M&A: CEO Expectations for CRE](#) and [M&A: The keys to pre-close due diligence](#).