

Considerations for the Board's Role in Post Merger Integration

How much should a Board be involved in post-merger integration? While the answer will depend on specific deal factors, below are a few considerations for Boards in this position.



Identify & Prioritize Integration Risks

When the Board can identify risks to integration success, they can put measures in place to help mitigate or manage these risks. Some questions the Board can ask include:

- ▶ Is there an integration strategy?
- ▶ Who's in charge? Is the right governance structure in place?
- ▶ What is our role in holding management accountable?
- ▶ Is there an integration plan that management can be held accountable to?
- ▶ How will synergies be achieved?
- ▶ How will roadblocks be dealt with?
- ▶ How will management facilitate cultural integration?



Balance the Needs of the Stakeholders

The Board should be attuned to the needs of their various stakeholder communities during a merger integration and manage each of these audiences individually.

- ▶ What is our messaging to the investor community about this integration?
- ▶ When can investors expect to see a return on the investment?
- ▶ How can we support our current and new employees during this transition? What do they need to make this integration successful?
- ▶ How are we communicating to our customers? Is there potential for customers to leave? How are we managing this risk?



Measure Integration Success

While the Board will not be involved in the day-to-day integration execution, they should establish clear integration success criteria at the outset and require regular progress updates.

- ▶ How do we know when integration has been completed?
- ▶ How will management track and report synergy achievement?
- ▶ What areas of the business are critical to integrate and what is the plan to do so?
- ▶ How are we tracking and managing integration costs?
- ▶ What is the cultural integration roadmap?
- ▶ How often will progress updates be provided?