



TRANSACT

A CULTURE-FIRST APPROACH TO FINANCIAL TRANSACTIONS AND INTEGRATION

With financial transactions, approval doesn't necessarily mean success. While most transactions close, **four out of five mergers and acquisitions fail to deliver promised shareholder value.**¹

The data around why so many are unsuccessful is clear – failure to **culturally integrate the organizations** is the leading cause of death for financial transaction shareholder value. Yet too few organizations consider cultural compatibility when evaluating M&A targets. And too often success is declared before the most challenging part of the process: integration.

While most financial communication advisors focus exclusively on the groups that most affect deal approval – investors and regulators – Daggerwing Group and Ketchum Financial Communications also focus on the groups that make or break shareholder value – employees and customers.

92%

of the business executives surveyed said their past mergers would have "substantially benefited from greater cultural understanding prior to the merger."²

83%

of all mergers and acquisitions failed to produce any benefit for the shareholders.¹

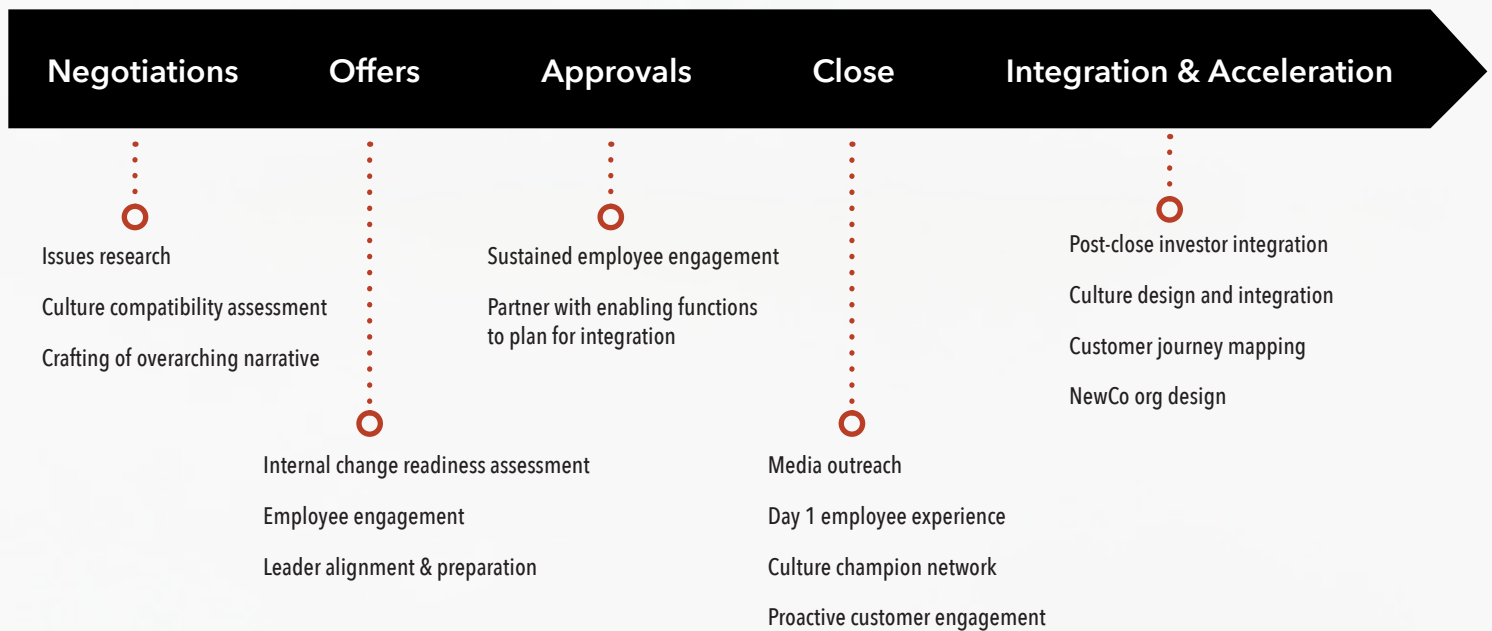
70%

conceded that "too little" effort focuses on culture during integration.²

¹ KPMG (1999) Six Key Factors for Successful Mergers and Acquisitions

² McKinsey & Co (2010) Perspectives on Merger Integration

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Successful culture integration is the essential element of transactions that deliver promised shareholder value. Strategy defines where you are going; culture gets you there.

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