



TRANS**ACT**

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

WE SUPPORT YOU EVERY STEP OF THE WAY

Negotiations	Offers	Approvals	Close	Integration & Acceleration
•	•	•	•	•
: O		÷		ò
Issues research	•	Sustained employee engagement		Post-close investor integration
Culture compatibility assessm	nent	Partner with enabling functions		Culture design and integration
Crafting of overarching narrativ	ive	to plan for integration		Customer journey mapping
ċ			ò	NewCo org design
Internal change readiness assessment			Media outreach	
Employee engagement Leader alignment & preparation			Day 1 employee expe	rience
			Culture champion network	
			Proactive customer en	ngagement

ONGOING SUPPORT INCLUDES

 Media Relations & Issues Management
 PMO Support
 Employee Engagement
 Change Management Communications
 Investor Relations
 Measurement & Tacking

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

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

Michelle Mahony Daggerwing Group mmahony@daggerwinggroup.com

Marc Drechsler Ketchum Financial Communications marc.drechsler@ketchum.com