## MERGER INTEGRATION BLUEPRINT

#### **MERGER ANNOUNCED**

CIO & TRANSITION TEAM RESPONSIBILITIES:\* Set objectives for merger of IT organizations

Select new CIO and appoint key IT lieutenants Keep most of the IT organization focused on running the business

Create project teams to enable the business to meet its merger goals

Appoint integration team leader

Name integration team and decide key roles

Who's going to be the CIO? Will our project survive? Are they on the same platform? Who will be laid off?

CONFUSION ! CONFUSION

#### PLANNING DISCUSSIONS FOR IT MERGER

Establish interim organization structure

Define IT merger's expectations and objectives

Assign IT merger project teams

#### **MONTH 1: MERGER SIGNED**

CIO & TRANSITION TEAM RESPONSIBILITIES: Draft overall IT merger plan and get steering committee's feedback

Help integration team leader assess priorities Build processes to tap input from business side

Assess organization structure of existing IT

departments Conduct systems inventory to build "fact base"

(resources, budgets, projects, systems) Identify quick wins, such as standardizing purchasing and consolidating data centers

## MONTH 2

CIO & TRANSITION TEAM RESPONSIBILITIES: Ensure all IT leader appointees are endorsed early by business executives

Gauge morale of overall IT staff

Ensure communication flows smoothly within integration team and between integration team and business units

Draft project plans based on business needs Build data "bridges" between base businesses

#### MONTH 3

CIO & TRANSITION TEAM RESPONSIBILITIES: Communicate often to remove uncertainty, boost morale, head off staff defections

Screen merger integration projects for fit with business goals

Staff up for implementation of quick wins Start planning new systems architecture

#### MONTH 4

CIO & TRANSITION TEAM RESPONSIBILITIES:

Midpoint review: assess progress, gauge satisfaction of business users

Ensure IT leaders have solid data to deflect any "maverick" initiatives by the business side that may upset integration

Ensure fast pacing of projects

## MONTH 5

CIO & TRANSITION TEAM RESPONSIBILITIES: Finalize staffing plans, matching resources to skill-set needs

Review processes that tap feedback from the business side

Ensure the integration team moves smoothly into full implementation phase

Build plans to manage implementation projects

Build in quality control steps

## MONTH 6

CIO & TRANSITION TEAM RESPONSIBILITIES: When important new business need pops up, assess impact on overall IT integration plan; reset priorities and reassign resources

Ensure project teams are on track with implementation

## MONTH 7

CIO & TRANSITION TEAM RESPONSIBILITIES: Hold project leaders accountable for not letting plan slip

Communicate early with business executives to lock in support for sticking with big goals Prepare audit of integration effectiveness

Communicate track record of achievements to business users

## MONTH 8

CIO & TRANSITION TEAM RESPONSIBILITIES: Prepare comprehensive milestone review for steering committee

Prepare to celebrate key project milestones

## **MONTHS 9-12+**

### \*DEFINITIONS OF THE TEAMS Steering Committee Typically led by COO and com-

prising corporate executives such as the VP of marketing. Responsible for success of all aspects of business merger. **Transition Team** Headed by CIO and several senior

IT managers. Puts the interim IT organization structure in place in merged company. **Integration Team** Can be led by CIO, more often by senior IT manager (e.g., head of enterprise applications or network operations chief). Drives and coor-

dinates all IT integration projects. Project Teams Headed by IT staff with project-man-

agement skills. Each drives an integration project.

# CREDITS

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## IT MERGER PROCESS GETS UNDER WAY

**MERGE** IT ORGANIZATIONS, **OPERATIONS AND PLATFORMS** 

**SUPPORT RUNNING OF BASE BUSINESS DURING TRANSITION** 

Develop IT "fact base"—staff, projects, budgets, systems and processes

Define new IT organization structure and governance processes Provide managers with information needed to run business

Continue running existing systems in parallel

Identify "quick wins" IT COST REDUCTIONS **REDUNDANT PROJECTS** 

Define IT merger integration projects **EXPECTED BENEFITS IMPLEMENTATION PLAN** KEY ROLES ON EACH PROJECT **ENABLE BUSINESS** TO MEET **MERGER GOALS** 

People won't follow

anointed leader

Identify what business sides need from IT

between transaction systems of two base businesses

Create

temporary

"bridges"

Plan migration to new organization structure

Implement "quick wins"

Refine business cases and prioritize key initiatives

Define future IT architecture **Create integration plan** 

**Key IT** managers leave

Define specific IT requirements for addressing business initiatives

Develop interim data mart for reporting and decision-making

Develop implementation plan supporting integration initiatives:

\_\_\_\_ **Business whims** subvert IT governance

Implement IT integration activities

**Establish IT** integration program office Incorporate new IT needs as the businesses combine

## 

Major new business need comes up

## Big goals are compromised as implementation becomes harder

ORIGINAL IT UNITS AS ONE

**BUSINESS NOW VIEWS** 

#### INTEGRATION COMPLETED (SOME PROJECTS MAY TAKE LONGER)

KEY TO MERGER STEPS

#### **Enable Business to Meet Merger Goals**

**BENEFITS IF DONE:** 

More likely to achieve merger business synergies Smoother integration process

#### Improved customer/supplier interaction and satisfaction

**RISKS IF NOT DONE:** Last-minute awareness of need

for new systems Missed "greenfield" technologybased business opportunities

### Support Running of Base **Business During Transition**

**BENEFITS IF DONE:** 

Accurate business information Cross-enterprise data to support integration analysis

Clear processes/systems to support short-term operations

#### No consistent information about the state of the business

**RISKS IF NOT DONE:** 

Time consuming/costly rework to keep operations running

Merge IT Organizations,

**BENEFITS IF DONE:** 

Fewer wasted investments

Smoother integration process

RISKS IF NOT DONE:

Lower service to the business

completed—patchwork of systems

IT integration never gets

Excessive IT spending

Cost synergies achieved

**Operations and Platforms**