

To enhance financial results and minimize risk, companies should examine human resource issues prior to an acquisition.



client case study

Acquisition Analysis and Communications

Background Fenner Dunlop Americas, one of the world's largest manufacturers of conveyor belting, was interested in acquiring a company that provided maintenance and repair services to its belts. The acquisition would add another 400 employees to Fenner Dunlop's population of approximately 600 workers. The business plan for this acquisition called for a sales approach where both organizations would visit potential customers together to present a new total system solution. From a people perspective, this meant that the two organizations needed to seamlessly integrate. Furthermore, Fenner Dunlop wanted to use this opportunity to implement some of the best practices of each company to create a top-notch organization.

Challenge The human resources side of mergers and acquisitions can be crucial to the success of the integrated company. By considering HR issues, the organization expected to:

- Increase probability of retaining key people and competencies;
- Ensure benefit and retirement costs and savings were fully captured;
- Smoothly transition key HR processes, such as payroll and training; and
- Understand any cultural advantages and barriers from the acquisition.

Findley Davies' Solution The client asked Findley Davies to evaluate the major HR functions of each company and provide recommendations on changes to support the integration. Our team evaluated health and group benefit plans and costs, pay and incentive plans, retirement plans, along with policies and culture issues to determine best practices for the combined organization.

To learn more about both companies, Findley Davies reviewed benefit plan documents and records. We also interviewed key management to clarify policy issues and practices and to evaluate cultural differences and communication issues. We presented our findings to the management team at Fenner Dunlop, including the new Vice-President of the acquired service company.

Clearly, communications would be important to the success of the transition. Findley Davies developed a communication strategy that included employee meetings, printed communications, and a website designed to provide up-to-date information as new decisions were made. Our consultants developed the site to include polling questions and a special section that allowed newly-acquired employees to post questions directly to their new Vice-President and to the HR team.

Results The acquisition was completed within two months after we presented our findings. The company implemented some recommendations that required immediate action. For example, Findley Davies supported Fenner Dunlop through the merging of retirement plans, including communications. Other recommendations from our report will be integrated into their long-term strategic plans.

The transition communications – particularly the website – were successful. There were nearly 600 website hits and employees posted over 25 questions during the weeks after the acquisition. The client passed along this compliment about the transition communications from their Executive Director in Australia, "This is just first class. I applaud all who worked to put this together. Wow, this makes me proud of you guys!!!"

About Findley Davies
Since 1969, Findley Davies has been working with companies who are interested in maximizing their HR effectiveness. The Firm specializes in helping clients attract and retain the best talent, enhance their financial performance, and structure solutions that drive and manage organizational change. Findley Davies prides itself in providing clients with tools and solutions to manage the challenges and changes clients face everyday; while helping clients maintain a competitive advantage in the marketplace. For more information, please visit our website at www.findleydavies.com or contact us at:

Charlotte
704.372.9331
Cleveland
216.875.1900
Columbus
614.458.1869
Greensboro
336.271.2009
Toledo
419.255.1360

