



MANAGING A SUCCESSFUL MERGER

Situation

A regional satellite TV provider bought a telecommunications distributor to diversify product offerings. Leadership was divided between full merger or maintaining independent entities. illumyx™ was engaged to bring clarity to joint growth and profitability opportunities as well as proactively address employee morale and retention through the transition.

Task

Measure both organization cultures across business units using the illumyx Behavioral Inventory™. Evaluate commonalities and strengths of each culture and assess benefits and risk of integration. Partnered with external consultants in developing integration strategy based on Inventory results. Report results and prioritize key actions for the client to take to improve communication of shared values and employee retention.

Action

Deployed the illumyx Behavioral Inventory™ across both organizations. Analyzed results and provided leadership with a recommendation informed by the Behavioral Inventory™ that highlighted actions to take in Trust and Integrated Vision.

Results

Company cultures shared commonalities ensuring integration would require minimal work style adaptations from employees. A joint effort between marketing, communications, and organizational development led the integration work. Overall key results presented to the joint leadership team were:

- Respective cultural strengths complimented each group presenting opportunities in sharing and alignment of best practices to improve both companies.
- A lack of consistent vision, drove down employee engagement. Leaders had clarity in future plans and opportunity but had not aligned or communicated that effectively with employees. illumyx™ results highlighted how the lack of vision was affecting employee engagement and retention.
- illumyx™ worked with leadership to align on integration, by refocusing the company on value streams. A compelling vision unified value streams under one umbrella. A developed set of core values created a common agenda for how employees operated within the business. Results were a positive spike in employee morale, bolstered excitement, and full commitment to integration.

Takeaways

- A Behavioral Inventory™ mitigated the risk of integration failure due to culture clash. Statistically 83% of mergers fail in 2 years.
- The illumyx process and partners facilitated alignment of general managers and mid-level leaders on the new mission, vision, and values of the company.
- 12 month post-integration assessment showed employee commitment levels rose across entire organization, on average 14.5 points.
- Commitment levels for most expensive to replace salaried employees in corporate office rose 54.5 points in 12 months.