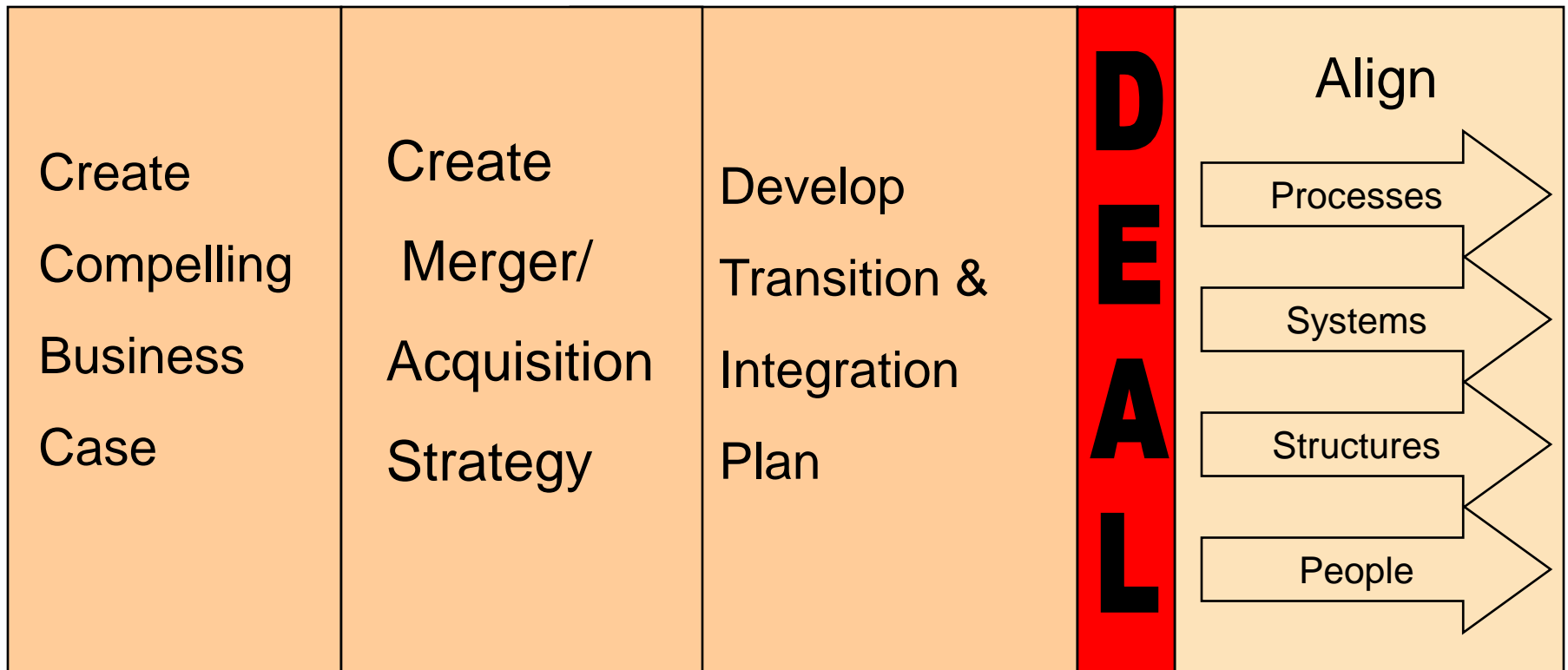


What We Know About Mergers & Acquisitions

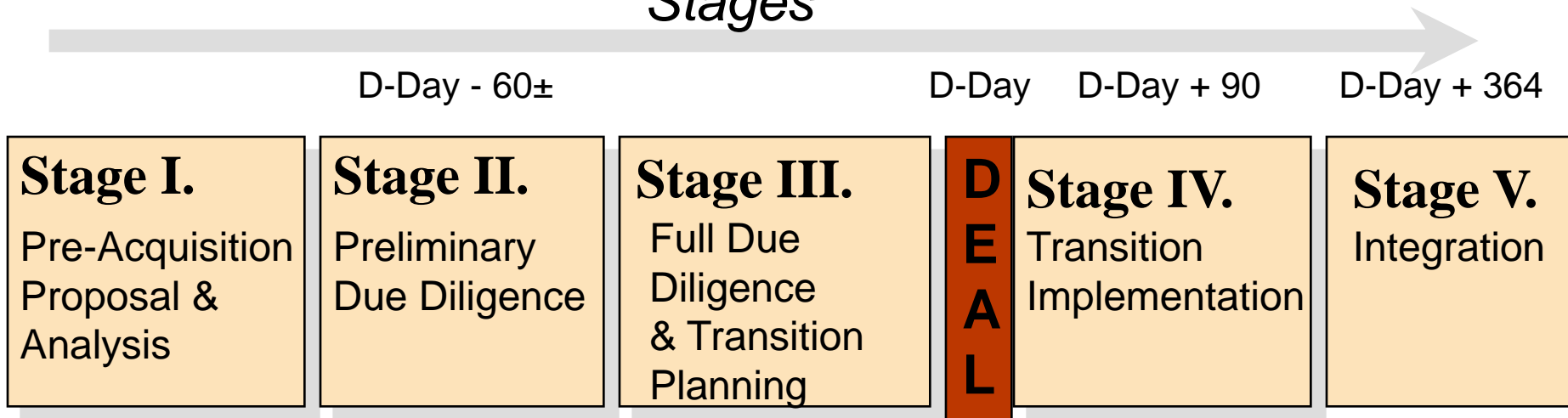
- **Less than 1/3 meet business objectives**
 - Only 23% recoup the initial M or A cost
- **Talent loss**
 - 50% of key management in the first year
 - 75% of key management within 3 years
- **Productivity drops 50%**
- **Primary weaknesses are *paying too much* and *failure to rapidly integrate culture, processes, and systems***

To Do A Successful Deal

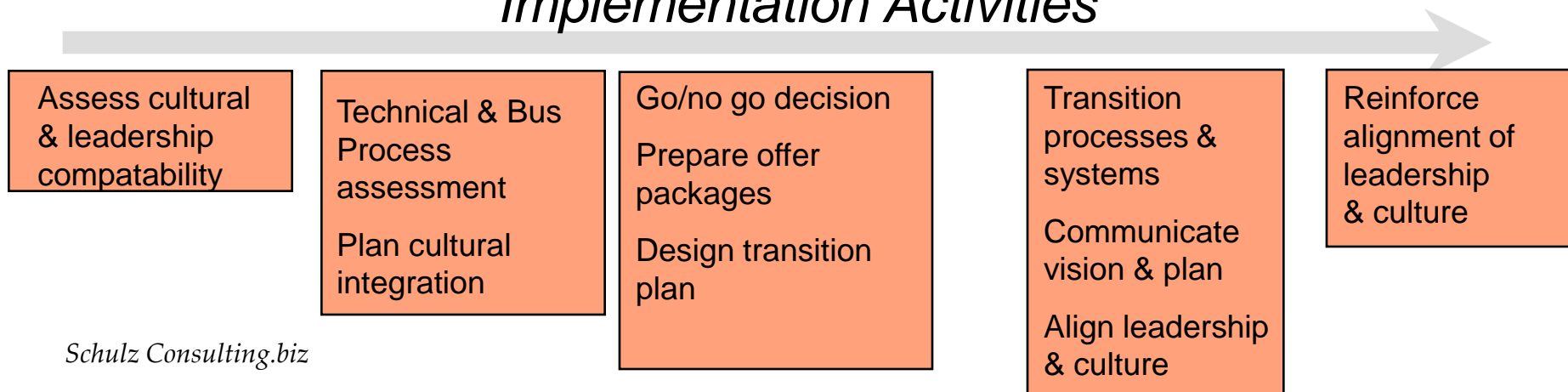


M&A Process Stages

Stages



Implementation Activities



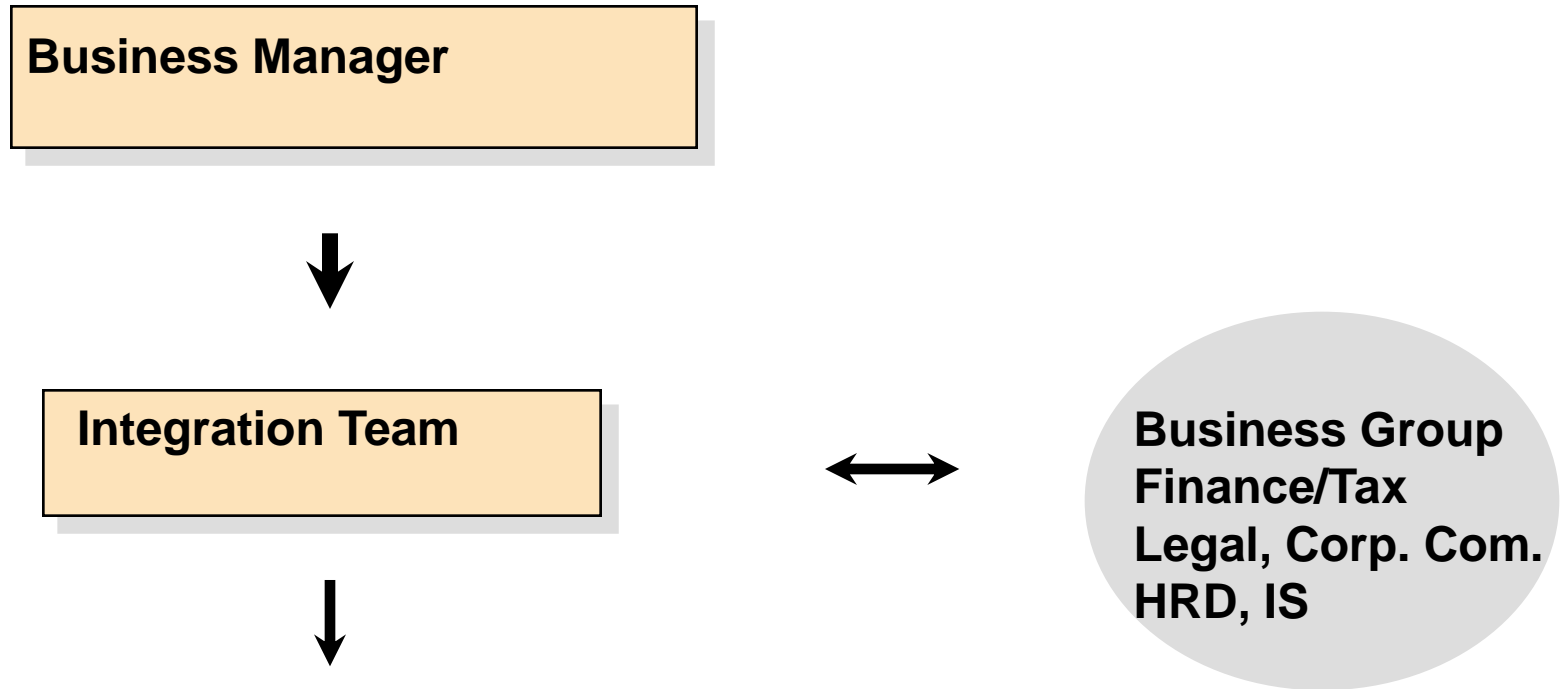
Corporate M&A Team Roles & Responsibilities

- Identify current and future business needs
- Screen potential acquisition targets
- Determine match of potential acquisition targets with our strategic business interests
- Determine potential value of acquisition
- Determine total costs of acquisition and integration
- Make “Go/No Go” decision
- Maintain focus on business value

Due Diligence Team Roles & Responsibilities

- Conduct discovery in all impacted areas
- Assess leadership and culture
- Identify key leaders and talent
- Determine costs of acquisition
- Create transition plan

M&A Integration Team Structure



Communications

Systems

Finance

HRD

Facilities

Integration Team Roles and Responsibilities

- Communicate, communicate, communicate
- Rapidly transition processes and systems
- Create stability within target organization
- Facilitate strategic planning, team building, and organizational development
- Provide manager coaching on alignment, integration, retention, and restructuring

The M&A Teams

Corporate M&A Team

- Oversees all M&A activities
- Dedicated members
- Ongoing
- Lead by Corporate Development

Due Diligence Team

- Assesses acquisition targets
- Starts integration planning
- Comprised of affected Business & Functional groups
- Ad hoc

Integration Team

- Responsible for integration of target
- Dedicated to acquisition project
- Integration team leader