DEVELOPING AN EFFECTIVE STRATEGY FOR INTERNATIONAL MERGERS AND ACQUISITIONS

Myron J. Beard

In the past four years the merger and integration market has seen unparalleled growth. Each year has exceeded the previous year in terms of total transaction dollar amount. While the number of transactions has decreased slightly, the size of the average transaction has increased dramatically. In financial terms, 1998 merger and acquisition activity will exceed \$1.7 trillion. Several reasons are cited for this merger frenzy, among them deregulation, cheap money, industry consolidations, and the need to grow in order to survive. In any case, this trend is not one that will slow down in the foreseeable future.

This merger activity is occurring in spite of the clearly documented risks involved in acquiring and successfully integrating a company into an existing profitable organization. Studies have determined that between one-half and two-thirds of all acquisitions fail to meet pre-transaction expectations in terms of profitability and subsequent value to the shareholder. Nonetheless, merger and acquisition activity continues at a record pace with the fundamental hope that the next acquisition will be the one that brings double-digit growth and value to the acquiring company.

MYRON J. BEARD, Ph.D., is Senior Vice President for Organizational Development at First Data Corporation in Denver. Formerly, he was Merger Integration Practice Leader and Senior Consultant at RHR International Company, a firm specializing in psychological consulting to management.

EXECUTIVE SUMMARY

- *Mergers and acquisitions of companies internationally have a high failure rate, often attributable to poor handling of cultural issues—pertaining to both company and country cultures.*

- *The planning approach to managing the transaction can depend on whether it is a merger, stand-alone acquisition, incorporation, or a hybrid.*

- *Planning should include a determination of the type of leadership to manage the merger—an expatriate, the local manager, or a regional expatriate manager who acts as a go-between.*

- *An awareness of the elements of company and country culture can prevent some of the communication and other problems that may jeopardize the merger.*

THE REASON FOR FAILURES

Like a marriage, no one goes into an acquisition with the expectation of failure. However, like many marriages, not enough post-transaction planning goes into the integration phase. In addition, obvious potential obstacles are often overlooked in the pressures of consummating the deal. This leads to an overly emotional situation in which the analysis of financial and legal due diligence often, and inappropriately, supersedes potential differences in operating style and cultural differences. This issue is magnified when the companies involved in the transaction are in different countries or, as often happens, on different continents.

In a study of failed acquisitions, managers of the acquired companies were interviewed post hoc to discover the reasons for integration failure. Eighty-five percent of these managers indicated that the reason for failure was the inability of the acquiring company to understand the management practices and the culture of the company being acquired.[1] Further, only one in five companies does adequate preparation and planning for post-transaction integration.[2]

The issue of understanding the company being acquired as well as conducting adequate planning for the integration is further complicated when considering international mergers and acquisitions. Studies of international acquisitions show that 60 percent of managers believed that the acquiring company did not understand either the management practices or the culture of the company being acquired. Thirty-five percent of these managers did not believe that the acquiring company did an adequate job of cultural due diligence on the country in which the company resided. Another 29 percent perceived the acquiring company as having a lack of understanding of local business practices.[3]

In short, the failure to articulate a clear strategy, to develop an integration plan, and to adequately understand both the culture of the company and the nuances of the country increase the likelihood of post-integration failure.

DEVELOPING A MERGER INTEGRATION STRATEGY

International mergers and acquisitions are complex on several levels simultaneously. The acquiring company must first consider its own business practices, competencies, markets, policies and procedures, and cultural distinctions.

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The same practices and processes of the target company must be considered. Finally, the characteristics that define the culture of the country in which the target company conducts business need to factored in. To say that these acquisitions are complicated is an understatement.

Successfully merging two companies, in different countries, requires a sophisticated plan. In fact, a well-articulated front-end strategy is essential to drive a successful integration. This is critical in order to reach anticipated financial targets. A business strategy must go further than simply stating a desire to grow. A strategy, is by definition, longer-term thinking that includes the consideration of the many variables necessary for business success.

In developing a strategy to grow through acquisition, a company needs to answer a number of questions, including: What is the focus of a growth strategy? Is the purpose of acquiring to increase the distribution of existing products and services? Is it to increase the number of offerings of products and services? Is it to decrease labor costs through acquiring a cheaper labor force? Is it to capture greater market share through buying markets (i.e., the competition)? Is it to venture into new markets hitherto closed to products and services? Is it to use a local resource (e.g., a manufacturing plant) for local or regional sales, or to use a local resource for global sales and distribution? Is it to have greater access to cheaper materials? Is it to leverage a number of resources (e.g., enhanced processes and efficiencies for higher productivity, consolidation to increase margins) in order to have greater margins with reduced overall operating expenses? Regardless of the particular reasoning, a well understood and clearly articulated strategy for growth through acquisition must developed and tested against all acquisition targets.

Often the most successful acquisition is the one not made. When the momentum of the acquisition process overcomes the testing of the acquisition against the business strategy, the real champions of the organization should raise red flags. It is often the absence of these champions that characterizes a bad acquisition deal.

IDENTIFYING A MARKET STRATEGY

Strategy, as it relates to purpose, has to further address how a company intends to grow, keeping the marketplace in mind. Three strategic orientations have been identified that help a company determine what markets it will serve through an acquisition.[4]

Distribution. The first strategy is one in which products made in one country are simply expanded through distribution vehicles into another country or region. Having a production facility in the U.K. and acquiring a major southern European distribution center for distribution of products into Italy, Spain, and Portugal is an example of this strategy. This is a domestic growth strategy.

Self-sufficient markets. A second growth strategy is having operations in many countries that serve their own marketplace. Expanding on the example above, Italy would have production and distribution in Italy, while Portugal would have production and distribution in Portugal. This is a multidomestic strategy and makes sense when local laws or regulations related to labor or the movement of funds make cross-border trade difficult or unprofitable. In this case, all production and distribution facilities may deliver the same or similar products using identical processes, but they would be dedicated to their own domestic markets.

Global marketplace. A third strategy, and the only one that is a totally integrated, is a truly global strategy. A company that adopts this strategy is really intent on maximizing synergies by using the resources of many countries in order to increase global marketplace presence and profitability. This is a case in which global economies of scale can be realized, including better control of cost of materials, labor, and production; production and distribution efficiencies; and marketplace margins. An example would be a shoe company in the U.S. having production facilities in Asia with a strong marketplace presence in Japan, the U.S., and the U.K. The intent is to maximize organizational effectiveness and productivity by maximizing the use of global resources.

It is critical to analyze and determine, upfront, the relationship of your marketplace to the placement of your production and distribution centers.

MANAGING YOUR ACQUISITION

Once you have identified the direction and intent of your acquisition, two other strategic questions remain to be asked. The first relates to the locus of control for managing your acquisition; the second relates to who will manage your acquisition.

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It is necessary to have some well-developed rationale for managing the services of your acquisition. This question has to do with the two subsequent questions of centralization and consistency.[5] Integrating HR services is a nightmare in the best of situations: trying to align target company compensation, benefits, job banding, and roles. This is complicated enormously when the acquisition is at a distance.

There are several reasons for centralizing these HR services and other organizational processes and procedures: the ease of maintaining longer-term records; maintaining a centralized means of accountability; accessing data that can be used to compare performance of individuals or business units across the company; transferring employees across the organization; and tracking and monitoring progress organization-wide and providing this information to various levels of leaders for goal setting, comparisons, identifying trends, and identifying the impact of the same variables.

There is a similar list of reasons to decentralize. Often the laws or regulatory agencies of countries or acquired companies do not allow the same labor and/or production practices as in the country of the acquiring company. Often the objectives of an acquired subsidiary require differences in operation from the acquiring company. In addition, local customs and work philosophies dictate different practices than the parent company.

The most important consideration should be the analysis of what makes sense for the organization to compete globally and successfully in the long term. This requires the foundation of a solid global strategy so that the alignment of subsequent control and centralization issues follow. These decisions may even be more costly short term, but set the infrastructure for longer-term sensible acquisition integration.

CLASSIFYING YOUR ACQUISITION

Not all acquisitions are the same with regard to how they should be managed, even within the same industries. There are four basic approaches to treating the management of an acquisition, and the subsequent management strategy should be developed prior to making the acquisition, with appropriate integration plans and mechanisms put in place.

The Merger

While most transactions are acquisitions, some are, in fact, mergers. Because of the issues involved regarding power and control, the merger is the most difficult kind of transaction to negotiate. Virtually every major management, operations, marketing and sales, and cultural issue must be negotiated. The task of a "merger of equals" takes longer and is riskier than an acquisition. While many transactions are called mergers, the public, as well as the acquired company, soon discovers that "he who has the gold makes the rules." Recently, large mergers have been announced in which each company will retain its own CEO and remain arm's-length in management. The success of these ventures remains to be seen.

However, there are situations, and industries, where a merger is the only real option for consolidation. It is important throughout a merger to maintain a flexible and negotiating frame of mind. It is also critical for each company to have a clear understanding of its own cultural characteristics and business processes, and to identify those issues that are negotiable and those that are not. In large part these issues should be discussed on the front end of the due diligence process prior to the transaction actually taking place. In a true merger of equals, a sign as to whether or not the transaction will be successful is the degree to which access is allowed to in-depth due diligence. Hypothetically, the due diligence process should be met with less resistance and more encouragement than in a typical acquisitions situation.

The central issue in a true merger is control. Both sides should, theoretically, have equivalent management representation within the merged organization. Similarly, major decisions regarding leadership deployment, merged policies and procedures, and cultural changes will be made in a collaborative manner. Both companies must recognize that compromise is a necessary precondition to success.

In a merger, HR is very actively involved in the process of collaboration, negotiation, development, and implementation. There is a high need for the identification of leadership in order that the merged companies have the right people in the right positions and that company politics do not dominate decision

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making. Even in merging functions, HR can play a major role in leading groups to help identify best practices and processes and driving these issues to their conclusion. These "softer" activities are in addition to the more clearly understood mechanics of merging compensation, benefits, and payroll. HR, in the broadest sense, should play a significant organizational development role in every major negotiation that takes place between the companies. HR should have the skills to facilitate negotiated and collaborative conversations that lead to a successful merger. Similarly, HR needs to have processes in place to assess both cultures and look for gaps, opportunities, and obstacles to merging companies. HR should also be available to assist with the development of newly formed teams or teams with new leaders.

The Stand-Alone

Often companies acquire in order to broaden their overall portfolio without the intention of merging the two companies. Reasons for this type of acquisition include learning about new products and services, buying into new technologies for future potential, hedging with a company whose business is counter-cyclical to the acquiring company in order to mitigate swings in the economy, and buying companies that serve similar markets with a different set of products or services.

In a stand-alone acquisition, the acquiring company makes the decision to leave intact the fundamental pieces of the acquired company. This particularly means the management, processes, and structure of the company. While new capital may be made accessible to the acquired company for improvements and/or expansion, the organization and decision making are left independent. An important HR function in this type of acquisition is succession planning initiatives within the acquired company to ensure that it will maintain consistent leadership in the future. A second initiative is the broad identification of high potential leaders within the organization for possible future assignments within either organization. In any case, the involvement of the acquiring company is typically arm's-length.

The Incorporation

Most often, companies acquire with the expectation that the acquired company will be fully incorporated into the acquiring company. There is the assumption that the name, management, structure, and many of the processes of the target will become absorbed into the acquiring company. This is, by far, the most complex and potentially risky type of acquisition. Unfortunately, the acquiring company often makes the mistake of integrating without a well-developed plan. Integration may be undertaken either too haphazardly, exacerbating chaos, or too slowly, missing opportunities and losing marketplace presence.

The incorporation type of acquisition is particularly evident in the banking industry. When banks acquire, there is typically an immediate name change for the target bank. Other processes are soon thereafter rolled into those of the acquiring bank at centralized processing or call centers. The management of the target is similarly absorbed, outplaced, or moved to the corporate headquarters of the acquiring company. There is little question regarding whose people, processes, and culture will prevail.

In the incorporation acquisition, the danger is for the acquiring company, in its haste to complete the integration, to overlook or dismiss some of the high quality leadership, processes, and other business-related issues. Too often, the acquiring company acts arrogantly and unilaterally offers packages for the senior leadership of the acquired company to leave. Many other key employees often leave shortly thereafter with a failure on the part of the acquiring management to re-recruit important employees. As a result, much of the talent and knowledge that contributed to the success of the acquired company are gone. This often leads to serious loss of morale and productivity. In extreme cases, customers can be lost in the ensuing chaos, leading to lost revenues. This is a significant contributor to the high failure rate of mergers and acquisitions.

HR considerations for the incorporation acquisition include developing a well-articulated project management approach to the integration. Having done a thorough cultural due diligence prior to the acquisition will assist in identifying possible post-transaction synergies. Developing a method of quickly assessing and re-recruiting leadership in the acquired company will assist senior management in putting the new organizational structure in place by deploying top talent from both organizations. Assisting new leaders in assessing and developing their teams also becomes a critical HR competence.

Whether to manage the acquisition remotely or locally and with local management or expatriates is a critical question.

The Hybrid

Most acquisitions do not fall cleanly into either the Stand-Alone or Incorporation categories. Most acquisitions are, in fact, some combination of the above. It is not as important to try to classify an acquisition as it is to plan for and effectively manage the acquisition integration, regardless of the particulars of the acquisition. In this respect, it is important to identify those areas that will best be consolidated and those that will not. Typically, corporate services (HR, finance, legal, information technology) are the areas that lend themselves most obviously to consolidation and cost savings. Operations, on the other hand, often are more complicated and provide fewer opportunities for simply reducing cost by rolling them into a corporate structure.

This decision-making process is especially complicated in an international acquisition when the acquisition strategy, the market, the management approach, or acquisition type are not clearly understood and articulated on the front end. Generally, however, it is important to critically assess the management, processes, procedures, markets, and cultural issues to identify true synergies and true cost saving possibilities. This is often overlooked in the haste to integrate when the acquiring company too uniformly imposes its people, processes, and structures on the acquired company. Too often muscle is cut, in addition to or instead of fat, in the chaos that ensues post-transaction.

While a Hybrid approach is more complex, it can often yield much greater short- and long-term results. Knowing, for example, which functions and/or processes to centralize and which to leave remote can reduce confusion and, more importantly, reduce productivity loss. It is also important to involve managers from the acquired company to assist in this process. They do, after all, know their company better than managers in the acquiring company. This is particularly true when country labor and/or financial regulations make consolidation difficult.

ACQUISITION LEADERSHIP

Once the transaction has taken place, the first logical question to be answered is who will manage the acquisition. The question cuts to the core of problems associated with international acquisitions. Determining whether to manage the acquisition remotely or locally and with local management or expatriates is a critical question. This issue has been given considerable attention in recent years given the tremendous cost and relatively high failure rate when using expatriates. Three basic strategies regarding the management of an international acquisition have been identified.[6]

The Expatriate

The time-honored method of managing international acquisitions, or even opening international offices of a domestically run company, is sending "one of our own."

The thinking behind this strategy is that someone within the organization already knows the acquiring company and the way things are done in the home office or company. The issue of trust is most frequently cited as the reason for an expatriate strategy. The expatriate is already a known entity and someone who has experienced both a degree of success and a following within the company. The international assignment of someone from within the organization is also seen as an opportunity for promotion and broader succession planning. In some companies international assignments are viewed as essential in career planning and subsequently moving to the executive suites.

The downsides to the use of expatriates for managing an international acquisition are equally obvious. First and foremost, the use of an expatriate rests on the assumption that business and business-related issues are the biggest challenges to be faced. In point of fact, it is usually the expatriate's life away from work that serves as the biggest challenge. Most international companies have stories about expatriate failure related to the difficulty of the individual or family adjusting to the new country or culture. In a very high number of expatriate failures, it is the unhappiness of the family that has led to the expatriate decision to return to his or her homeland.

In addition to basic country-related adaptation, the expatriate must also try to understand how business in done in the new country within a cultural context to which he or she is not accustomed. Trying to understand how work gets done and the informal channels, both regulatory and political, necessary for business success becomes as important as understanding the actual business of the company. Work force regulations and local labor laws compound an already difficult task.

Leaving local leaders in place is most successful when the business is well known.

Local Leadership

At the other end of the leadership spectrum is the concept of leaving the local leadership totally in place with some type of reporting relationship to the corporate office. This strategy works best when the acquisition is seen as a Stand-Alone with little attempt being made to centrally incorporate the acquired company into the acquiring company's processes. The argument for this leadership strategy is much the opposite of the expatriate strategy. In this case, the reasoning goes, the local management already knows the company and its products and services. There is no adaptation necessary to either the company or the culture. Local labor and work force issues are well understood and have been effectively dealt with. In this case, the company can continue to operate very similarly to the past, with the possibility of some capital help from the parent to upgrade and increase productivity. In addition, the existing work force would not have to adjust to a new and unfamiliar management team.

The argument against this approach is that less organizational learning will take place without a parent company presence. In addition, if there is the intent to consolidate, or to incorporate, it may be more difficult and will certainly go slower. The most compelling argument, however, is the trustworthiness of the information and the effectiveness of operations of the acquired company without "one of our own" involved. This is not an insignificant matter, especially when clear synergies have been identified that are expected to increase the overall business objectives of the parent. In addition, it may not give the acquiring company the opportunity to fully utilize the capabilities of the acquired company when the level of understanding of the business is not complete. Finally, succession issues in this case can lead too easily to cronyism and not be based upon strength of leadership.

In any case, leaving local leaders in place is most successful when the business is well known, the place of the company within the total organization is well understood, and the interaction with other existing business units is clearly articulated.

The Compromise—The Regional Manager

One compromise between these two opposing management approaches satisfies both the need for organizational trust and continuity of leadership and the need at the local level to maintain productivity with little management change. This approach has a regional manager from the parent company serving between the corporation and the acquired company management. In this case, the local management is basically left in place while the reporting relationship is to a corporate representative, with closer scrutiny and assistance than in the case of simply reporting remotely directly to corporate headquarters.

Advantages of this approach include the opportunity for the acquiring company to learn the acquired company's business while creating a minimal amount of disruption. The leadership and business processes of the acquired company can become well known by the regional manager while, at the local level, work continues as usual. The adjustment and risk on the part of either side is mitigated somewhat. The regional manager can champion the needs of the acquired company with the parent company remaining confident of the information being received. In addition, the regional manager can coordinate the efforts of several business units within a geographic region more effectively than when the acquired company reports directly to corporate headquarters. This is especially effective when diverse international acquisitions are a major part of a company's growth strategy.

The main disadvantage to this strategy is the addition of another layer of management, a structure most companies have worked hard to eliminate in recent years. Another problem can arise in that the regional manager may still end up being an expatriate or may have an extremely demanding travel schedule, at times taking away from his or her effectiveness. Finally, the regional manager can feel adrift, being neither part of the local company nor part of the corporate group. In essence, the regional manager may be at risk of losing his or her organizational identity.

The matter of leadership is not an easy one regardless of what course a company chooses to chart. If little or no pre-transaction thought has been given to develop a well-tested rationale, the chances for failure are great.

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THE CULTURES: THE COMPANY AND THE COUNTRY

The central reason cited for failure of companies to successfully integrate is the differences of culture and management practices of the two companies. The complexity of dealing simultaneously with both the culture of the company and that of the country has been described as a three-dimensional chess game. Any single move affects multiple other possibilities—often unanticipated and detrimental possibilities. Both of these cultures should be well understood prior to attempting integration efforts.

The Company Culture

Organizational theorists Warner Burke and George Litwin have defined organizational culture as "the way we do things around here." Culture is, at root, the observable behaviors that implement a company's beliefs, strategy, and tactics. Culture has been distinguished as having elements that are transactional and transformational.[7] Both categories are important to consider when beginning to understand a company's culture.

Transactional issues. The activities that are part of any company's everyday work are considered to be tactical in nature. These include questions about structure, systems, management practices, task requirements, motivation, and individual needs and values. In a practical sense, the issues include compensation and benefits practices, incentive plans, decision-making processes (levels of authority), training and development emphasis, career emphasis, and key measurements. Determining structural issues such as levels of management, numbers of direct reports to managers, cost per employee, and management structure (functional, regional, product line, or business unit division, etc.) assists in understanding how an organization operates. These transactional activities tell the story about how a company actually operates, not simply how it says it operates. Major discrepancies between actual practices and the perceived implementation of these practices may be problematic and not analyzed sufficiently in the due diligence process.

Transformational issues. Transformational issues are the bigger picture, strategic foci of an organization. These include such conceptual issues as mission, vision, values, leadership principles, strategic goals and direction, and management style and organizational climate. More successful organizations seek to articulate these high-level concepts and to identify pathways and programs to drive these issues into the organization. In this manner, employee behaviors throughout the organization become aligned with these high-level issues and drive business practices in the direction of the desired business strategy. Again, major disconnects can create potential downstream integration problems.

Prior to the due diligence process, it is essential that the acquiring company have a solid understanding of both transactional and transformational issues in its own company. This analysis becomes the baseline for how effective and aligned major cultural initiatives are within a company. It is also critical to have these issues understood in order to compare one culture with another and identify possible synergies and potential problems. Keep in mind that not dealing effectively with cultural differences is one of the central reasons cited for the failure of acquisitions to meet pre-acquisition financial targets. The collecting and comparing of cultural data become a central focus of the acquisitions transition team.

The HR function also needs to take the lead in broad tactics associated with longer-term success of the acquisition.

The Country Culture

The second culture to assess is the culture of the country. This is equally complex, and it is just as important to identify both the similarities and differences in the two countries involved in a transaction. Several issues warrant attention relating directly to business practices.

Political structure. The first issue is that of the major political influences on business. This includes such factors as the regulatory climate, which may affect both the work force (e.g., unionization) and the production of goods and products (environmental and health issues). Other political issues include local and country tax structure, getting money in and out of the country, tariffs, and political influences at both the local and national levels. While many of these issues are legal and financial, they should all be on a well-developed due diligence checklist.

Societal norms. Second, determining what societal influences will affect business becomes an important factor in how business is conducted. Issues such as motivation, the concept of wealth, the social meaning of work and position, and the role of off-work activities in the culture can vary widely between countries. Other social issues such as power, autonomy, humility, closeness, the role of the individual to the group, training, and education are all similarly important cultural issues to investigate.

Business protocol. A third cultural issue is business protocol. Determining how people make decisions (e.g., collaboratively) and who leads in decision making (e.g., the elderly) are subtle but important interactional issues. Cognitive styles are also important to assess. Some countries value a more concrete action-oriented style, and other countries are more contemplative and conceptual. How people negotiate and the role of persuasion becomes a critical business practice to understand. The role of time practices in the culture is equally notable; some cultures value punctuality while others are less time determined. This clearly plays a role in managing expectations. The degree formality plays in relationships and demeanor is another important variable to consider. Some cultures require formality in dress and interactions, while other cultures are more tolerant of a relaxed presence.

Value system. Finally, the value system that dominates a country's culture is extremely important in understanding the role of business in that culture. The religious orientation of the culture can influence business interactions and how business is practiced. Some value systems are quite strict in their intolerance for practices that in another culture would be considered commonplace (e.g., bargaining, rebates). To overlook or diminish the importance of certain religious practices (e.g., religious holidays, attitude on certain gender-related issues) risks significantly impairing business negotiations. To violate either written or informal value-related behaviors (e.g., use of tobacco or alcohol products) could erode confidence in management. Pre-transaction study and due respect needs to be given to the prevailing cultural values and religious practices.

HUMAN RESOURCE CONSIDERATIONS

The HR function also needs to take the lead in broad tactics associated with longer-term success of the acquisition.[8] These issues are essential foundations for the development and sustainability of a comprehensive international Human Resource presence.

Consistency. The first issue is that of organizational consistency. Getting leaders and other employees thinking in the same way about the company and its business objectives on a worldwide basis is a major but necessary organizational process. This is not to say that every business unit needs to be a carbon copy in practice. However, in terms of corporate identity, there may be certain policies and procedures that must be the same throughout the organization. Logo identification and branding are examples of this consistency. The way in which various business units communicate with each other about core business issues requires consistency for mutual understanding. Finally, because of practical or cost-related issues, some uniform practices may be imposed across all business units for such reasons as ease of administration or international timeliness.

Use of human capital. A second global HR issue is identifying and appropriately deploying talent and resources across the company. Having the right people in the right place at the right time is a major HR responsibility. Having a plan for whether and when to use locals or expatriates is an example of this responsibility. This involves a thorough knowledge of broad organizational talent and at least informal succession planning. Having the right HR capability also requires doing a gap analysis and knowing when going outside the company for leadership resources is necessary. It also takes knowing what training and developmental needs are required to accomplish future organizational objectives.

Maintaining customer focus. Finally, HR can play a major role in helping the organization maintain customer focus in the midst of often-chaotic circumstances. Productivity typically sinks dramatically in the acquired company once the announcement to acquire is made. It continues to sink until leaders and major decisions are put in place. HR can help the organization maintain a market and customer focus by having well-developed communication plans for integration purposes. Communication is the glue that keeps the companies, their employees, suppliers, and customers equally informed and aligned during the acquisition. HR should be intimately involved in this process.

In the best of circumstances international mergers and acquisitions are extremely complex and difficult to integrate. In the worst cases they can be impossible. There is nothing more important than a well-developed, well-researched plan for careful but quick implementation. The issues discussed here will assist the forward-thinking HR professional in addressing the many factors that put such acquisitions at risk. ■

Notes

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