

Why do **4 out of 5** acquisitions and mergers fail to deliver promised value?

Not enough focus on culture.

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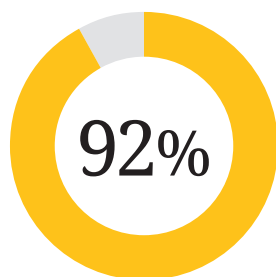
Look after the *people*, they will look after the *value*

Private Equity firms currently operate in a highly challenging decision making environment. Appetite for deals remains high, but a volatile and complex market means driving value from investments and M&A is harder than ever.

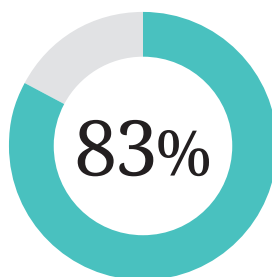
Data shows that **four out of five acquisitions and mergers fail to deliver on expectations**, and although the hands-on nature of Private Equity may go some way to limiting this risk, it is still a major challenge.

Failure to first understand the culture of organisations being acquired or merged, and then work to align the culture(s) in line with the objectives of the deal, is the leading cause of death for financial transaction value. Yet too few organisations consider culture when evaluating acquisition or M&A targets.

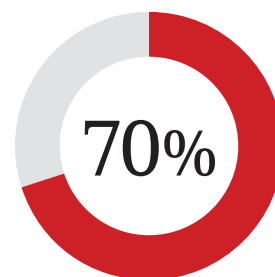
While most financial communication advisors focus exclusively on the groups that most affect deal approval—investors and regulators—Daggerwing Group and Ketchum Financial Communications also focus on the groups that make or break value—leaders, employees, and customers.



of business executives surveyed said past acquisitions and mergers would have “substantially benefited from greater cultural understanding prior to the deal.”²



of all acquisitions and mergers failed to produce any benefit for the shareholders.¹

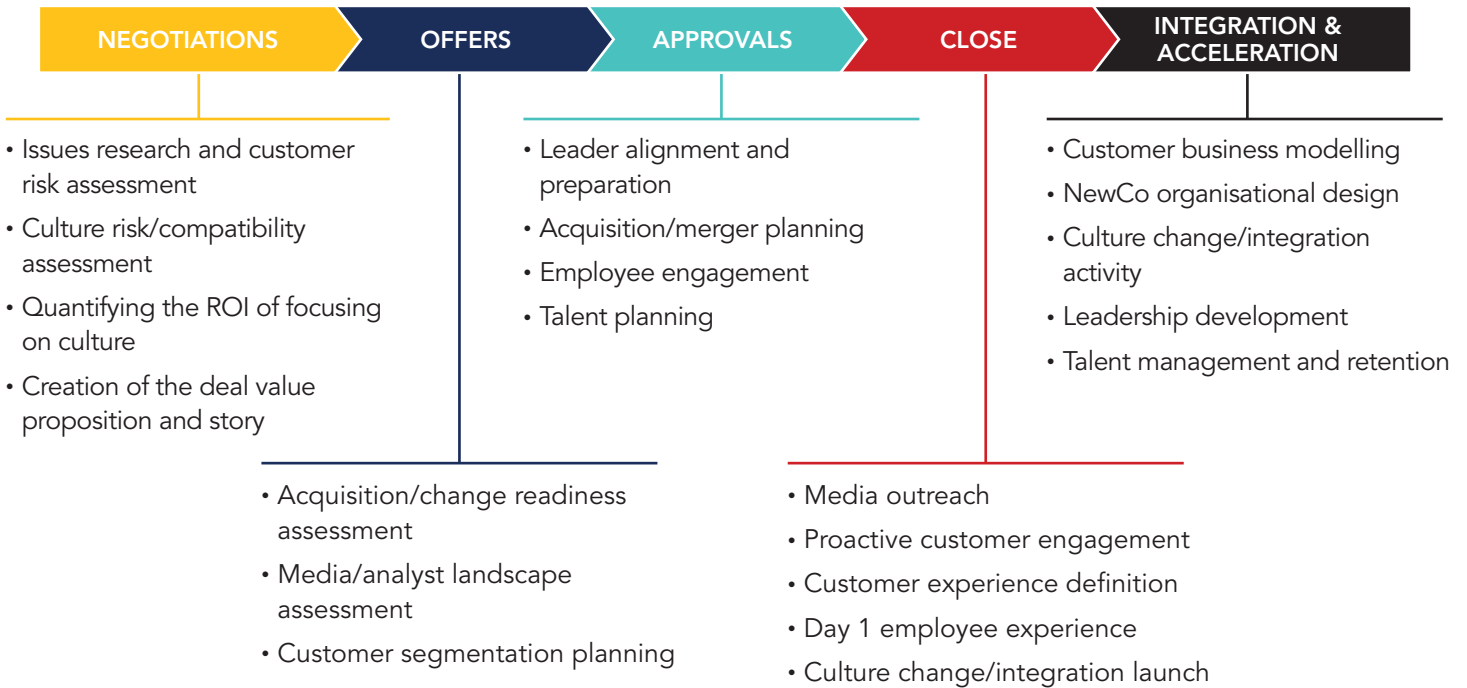


conceded that “too little” effort focuses on culture during transfer of ownership or merger integration.²

1. KPMG (1999) Six Key Factors for Successful Acquisitions and mergers; 2. McKinsey & Co (2010) Perspectives on Merger Integration

TRANSACT™

We support you every step of the way...



Underpinned by our proprietary **Liquid Change™** benchmark. This defines the characteristics and capabilities that organisations need to be **highly adaptable and competitive** in today's complex and dynamic environment.

ONGOING SUPPORT INCLUDES:



Successful culture integration is the essential element of transactions that deliver promised value. Strategy defines where you are going; culture gets you there.