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Merge ahead: The road to merger and acquisition success

Planning a merger, acquisition or divestiture?
Find out how Avanade's proven workplace migration roadmap can help you achieve a predictable outcome for your evolving workforce.

As the world recovers from the COVID-19 crisis and deals with new ways of working, many organizations are seizing growth opportunities through mergers and acquisitions (M&A) and divestitures and carve-outs (D&C), leading to:

- 13% increase in M&A/D&C activity from 2020 to 2021
- 45% growth opportunity through M&A/D&C over the next three years

What to consider before planning your next M&A

Avanade's workplace strategy is designed to support an organization's business strategy for M&A, ensuring a modern workplace that protects its people and productivity while optimizing costs. From due diligence to integration planning and user testing, we know precisely how to avoid the most common dangers on the road to M&A success:

1. A growing technology infrastructure
If one thing can hold back growth following an M&A or D&C, it's a technology infrastructure that isn't designed for a modern workforce. M&As typically drive consolidation activity, while D&Cs drive separation activity. Each has specific and unique requirements that must be considered to support hybrid working, security and efficient workforce productivity as the newly formed organization evolves.

2. Cybersecurity
Cybersecurity is often overlooked in the rush to integrate two company workforces. Data breaches are expensive, costing organizations an average of $4.24 million, not to mention the risk of damaging reputations. What's more, threat actors can "lurk" on networks for more than 200 days before discovery. Secure workplace solutions must be implemented between the two entities to prevent cross-compromise. At the same time, your M&A strategy will need to maintain a single pane view for incident response.

3. Over-hyping technology integration
Technology is a factor for around 70% of unsuccessful M&A deals, but not in the way you might expect. Policy misalignment, poor change management and a lack of implementation skills early in the deal cycle often lead to friction. A new operating model, supported by a change management program, will merge operating policies and identify gaps that should be addressed from day 0.

4. Disrupting the employee experience
M&As are often a challenging transition period for employees. Without a people-centric strategy, productivity, morale, satisfaction and, ultimately, employee retention can suffer. A lack of communication and disproportionate focus on technology implementation – at the expense of the employee experience – leads to dissonance among stakeholder groups.

5. Regulatory and customer compliance
New regulatory demands create IT hurdles. Export controls and personally identifiable information (PII) are common areas of risk. Equally, an acquisition brings new customers and customer agreements. Contractual requirements for information security must be recognized.

Multinational consumer goods manufacturer securely onboards new workforces

Using Avanade's scalable M&A processes and technologies, this company can confidently plan each new acquisition, mitigating risks during the transition to a single Microsoft 365 ecosystem with minimal operational impact and delivering a positive employee experience.

Mobile network provider consolidates Microsoft 365 tenants

Following an acquisition of another carrier, this mobile network provider turned to Accenture and Avanade to help migrate 26,000 mailboxes and OneDrive users and over 4.8TB of SharePoint data with more than 2,000 customizations and 1,000 legacy workflows. With a single Microsoft 365 tenant, employees can collaborate and operate as one organization.

Global chemical solutions provider diversifies with multiple business unit carve-outs

This company wanted a turnkey solution to carve out several business units as standalone companies. Avanade helped migrate employee profiles, data and all relevant applications, including the ERP and CRM systems, from the legacy tenant to the target Microsoft tenant. Our change management solution provided relevant communication and training on the new tools, processes and procedures to ensure a smooth transition for employees.

How Avanade can help

Traditional M&A transformations are slow, expensive and prone to high failure rates.

To avoid this risk, Avanade offers a new way of partnering that's quick and effective. Our structured advisory-led model applies agile methods to your business strategy to drive value from your Microsoft environment across the M&A lifecycle.

We begin with the essentials:
- Improve Microsoft 365 technology resilience, security and agility
- Design workplace security and management strategies for your new commercial entities to ensure operational capability from day 1
- Define the change management program to achieve a structured onboarding program for the newly created organization
- Understand the needs of your new workforce personas, including task, knowledge, remote, office-based, frontline or mobile workers

Our services

When you partner with Avanade to support your M&A transition, you get end-to-end expertise and support in technology advisory, managed services, people, culture and change management.

- Secure Modern Workplace Advisory for risk mitigation and governance planning
- Rapid Microsoft 365 migration and transformation services
- Workplace Managed Services
- Future workforce configuration
- Workplace automation and AI
- Workplace Analytics for post-M&A and D&C organizational development
- Integrated solutions for Microsoft 365 and Microsoft Dynamics 365

Get started with our 5-day workshop

Day 1	Day 2	Day 3	Day 4	Day 5
Prepare, strategize and lay the foundations for business growth.	Confirm your ambitions and define priority areas for further focus.	Map your current operating model to future ambitions.	Reflect, prioritize next steps and start building a roadmap to success.	Jointly agree on a 30-, 60- and 90-day action plan.

Contact us today to accelerate your journey to M&A success or visit Avanade Workplace Platform Modernization to learn more.

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