

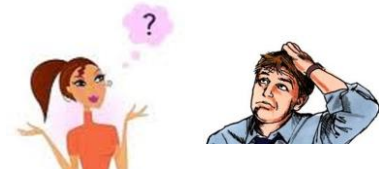
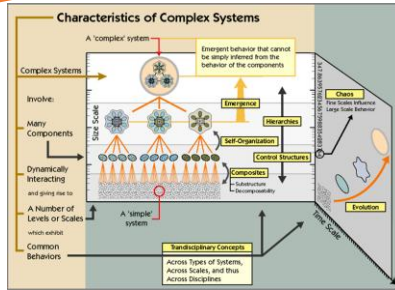
Organisation Integration (Merger, Acquisition & Restructuring) Top 5 Reasons for Failure to Deliver

WHY IS DIAGNOSIS IMPORTANT FOR CHANGE?

- 48% of restructures underperform after 3 years
- The main cause of failure is too little attention to the Human system dimension.
 - "One size Fits All"
 - Poor gap analysis
 - Interventions at wrong level and/or wrong type.
- The maximum rate and magnitude of change is determined by the capability of the Human systems to change
- Human systems and change are complex, so selection of intervention(s) is critical.
- The risk of catastrophic degradation can be mitigated against. (Orderly systematic Degradation)

FEATURES OF A GOOD OD PACKAGE

- Scientific Basis
- Granular & Gap Analysis
- Graphic Diagnostic output to grab everyone's attention
- Systematic & Systemic
- Easy to use and manage
- Recommend course of action
- Allow for member involvement
- Enable specialist to advise
- Integrates all developmental activities and rationalises related spending



Organisations

Organisations are fundamentally human systems and their goals are achieved through human interaction, while the sustainability of their success is determined by how well their subsystems and processes are managed.

If human-system effects underpin organizational effectiveness, then human functioning at the levels of the individual, teams and the organization as a whole, determine the maturity of an organisation, which means its capacity to learn and grow in a sustainable manner.

So, measuring sustainable organisational effectiveness ultimately must go beyond an accounting of results and features to a determination that is shaped by the members of the system of how sustainably the results and goals of the organisation are achieved

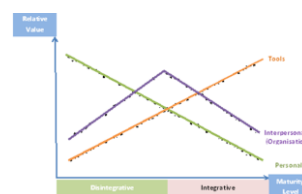
Top 5 Reasons Integration Programs Fail to Deliver

Though recognised as an important dimension to the speed and success of integration many integration processes focus on comparing and contrasting policies, procedures, processes and KPI's, perhaps coupled with some interviews and/or focus groups which though valuable in their own right fail to inform the integration team of the true cultural and operational challenges that may exist in integrating two organisations. Another finding is that a "one size fits all" integration process when it comes to the human dimension fails to reflect the true position when you segment the two organisations that are coming together, there may be different dynamics when you look at divisions, functions, departments, geographies etc.

So what do the integration team really need to know before the integration starts? (These are the core fundamental 5 areas that cause failure of change/integration programs)

1. How **ready** is each of the organisations for change (Integration) at a granular level?
2. What is their **capacity** for change & integration (Agility, Flexibility)?
3. What is the **gap** between the different units/functions coming together?
4. How can we **compare** the integration capability/maturity between units/functions
5. What are the **appropriate interventions** we can take at a granular level to maximise the success and speed of the integration?

In order to answer these questions we need to have a process that includes the ability to survey/diagnose each part of organization units involved or impacted by the proposed change. Change management is not a new topic and this paper is not intended to address the overall change management process, however the analysis and recommendations address gaps that exist in most change processes in a structured and scientific manner.



HOMI Intervention Planning

HOMI Gap Analysis

Holignment™

Organisation Integration (Merger, Acquisition & Restructuring)

Top 5 Reasons for Failure to Deliver

Restructuring, Merging, Integrating, Changing, Spin Out, Acquisition, Refocus, Turnaround, Scaling

These are all business terms, linking to specific Organisation Goals which signal or indicate change is planned. Though many aspects of the business will change, it's the people and human systems that effect the change and are affected by the change. A best practice approach integrates techniques, tools and processes which address the top 5 reasons for Failure. The HOMI methodology is the first such approach which comprehensively addresses the 5 Reasons within a change program and is underpinned by years of research into Human & Organisation behavior and learning. The HOMI model connects the change to the people, systems and goals for the change.

How do we deal with the top 5 reasons? (Diagnose & Discover)

Readiness: We need to establish how ready the organization and its sub units are for the planned change. Readiness can be understood as the competence & Capacity to change and adapt to the new environment.

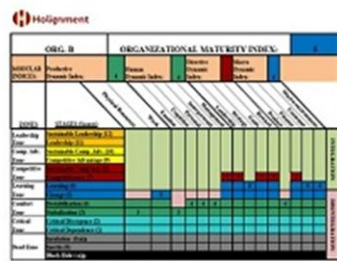
Capacity: Is the maturity, flexibility and adaptability of the Organisation(s) or units to effectively complete the change. We need to understand the profile.

Gap: In restructuring, integration and organization change the people and groups will have change to deal with. It is essential that we understand the Gaps that exist so that when we bring together new groups that they have the capability to integrate successfully.

Benchmark: We need to compare and understand not only the old structure but also the new structure as the process of change is planned and executed so that the momentum of the change is balanced and optimized for success.

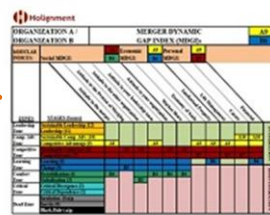
Appropriate Interventions: We are investing in change, we know the primary reason for failure is that interventions are chosen wrongly or chosen at the wrong level. Ultimately the failure of the 4 reasons above will lead to this situation. Interventions prior to the change and during the change are designed for maximum traction to apply to the specific units directly engaging in the change rather than one size fits all or flavor of the day.

Scientific diagnosis by sample staff survey will provide the data and information to fully understand the Readiness of every unit to change, to plan and execute specific interventions that ensure a successful ROI from investment in change.



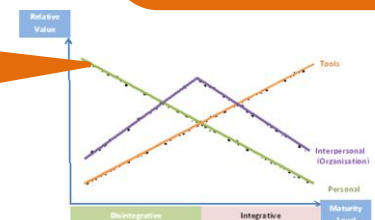
Diagnosis provides a report & dashboard, for the Organisation as a whole or any level of Units establishing the readiness and capacity for any part of the organisation for change.

Combined with Diagnosis the Gap between integrating units can be established



The integrative capacity can be understood and pre & Post integration interventions defined specific to units

The relative focus and value of intervention types can be calibrated selecting the right level of personal, Interpersonal Organisational, and tools



WHAT SHOULD BE DIAGNOSED?

- Work environment
 - Physical Resources
 - Work Practices
- Human
 - Emotion
 - Information Processing
 - Personal
 - Interpersonal
 - Management
- Directive
 - Leadership
 - Strategy
 - Goals
 - Rewards
- Macro
 - Product
 - Finance
 - Customer
 - Environment

For More Information

myles@holignment.com

Declan.Kavanagh@deckav.com