International post-merger integration: Lessons from an integration project in the private banking sector

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Received 21 August 2009; received in revised form 4 January 2010; accepted 2 March 2010

Abstract

This article reports lessons learned from the case of an international post-merger integration project in the private banking sector. It raises the challenges that were met, describes the methodology and the tools used to manage the process, and highlights the factors that led to success. This experience suggests that successful integration management mainly rests upon capabilities in communication, organization and change management. It also highlights the importance of having an Integration Manager in charge of the process in order to favor integration success. In particular, it appears that pace is the heartbeat of integration progress and that one of the Integration Manager’s main roles is to set the pace of integration by applying pressure to speed up progress, while also providing a climate where people are motivated to work together towards success.

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Keywords: Post-merger project management; Post-merger integration management; Merger implementation; Integration manager

1. Introduction

Challenges faced by Management during post-merger integration are numerous and multi-dimensional: steer integration, reach strategic objectives, integrate activities, streamline processes, merge systems, motivate people, address socio-cultural differences, manage change, sustain client satisfaction, etc. These challenges can be amplified by other internal factors such as distance, power plays between the merging groups, key people departures, pressure to perform and conflicting priorities. As the failure rate is known to be high in such projects (Schneider, 2003) and since mergers and acquisitions are commonplace nowadays (Thomson Reuters, 2009), it is important to determine which management practices can facilitate their implementation. Literature suggests that a specific management approach is required to ensure their success and that special attention should be given to project management and internal processes management (Ashkenas and Francis, 2000). The purpose of the article is to bring support to these assertions by presenting a successful project and various means that have apparently had a positive impact.

The article presents some lessons learned from the case of a 4-month International Post-Merger Integration Project, during which the alternative investment division of a Swiss private bank integrated a Taiwanese asset management boutique1, and where the first author acted as Integration Manager. After describing the approach and the tools used for managing post-merger integration, it reports lessons learned with a particular emphasis on the Integration Manager’s roles, the challenges encountered and the tools that proved useful for managing the project.

Originally, it was not intended for this project to become a case study or be subjected to publication. It was designed as a structured, well documented and theory-based practical project.

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0263-7863/S - see front matter © 2010 International Project Management Association. Published by Elsevier Ltd. All rights reserved. doi:10.1016/j.ijproman.2010.03.001

1 The names of the merging companies have been changed.
However, given the positive results achieved and the solid information basis gathered along the course of the project, we thought it would be valuable to share with practitioners and researchers the key elements that seem to have contributed to its success.

Post-merger integration is generally a troubled time for companies and many mergers seem to fail at delivering promises (Seldon and Colvin, 2003). Following early illusions (Morosini and Steger, 2003), such as fabulous growth perspectives, mergers usually entail disillusionments (Krattemaker, 1999), teams experience difficulties in working together, products are not compatible, clients start complaining, sales are lower than expected, etc. Involving multiple changes, integration phases feature those characteristics seen in transition periods (Collerette et al., 2003). Problems encountered suggest that practicing skillful project management and taking change issues into account may contribute to smoothing the process and making the new organization work (Ashkenas and Francis, 2000). The case studied in this article sheds light on this topic.

2. Theoretical perspective

Post-merger integration means not only merging business activities and formal structures towards economic success, but also tackling socio-cultural and organizational aspects (Morosini and Steger, 2003). Technical and structural issues certainly deserve great attention from Management, but merger implementation difficulties often reflect the very nature of mergers, i.e. bringing together the talents of different companies to build a new, stronger entity. Mergers are in fact complex adventures requiring significant adaptations, extra efforts, mutual understanding, a joint strategy, and clearly shared tasks.

2.1. Success factors

Success factors reported by literature correspond to various aspects of a merger. Explanations regarding how numerous mergers fail to deliver their promises relate partly to inappropriate business decisions, and partly to the way the post-merger period and the related internal processes are managed (Gadiesh et al., 2003). As this case looks at the management of a post-merger integration process, we have focused on success factors linked to the latter explanation, and found the following sources:

- Allocate time for mergers to blossom (Morosini and Steger, 2003): synergies will appear as people discover ways of streamlining processes and progressively learn to work differently.
- Create a joint frame of reference (Morosini and Steger, 2003) and bring people together (Krattemaker, 1999): assemble people from different cultures into one structure where people are motivated to work together towards one same goal; build common performance criteria, shared values and efficient ways of working together.
- Emphasize organizational, social and cultural aspects (Morosini, 1999; Ghemawat, 2001): address cultural differences and social concerns, engage in communication efforts, bridge gaps in geographic and other distances.
- Integrate cultures (Krattemaker, 1999): consider both social differences (geography, language, function, education...) and differences in business practices (values, processes, management styles, organization...).
- Inspire trust: in a context of uncertainty and turbulence, people are vulnerable and look to guidance; trust will boost the achievement of integration results in a post-merger context (Stahl et al., 2004).
- Manage the integration project in a systematic way (Morosini and Steger, 2003): prepare well and implement methodologically.

These success factors provide useful cues to Management on some critical issues: bridge cultural gaps, bring people to work together, provide people with strong guidance, and work methodically. As human factors seem to be especially important during integration (Cartwright, 2005), employee motivation is one of the keys to successful integration. Motivation will depend on several variables: speed of integration, acquirer’s cultural tolerance and sensitivity, quality of communication, and quality of reward and job stability (Ashkenas et al., 1998). Consequently, in addition to considering technical and structural aspects, Management should focus on people and social matters (recognition, reward, security, and respect for cultural diversity), communicate clearly and move quickly; this in turn will create trust, enhance employee motivation and facilitate integration.

2.2. The Integration Manager

Post-merger integration involves many people with various roles: Senior Management defines business strategy, unit managers merge specific functions, and employees learn to work together. Some authors recommend that one single person be made responsible for managing the overall integration process (Ashkenas et al., 1998). The designated person, commonly called Integration Manager, will act as facilitator between the merging firms and carry the overall mission of integrating processes and cultures. This role entails multiple tasks (Ashkenas and Francis, 2000): chart how the companies will combine their activities, educate people on both sides of the merger, ensure that integration targets are met, etc. Managing the integration process presents so many challenges that it is often viewed as one of the most difficult transactions (Schuler and Jackson, 2001).

To succeed, Integration Managers should possess multiple talents: skills in project management, organization, communication and change management, and a good understanding of systems, processes and people. Their ability to deal with chaos (Ashkenas and Francis, 2000), sustain pressure from many directions (Management, employees, and customers), relate to various levels of authority, bridge cultural gaps, and deliver results, is critical. Also essential are a good knowledge of the acquiring firm (Ashkenas and Francis, 2000), seniority, credibility and some luck. Further, Integration Managers should
not expect much credit, which they leave to executives, managers and staff (Ashkenas and Francis, 2000).

In terms of timing, Integration Managers intervene during two critical periods: a) the time between the deal announcement and its close; b) the first 100 days after the close. They are expected to move everyone as quickly as possible from the time the deal is closed to the deadline falling 100 days thereafter (Ashkenas and Francis, 2000).

2.3. The 4S Integration Model and project management

Along the 4S Integration Model designed at Harvard (Ashkenas and Francis, 2000), Integration Managers will contribute to the merger’s implementation success in four ways:

- **Speed** — inject speed into the process,
- **Structure** — create a structure for integration,
- **Social** — forge social connections between the two organizations, and
- **Success** — help engineer short-term successes that produce business results.

In summary, the Integration Manager should anticipate, plan and manage; he is a people manager aware of values; he is a project manager at ease with work processes; he is both rigorous and empathetic. He is expected to be efficient and generate speedy results during a transition period that involves changes; he is a jack-of-all-trades whose job is to quickly transform a vision into reality through troubled times.

Post-merger implementation entails many specific and unusual tasks that can hardly be achieved through usual management and coordination mechanisms. As they cover many functions in the organization, these tasks often do not fit with the day-to-day logic of operations and hierarchical relations. Consequently, a project management approach is likely to allow a better grasp of the various tasks at hand, and to facilitate the management of the integration process without disturbing the company’s regular activities (Meckl, 2004). A project management approach should provide a methodical handling of integration tasks, with structured tools to steer and monitor the various challenges related to the integration project (Kerzner, 2004). Since the project aims to rapidly integrate different units into one newly formed organization, it would be a mistake to run the project in parallel with operations; rather, the project manager should remain very close to Management and keep abreast of ongoing developments.

2.4. Post-merger integration and change management

In many ways, post-merger integration management raises issues common to Change Management. As in any situation of change, merging businesses will generate stress, work overload, organizational chaos, ambiguity and anxiety (Rodalic, 2001). In transition periods where uncertainty and turbulence prevail, personal questioning and fear of the unknown develop (Bareil and Savoie, 1999), while productivity typically slows down (Collerette et al., 2003).

In a context of change, people feel anxious and destabilized, and they naturally resist change: pursuing habitual practices costs less energy than learning new ways of doing things. Until a sense of trust is established – through inspirational leadership, open communications, and a clear organizational structure – resistance to change will prevent the integration process from gaining momentum (Appelbaum et al., 2000). It is therefore necessary for the integration approach to comprise change management techniques.

Kotter’s Change Framework (Kotter, 1995) proposes 8 steps to successfully implement organizational change: 1) create a sense of urgency; 2) form a powerful coalition through strong leadership and visible support; 3) create a vision for change; 4) communicate the vision frequently and powerfully; 5) remove obstacles through appropriate structures and continuous tracking of barriers; 6) create short-term wins; 7) build on the change to strengthen its roots in the systems; and 8) anchor the changes in corporate culture.

Kotter’s framework shares some similarities with the 4S Integration Model. Both models conclude that the following elements are necessary in order for change to occur: have clear and realistic objectives, inject speed into the process, communicate with and encourage people, have a dedicated team carry the project, and continuously sustain the momentum of change.

The importance of creating and promoting a vision, which is more emphasized in Kotter’s framework, seems to be relevant for merger and acquisition situations. This element again appears in Leavitt’s Model of Change (Leavitt, 1965), which also largely concurs with the 4S Integration Model, and where it constitutes the “strategy” variable. Further, according to Chandler’s Strategy and Structure Model (1992), structure follows strategy; “strategy” should thus be treated distinctly from “structure”.

3. A framework for managing integration

Because managing a post-merger integration is a complicated, touchy and multi-faceted function that combines change management, project management and people integration management, Integration Managers would benefit from guidelines regarding what to focus on and what to monitor. Assembling inputs from the above models, and drawing from field experience, the authors have put together a framework for tackling the various aspects of integration projects: the 6S Watch List. This framework comprises 6 interconnected areas: Strategy, Social, Structure, Speed, Success and Surroundings.

In Table 1, the dimensions of the 6S Watch List are paralleled with those of the 4S Model, Leavitt’s Model of Change and Kotter’s Change Framework. The sixth dimension, “surroundings”, reflects the company’s outputs (products and services) and its links with the market (customers and client relationship management). It has been added to remind the Integration Manager to avoid focusing exclusively on internal issues and to ensure that project participants do pay attention to customers and external partners. The three other models seem to lack this dimension, which is crucial to the survival and profitability of the newly merged company. Indeed, employees and managers may.

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be so concerned by internal questions and personal interests that they could easily neglect their external environment. Having experienced this aspect as a critical area for focus, we found its inclusion in the list worthwhile. As shown in Table 2, the 6S Watch List takes into account the Merger and Acquisition Best Practices mentioned previously. Created as a bridge between theory and practice, it is designed to serve as a project management tool to facilitate the monitoring of critical issues related mainly to organizational dynamics and human processes which are often neglected in traditional project management approaches (Legris and Collerette, 2006).

3.1. The 6S Watch List

This framework indicates, across six dimensions, the many issues that one should monitor during post-merger integration:

1) Strategy: preparation, decision, allocation, endorsement
   - Prepare the merger across the board (study business issues and social aspects).
   - Anticipate disillusions following illusions such as glorious growth prospects.
   - Decide on and clarify the future organizational structure from the start.
   - Allocate resources to facilitate integration (human, technical and financial resources).
   - Secure continuous endorsement by Senior Management.

2) Social and communication: people, culture, values; communication
   - Constantly pay attention to social and cultural aspects: people are at the core of integration.

   - Address people’s concerns: communicate to employees their upcoming role and remuneration, reassure them, reward them for integration efforts, and retain key people.
   - Motivate people to work together towards integration and to adopt new ways as necessary.
   - Identify and deal with cultural differences (diversity in values and processes).
   - Communicate across the merged organization about vision, strategy and structure.
   - Provide regular updates on integration progress (newsletter).

3) Structure and organization: organizational structure, method, systems, processes
   - Methodical approach: apply discipline, implement methodically, pay attention to detail, use a “get-it-done” system with a meeting structure involving frequent meetings and systematic communication (managing down, managing up, managing external customers).
   - Organizational structure: clarify, assign and communicate roles and responsibilities of managers and employees within the merged company.
   - Management role: identify and designate an Integration Manager or an Integration Team.
   - Systems: strive to bring systems together, increase efficiency and reduce costs.
   - Processes: explore opportunities for streamlining, while pursuing production as usual.

4) Speed and change management: pressure, time, space, pace
   - Pressure: inject speed to make things happen and achieve integration results.
   - Time: allow time for integration (business integration happens through social integration).
   - Space: consider the various dimensions of distance (cultural, administrative, geographic, and economic).
   - Pace: sustain the rhythm all along; beware of slump in enthusiasm following early excitement.

5) Success: sales, results, progress reviews
   - Sales: motivate and incentivize sales staff; monitor sales results.
   - Results: focus on business goals; work on 100-day projects for short-term results.
   - Progress reviews: conduct regular assessments; celebrate successes.

6) Surroundings: customers, client relationship management, products, services
   - Customers: avoid losing sight of customers, direct efforts at retaining/gaining customers.
   - Client relationship management: use CRM to interface with the market.
   - Client service: sustain quality in service, keep client satisfaction up, and retain customers.
   - Products and services: maintain usual delivery levels, and explore ways to streamline.

Table 2
The 6S Watch List and M&A Best Practices.

<table>
<thead>
<tr>
<th>6S Watch List</th>
<th>M&amp;A Best Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Create a joint frame of reference</td>
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<tr>
<td></td>
<td>Inspire trust</td>
</tr>
<tr>
<td>Social</td>
<td>Bring people together</td>
</tr>
<tr>
<td></td>
<td>Emphasize organizational, social and cultural aspects</td>
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<tr>
<td></td>
<td>Integrate cultures</td>
</tr>
<tr>
<td>Structure</td>
<td>Manage the integration project in a systematic way</td>
</tr>
<tr>
<td>Speed</td>
<td>Allocate time for mergers to blossom</td>
</tr>
<tr>
<td>Success</td>
<td>Short-term successes</td>
</tr>
<tr>
<td>Surroundings</td>
<td>–</td>
</tr>
</tbody>
</table>
4. Method

The method used to draw lessons from this experience is the case study approach involving a single case (Yin, 2002). This type of qualitative methodology is considered as well suited for exploratory research (Eisenhardt and Graebner, 2007). Since we found no theoretical model proposing key variables including internal dynamics to monitor or manage a post-merger integration process, this approach seemed most appropriate. The models found were primarily oriented towards business and economic metrics, which were not the main focus of this study. In such a situation, especially when considering dynamic processes, one has to use a methodology enabling to search for real-life elements that seem to significantly influence the course of action at the management level, as well as results on a global level; a case study provided a well adapted solution for this. While its conclusions cannot be generalized, such an approach can bring to the surface important aspects for theory building (Dul and Hak, 2008), and can highlight relevant issues and practices for further experiences (Yin, 2002).

Since it was decided to analyze the project only after the fact, and as this is an in-depth study of a rather unique situation where various dimensions were scrutinized, it had to be a single case approach (Yin, 2002; Flyvbjerg, 2006). Its purpose being to identify significant elements emerging from real-life experience, this case study is of an exploratory type (Yin, 2002), and it is instrumental in that the case itself is anecdotic (Stake, 1994).

It should be mentioned that the development of tools during the project followed an action research approach (Burns, 2007). Action research is based on a principle of reflexivity and supposes that the researcher proceeds with a series of learning loops where actions are analyzed in order to learn how to improve practices or tools. In this case, the Integration Manager used feedback and results in the field to periodically improve tools and adjust the course of action. In contrast, the subsequent project analysis followed a case study approach.

To generate reliable information in a case study approach, a number of pitfalls must be avoided. One of these is the risk for the researcher to distort reality and select data to match his assumptions. One way to limit this risk is to confront the researcher’s observations with the perceptions of the people involved (Miles and Huberman, 1994); this was done in this study through interviews and questionnaires. Relying on too little information or on a limited source of information should also be avoided since it can produce too simplistic a representation of reality. It is desirable to use multiple information sources and to triangulate the observations gathered. According to Yin (2002), researchers can count mainly on six means: documentation, archived records, interviews, participative observation, direct observation and physical artifacts. In this study, information was gathered using the first four types, plus formal questionnaires. To ensure a reliable information basis, it is also recommended to write down all the information collected (Miles and Huberman, 1994); that was performed in this study through a chronological journal where the integration program was narrated on an ongoing basis.

The active involvement of the first author as project manager in the post-merger process implies that she influenced the course of action, and was exposed to biased interpretations of what was being done and achieved. Such a stance as participant observer (Jorgensen, 1989), described by Spradley (1980) as complete participation (activities are observed in a setting while fully participating to its life), is not unusual for action research projects. However, some precautions have to be taken to elude the risk of distortion. In this case, most of the conclusions are based either on factual data or on opinions expressed in questionnaires and interviews. Also, the presence of the external co-researcher brought an additional protection against subjective biases. Moreover, being continuously involved gives access to a richness of information and provides an in-depth understanding of the processes and dynamics being studied (DeMunck and Sobo, 1998).

From an ethical point of view, the Management of the organization was informed that the project and its outcomes would be analyzed in an academic research report; it also received a copy of the report (Dewalt and Dewalt, 2002). In addition, the names of the people and companies have been changed to protect their identity.

The data was gathered over a 4-month period, corresponding to the duration of the integration process. Near the end of the project, semi-structured interviews were conducted with 3 key people (Patton, 1990); also, the 11 professionals involved in the integration process assessed the various tools they were exposed to by means of a short questionnaire. A pattern-matching strategy was applied to analyze the case (Yin, 2002). It consisted in comparing the actual course of the integration project with the initially developed framework, and in measuring the results achieved against those expected, so as to reveal what worked according to plan and what did not.

This case study bears significant limitations in terms of scope and methodology (which was designed after the end of the project). The observations drawn here cannot be generalized and are not sufficient to generate a sound theory. Nevertheless, this study highlights important factors that could be considered for further research, and some of the tools and practices developed here could prove useful to practitioners who are set to manage an integration project.

5. The case of the Swiss Taiwan Integration Project

5.1. Before and after the merger

In July 2007, following an acquisition made by its parent company (the Swiss Private Bank), Swiss Alternative Company (SAC) started merging with Asia Alternative Company (AAC). Table 3 outlines the situation of both organizations prior to integration.

At the end of the integration process, 4 months later, Asia Alternative Company had been completely merged with Swiss Alternative Company. Table 4 depicts the new situation.

5.2. The integration process

5.2.1. The acquisition

In July 2007, after thorough due diligence, the Swiss Private Bank, which already held Swiss Alternative Company (SAC),
acquired a Taiwanese alternative asset management boutique, which was soon renamed Asia Alternative Company (AAC). With this acquisition, the Swiss Private Bank pursued a growth strategy combining geographic expansion and product diversification.

The Swiss Private Bank’s Senior Management decided that the two alternative asset management companies would merge and completely integrate their activities and capabilities, i.e. people, products and processes. Full integration was viewed as the way for the combined entity of alternative specialists to achieve a focused international consolidation and expansion.

5.2.2. Organization

During previous discussions, the parties had agreed to streamline the investment process, merge product lines, and rebrand the Taiwanese boutique as Asia Alternative Company. Two days after the deal was signed, the Swiss Private Bank announced the acquisition to its entire staff and to the international press. The Swiss CEO appointed the Project Manager (first author) at SAC with the mandate to fashion a global action plan for the integration project, while the Taiwanese CEO gave the Chief Operating Officer at AAC responsibility for implementing the merger locally. Senior Management also defined key strategic and organizational elements such as the strategic goal of the Swiss Taiwan Integration Project and the composition of the Core Integration Team (Fig. 1).

Throughout integration, the two CEOs handled strategic decisions between AAC and SAC concerning business development, product merging, cross-selling and mutual remuneration. The Integration Co-Managers were put in charge of refining and implementing the action plan and carrying out Senior Management decisions. Together, they coordinated project deployment, created and updated action lists, and shared tasks according to their strengths. As the Swiss Integration Co-Manager was the overall Project Manager, she was responsible for developing and managing tools to support the project.

5.3. Project management

The Swiss Taiwan Integration Project lasted 4 months, from July to November. It consisted of planning, managing and monitoring the integration of the Taiwanese boutique’s activities into those of the Swiss entity. The integration project included several aspects: develop tools to facilitate implementation, regularly assess progress and adapt priorities accordingly, deal with problems encountered in practice, and report to Senior Management.

5.3.1. Method: planning and structuring

Planning the integration of AAC’s activities into SAC’s ever-changing structure proved a challenging exercise. The Project Manager built a framework for planning and steering the project (Fig. 2). The main constituents of this framework were:

- The Action Plan: listed the specific actions to be carried out throughout the 9 business functions shared by the two entities; was deployed in 3 phases of 1 month.
- Progress Reviews: conducted at the end of each phase to pace deployment through time.
The project was structured along a plan–do–check–react loop (ISO, 2004):

- **Planning** consisted in establishing the Action Plan.
- **Doing** involved carrying out the Action Plan in 3 phases of 1 month.
- Project deployment was regularly interrupted by checks in the form of Progress Reviews.
- Results from the reviews led to react: review priorities and adapt the Action Plan.

### 5.3.2. Tools

Drawing on theory and practice, a series of dedicated tools were created and used to support the project. Fig. 3 lists these tools and shows their relation with the 6S Watch List. While Speed does not match any tool in particular, this dimension is present across the entire family of tools, which together create a framework for making speedy progress during integration.

During the course of the project, the two Integration Co-Managers worked together on developing, updating and refining the various tools. Located in two distant sites, they regularly communicated via telephone or email, to discuss actions to be carried out, actions completed, and new issues that would arise. Documents were then updated and, provided bilateral agreement, dispatched to the Core Integration Team.

The Taiwan Integration Co-Manager often consulted with the Senior Officers in Taiwan to collect feedback before reverting to her Swiss colleague. Similarly, the latter consulted with Swiss Senior Officers before moving on with her Taiwan colleague. The Swiss and Taiwan teams thus worked in permanent consultation and managed the tools in a dynamic and systematic way.

### 5.3.3. Action plan

Designed to facilitate the planning and monitoring of the integration project, the Action Plan formed the project’s master tool. It included some 80 items across the 9 business functions illustrated in Fig. 2. For each function, the Integration Co-Managers, in consultation with some key people, prepared a table to list action items, target dates, people in charge on both sides of the merger, and priority levels, defined as follows:

- **Priority Level 1**: Short-term actions (<1 month) with specific details and target dates

### Table 4

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Post-integration situation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational structure</strong></td>
<td>One organizational structure with a single organizational chart. One Chief Investment Officer for the merged structure. The CEO of AAC now reports to the CEO of SAC.</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>AAC staff has been introduced to SAC and vice versa. People have started to work together.</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>Cross-training took place on products, systems and processes, leading both entities to cooperate and include each other in ongoing activities and developments.</td>
</tr>
<tr>
<td><strong>Internal communication</strong></td>
<td>Regular and functional internal communication between AAC and SAC.</td>
</tr>
<tr>
<td><strong>Administration, legal</strong></td>
<td>Taiwanese entity name was changed (AAC). Product re-branding was achieved. Legal procedures were completed. Inter-company agreements were produced and signed.</td>
</tr>
<tr>
<td><strong>IT &amp; Systems</strong></td>
<td>SAC and AAC share the same email service. AAC has remote IT access to SAC’s folders. AAC uses SAC’s web-enabled investment management software.</td>
</tr>
<tr>
<td><strong>Products, including joint product creation</strong></td>
<td>Product lines were streamlined. The Joint Asia Fund was launched, involving administration by SAC and management by AAC, thus seeing both entities cooperate.</td>
</tr>
<tr>
<td><strong>Investment process</strong></td>
<td>AAC has adopted the SAC approach. The merged investment team reports into one single Chief Investment Officer.</td>
</tr>
<tr>
<td><strong>External communication, branding, website</strong></td>
<td>Public announcements done within one week of deal signed. Re-branding of all media supports was completed. Websites not fully merged at end of project.</td>
</tr>
<tr>
<td><strong>Marketing materials</strong></td>
<td>Marketing documents were fully integrated, displaying information on the merged entity and its new products. SAC has taken on the production of all documents, including those covering products managed by AAC.</td>
</tr>
<tr>
<td><strong>Distribution, sales, client databases</strong></td>
<td>Distribution channels will remain distinct. Sales forces have met and cross-selling has started. Client databases not yet integrated due to technical difficulties.</td>
</tr>
</tbody>
</table>

– The 6S Watch List: provided a backdrop for steering the project and a basis for designing the progress assessment tool which served to conduct the monthly progress reviews.

### Fig. 1. The Core Integration Team.

<table>
<thead>
<tr>
<th>Swiss Alternative Co. (SAC)</th>
<th>Asia Alternative Co. (AAC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Chief Investment Officer</td>
<td>Head of Sales</td>
</tr>
<tr>
<td>Chief Operating Officer</td>
<td>(Taiwan Integration Co-Manager)</td>
</tr>
<tr>
<td>Project Manager (Swiss Integration Co-Manager)</td>
<td>Practical Implementation</td>
</tr>
<tr>
<td></td>
<td>Strategic Decisions</td>
</tr>
<tr>
<td></td>
<td>Formal Documentation</td>
</tr>
</tbody>
</table>

The Action Plan’s structure remained rather stable throughout the 4-month integration project. However, its contents were regularly adapted to reflect continuous changes: integration progress (from pending to completed status); shifts in priorities; executive decisions on action items; new items arising; previous items becoming obsolete; results from the Progress Reviews; information from other tools. Table 5 shows an extract of the Action Plan, with action items concerning the Research and Investment Process.

The Action Plan was saved on the Swiss server, which Taiwan staff could access remotely. This allowed the two Integration Co-Managers to jointly update the plan, share comments, track progress, document decisions, and highlight pending/completed matters. This set-up enabled transparent information flow and smooth consultation/manipulation.

5.3.4 Working tools

Some action items needed to be thought out and developed beyond the frame of the Action Plan. Thus three dedicated working tools were built: IT & Systems Memo, Administration Memo, and Products Memo. These memos recapped the terms of understanding that AAC and SAC reached on each topic, and outlined step-by-step implementation. For instance, the Products Memo, linked to Function 5 of the Action Plan, tackled the constitution of the “upcoming Joint Asia Fund”.

Instead of holding conferences to discuss matters such as the technical features of the Joint Asia Fund, the Integration Co-Managers gathered information from decision makers and specialists, and collated the data in memos. These memos constituted a sort of written agreement between parties, acted as a formal link between the Swiss and Taiwan teams, summarized

<table>
<thead>
<tr>
<th>Tool category</th>
<th>Tools</th>
<th>6S Watch List</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration Action Plan</td>
<td>Action Plan</td>
<td>Structure - method, organization</td>
</tr>
<tr>
<td>Working Tools</td>
<td>IT &amp; Systems Memo</td>
<td>Structure - IT, systems, processes</td>
</tr>
<tr>
<td></td>
<td>Administration Memo</td>
<td>Structure - operations, processes</td>
</tr>
<tr>
<td></td>
<td>Products Memo</td>
<td>Surroundings - products, customers</td>
</tr>
<tr>
<td>Communication Tools</td>
<td>Executive Journal</td>
<td>Strategy - decisions, endorsement</td>
</tr>
<tr>
<td></td>
<td>Newsletter</td>
<td>Social - communication</td>
</tr>
<tr>
<td></td>
<td>Meeting Schedules</td>
<td>Social - people</td>
</tr>
<tr>
<td>Progress Assessment Tool</td>
<td>Progress Reviews</td>
<td>Success - progress monitoring, results</td>
</tr>
</tbody>
</table>

Fig. 3. The tools and their relation with the 6S Watch List.
Table 5: Action Plan extract: sample action items (Function 6: Research and Investment Process).

<table>
<thead>
<tr>
<th>Action Plan — Research and Investment Process</th>
<th>Priority</th>
<th>SAC Swiss</th>
<th>AAC Taiwan</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Organize breakdown of the hedge fund (HF) universe between combined teams of analysts: in the system, one analyst must be assigned to every HF in a portfolio: AAC to update system so that each HF in the “future jointly-managed Asia Fund” is assigned to one analyst</td>
<td>1</td>
<td>CIO</td>
<td>CEO</td>
<td>To do by xxx date</td>
</tr>
<tr>
<td>B. Allocate duties for the “future jointly-managed Asia Fund”: AAC+SAC to reach understanding; finalize agreement</td>
<td>1</td>
<td>CEO, Integration</td>
<td>CEO, Integration</td>
<td>To do by xxx date</td>
</tr>
<tr>
<td>C. Streamline investment process: apply rigor in due diligence procedures: AAC to use templates for Manager reports</td>
<td>2</td>
<td>CIO</td>
<td>CEO</td>
<td>Ongoing</td>
</tr>
<tr>
<td>D. Share research between Swiss and Taiwan: AAC+SAC to circulate any new Manager report to joint team of analysts</td>
<td>2</td>
<td>CIO</td>
<td>CEO</td>
<td>Ongoing</td>
</tr>
<tr>
<td>E. Monday morning meeting: have AAC join by telephone</td>
<td></td>
<td>Integration Co-Manager</td>
<td>Integration Co-Manager</td>
<td>Done and ongoing</td>
</tr>
</tbody>
</table>

discussions, viewpoints and decisions, and indicated upcoming actions, responsibilities and deadlines.

The Integration Co-Managers jointly updated these tools and shared documents on the Swiss server. They circulated each update after having agreed on contents and priorities. On average, each memo was updated 11 times throughout the project.

5.3.5. Communication tools

Several communication tools were created to support the integration project:

- **Meeting schedules** provided a structure for the visits of the Taiwan executives who traveled to Switzerland to meet their new colleagues, get trained, and support integration. Four visits of 4 days each were organized, involving numerous meetings. Preparing these schedules went hand in hand with soliciting various members in the organization to participate in the project, and often educating them about the merger. Schedules were distributed to all SAC and AAC staff, and to key people at the bank, thus reaching more than 50 people on each occasion.

- **The Newsletter** (one edition only) was designed to inform SAC and AAC staff of the project’s objectives and developments, and to motivate the teams to work together. It covered strategy, people, organization, IT and products. Because some practical items required fixing (e.g. shutting the former Asian website) before it could be dispatched, the Newsletter was circulated only two months after the deal was signed.

- **The Executive Journal & Decision Protocol** was created to foster Management’s continuous involvement in and endorsement of the project. Updated 4 times during integration, this interactive tool served to update Management on progress and issues across the 9 functions, to request specific feedback or action from Management, and to record executive decisions, which were then introduced in the Action Plan. Prompted for feedback, Management wrote their answers directly on the journal, which proved efficient.

In addition to these dedicated tools, communication also relied on standard means: phone calls, emails, formal and informal face-to-face meetings, intranet, memos and other documents shared on the Swiss server (available from Taiwan via remote access). Moreover, the Action Plan and the Memos also acted as communication tools, not only within the Core Integration Team, but also with specialists such as the Head of IT Security or the Head of Compliance.

5.3.6. Progress assessment tool

Ultimately, a progress assessment tool should increase the chances of achieving integration success by empowering Integration Managers to: consider the many aspects of integration (strategic, organizational, social, technical, and commercial); distance themselves from day-to-day practicalities; monitor integration efficiently; identify strengths/successes and weaknesses/issues throughout integration; set consolidating/corrective actions; review priorities; stay on track. Such a tool should enable Integration Managers to gain time, avoid forgetting about one dimension or another, and pace integration efforts. Further, it should be compact, user-friendly, and ready-to-use before engaging in an integration project.

Keeping these criteria in mind, the Project Manager built the Progress Review Sheet (Table 6). This one-page form contains 25 critical integration items organized across the 6 dimensions of the 6S Watch List. The Progress Review Sheet was used once a month, to assess progress at the end of each project phase. Performing progress reviews corresponded to the “checking” part of the “plan–do–check–react” approach adopted in this case.

Each Progress Review comprised two intertwined steps:

1) Assign a score of 1 to 4 points to each critical integration item, corresponding to its “degree of presence”: 1 inexist; 2 weak (slightly present); 3 medium (rather present); and 4 good (fully present). The perfect overall score would be of 100 points (25 items x 4 points). As the maximum number of points varies between the six dimensions (e.g. 12 maximum points for Strategy with 3 items, and 24 maximum points for Social with 6 items), results obtained in the form of fractions have been converted into percents (e.g. Strategy, First Review, 7/12=58%), thus enabling to compare progress across the six dimensions.

2) Describe strengths or weaknesses observed for each item, and indicate consolidating and/or corrective actions to be

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taken. This is inspired by the SWOT approach (Strengths, Weaknesses, Opportunities and Threats) and by a theory on managing change during transition periods (Collerette and Schneider, 1996).

In practice, the Progress Reviews enabled to shed light on positives and negatives, define upcoming actions, and steer the integration process. Results from the reviews pushed the Integration Co-Managers to react to situations, shift priorities, and adapt the Action Plan. The Project Manager conducted each review in Switzerland, independently from the Core Integration Team, and together with an internal/external consultant. Consultants brought an independent perspective and encouragement to the process, which proved valuable. The three Progress Reviews constituted a cornerstone of the Integration Project.

5.4. Project deployment

5.4.1. Context

The three years preceding the Swiss Taiwan Integration Project saw SAC and the Swiss Private Bank grow continuously, with staff doubling and assets tripling. Whilst the integration project was underway following the acquisition of AAC, the bank set up new business units, launched various funds, increased its headcount and spread geographically. Concurrently, SAC reorganized its teams, implemented a new portfolio
management system, developed business in Europe, etc. The Swiss Taiwan Integration Project thus took place in a dynamic and rapidly-evolving environment, with several projects happening in parallel. Very active and juggling between special and standard tasks, employees typically answered “already busy” when called upon for the integration project.

5.4.2. Phases and progress reviews

The integration project was deployed in three one-month phases, with a Progress Review at the end of each phase, achieved with the Progress Review Sheet. Table 7 presents the summary results from the three Progress Reviews. Table 8 shows the progress that was made in-between the three reviews.

The First Review stressed the need to emphasize Strategy, Social and Surroundings, and to sustain Speed. According to the Second Review, these dimensions had progressed significantly, except for Speed. In the field, “climate” was low during Phase II: participants felt tired and discouraged, many integration difficulties occurred, and momentum lingered. Despite this rather poor social climate, substantial progress was made between the first two reviews: the overall score rose from 66% to 75%.

The Second Review highlighted the need to enhance Speed, Social and Surroundings, and to sustain Strategy and Structure. According to the Third Review, Strategy was up and all other dimensions were down or flat. During Phase III, pressure exercised by Management remained low while social climate improved: the willingness to complete outstanding matters was strong, integration difficulties were less numerous, and the project managers paced execution steadily. With a positive social climate but rather low pressure, a slight slowdown was observed between the last two reviews: the overall score dropped from 75% to 72%.

Throughout the project, significant progress was achieved across the six dimensions of the 6S Watch List: the overall score evolved from 66% to 72%. All dimensions progressed, except for Speed. Considering the full dimension of speed and change management, it appears that the project’s implementation pace was not only a function of pressure, but also of social climate.

Conducting monthly progress reviews, carrying out corrective or consolidating actions, and adapting the Action Plan, together seem to have positively impacted integration progress.

6. Project results

Based on the 30 November Action Plan update, most hard objectives had been met by the end of the project and the integration can be considered a reasonable success:

Successes: Re-branding and name change were achieved; a single organizational chart was published; remote IT connection was established; marketing documents were integrated; inter-company agreements were signed; the Joint Asia Fund was launched; cross-training had taken place (investment process; products; systems); cross-selling had started.

Failures: The websites were not yet merged; client databases had not been integrated.

Yet, successful integration management goes beyond achieving “hard” objectives: it entails a psychosocial side that involves people, communication, culture and values. In this

Table 7
Summary results of the three progress reviews and comments on the social climate.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Social climate: excitement, willingness to go ahead. Few integration difficulties. Quick kick-off.</th>
<th>Strategy</th>
<th>Speed and change mgmt</th>
<th>Social and communication</th>
<th>Structure and organization</th>
<th>Surroundings and customers</th>
<th>Success and Business results</th>
<th>Total score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7/12</td>
<td>10/12</td>
<td>15/24</td>
<td>19/24</td>
<td>8/12</td>
<td>7/16</td>
<td>66/100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>58%</td>
<td>83%</td>
<td>62%</td>
<td>79%</td>
<td>66%</td>
<td>44%</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>Phase II</td>
<td>Social climate: tiredness, discouragement. Numerous integration difficulties. Lack of faith in the project. Other priorities conflicting with the project. Slackness in pace. Slow progress overall.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2nd review: Social climate: enthusiasm partly regained. Encouragement from having already accomplished certain things (more and more action items are crossed out). Focus shifting towards completing the project.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8/12</td>
<td>8/12</td>
<td>19/24</td>
<td>21/24</td>
<td>11/12</td>
<td>8/16</td>
<td>75/100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>66%</td>
<td>66%</td>
<td>79%</td>
<td>87%</td>
<td>92%</td>
<td>50%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Phase III</td>
<td>Social climate: enthusiasm partly regained. Encouragement from having already accomplished certain things (more and more action items are crossed out). Focus shifting towards completing the project.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3rd review: Social climate: enthusiasm partly regained. Encouragement from having already accomplished certain things (more and more action items are crossed out). Focus shifting towards completing the project.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9/12</td>
<td>8/12</td>
<td>16/24</td>
<td>21/24</td>
<td>10/12</td>
<td>8/16</td>
<td>72/100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>75%</td>
<td>66%</td>
<td>66%</td>
<td>87%</td>
<td>83%</td>
<td>50%</td>
<td>72%</td>
<td></td>
</tr>
</tbody>
</table>

Table 8
Progress achieved in-between reviews, for each dimension of the 6S Watch List.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Strategy</th>
<th>Speed and change mgmt</th>
<th>Social and communication</th>
<th>Structure and organization</th>
<th>Surroundings and customers</th>
<th>Success and Business results</th>
<th>Evolution of total score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress 1st–2nd</td>
<td>↑</td>
<td>↓ ↓</td>
<td>↑↑</td>
<td>↓</td>
<td>↑↑</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td>Progress 2nd–3rd</td>
<td>↑</td>
<td>←</td>
<td>↓</td>
<td>←</td>
<td>↓</td>
<td>←</td>
<td>←</td>
</tr>
<tr>
<td>Overall progress</td>
<td>↑↑</td>
<td>↓ ↓</td>
<td>↑</td>
<td>↑↑</td>
<td>↑↑</td>
<td>↑</td>
<td>↑</td>
</tr>
</tbody>
</table>

very case, success would have seen people from the merged entities working together, learning about each other, communicating openly together, resolving cultural differences, adapting to systems and processes, cross-selling their respective products and developing shared values. From this angle, it seems the “soft” objectives were only achieved in part:

Successes: People began to work together and slowly developed the habit of including each other in discussions. Thanks to cross-training sessions and motivational conversations, work processes were partly, but not fully, streamlined. Some cultural differences were discussed and efforts were made to work beyond “distances”.

Failures: Although remote access was made available early on, Taiwan employees did not often connect to the Swiss server, pinpointing the difficulty of changing one’s habits. Cultural differences gave rise to tensions, conflicts and delays. Shared values remained a dream.

In sum, while some soft aspects restrained integration pace on several occasions, most hard objectives were achieved as planned. The integration project has resulted in creating a structural base, which AAC and SAC can employ to work together on developing their joint business. Overall, the Swiss Taiwan Integration Project has been rather successful.

7. Discussion

7.1. Project management and monitoring

Leading the Integration Project entailed cross-functional implementation and coordination between numerous players. In terms of steering, managing and monitoring the project, the Integration Managers found that several factors contributed to achieving integration:

– Consider the multiple dimensions of integration; draw lessons from research.
– Apply a plan–do–check–react method; create an Action Plan and follow-up rigorously on pending matters to ensure execution; use a separate monitoring tool to review progress once a month (Progress Review Sheet).
– Work in consultation (AAC and SAC) to establish Memos, discuss alternatives, assess progress, set priorities, and update project participants.
– Continue to move ahead despite setbacks.
– Lent a hand on tasks assigned to busy specialists.
– Schedule a weekly telephone meeting between the Integration Co-Managers.
– Obtain Senior Management to apply pressure/authority when necessary.

7.2. Integration difficulties

During the Integration Project, many issues interfered with the deployment of the Action Plan, and slowed down merger implementation. Integration difficulties appeared in various forms: disillusionment, disappointments, doubt, discouragement, delays, fears, fights, frustration. While some of the issues were administrative, financial or technological in nature, most difficulties found their source in the many structural and socio-cultural differences between the merging entities and in the psychology inherent in transitional situations, such as resistance to change. These observations mirror theory (Beard and Zuniga, 2006; Schraeder and Self, 2003).

The following issues were encountered in practice and caused integration difficulties:

– Administrative issues: necessity to cope with slow legal procedures.
– Financial issues: high costs prevented offering a faster remote IT connection.
– Technological issues: difficulty to merge client databases owing to IT security issues.
– Structural differences: unevenness between the parties (big SAC versus small AAC).
– Socio-cultural differences: diversity in countries, languages, habits, processes, management styles, corporate cultures.
– Transitional situation: resistance to change in the face of new colleagues, new processes, new products, etc.

The challenge was to make things work between AAC and SAC despite the difficulties that restrained progress. Tackling structural, socio-cultural and transitional issues proved so consuming for the Integration Co-Managers who were busy managing participants’ reactions and bringing people from different cultures to work together. The following practices have apparently contributed to resolving integration difficulties:

– Communicate openly and frequently; favor phone calls rather than emails.
– Provide explanations on practices, systems, organizational structure or technical jargon.
– Work in consultation; discuss upcoming projects and agree on objectives together.
– Put things down in writing to confirm position and commitment.
– Listen to people’s frustrations; address people’s fears, reservations or reactions.
– Talk about cultural differences and misunderstandings; make efforts to understand the other’s culture; adapt some of one’s habits to fit in; socialize to build rapport.

7.3. Challenges for Integration Managers

The theoretical framework mentions that Integration Managers work across multiple dimensions, execute a variety of tasks, and face many challenges. In practice, the Integration Co-Managers were confronted with three sets of challenges:

1) Handling organization, managing change and staying on track
   – Having two Integration Co-Managers instead of one complicated things, e.g. the Swiss Co-Manager had no
authority to push AAC to get things done; yet, the “tandem” system prompted SAC and AAC to work together in consultation.

- The entire Taiwan support staff resigned (3 out of 3 people), representing extra work for the Taiwan Co-Manager at a critical time.
- The Swiss Co-Manager took a 2-week holiday in the middle of the project, which induced momentum to fall somewhat.
- Priorities evolved constantly as a result of progress reviews, instructions from Senior Management, and other parameters; this called for constant adaptation.
- Staying focused on the project and its objectives proved challenging in the face of risks such as getting lost in details or letting other priorities drive attention away from integration.

These organizational challenges prompted the managers to concentrate, work hard, communicate frequently and assign responsibilities clearly.

2) Facing administrative, technological, financial, geographic and socio-cultural issues

- Administrative red tape caused delays, e.g. lengthy legal proceedings, heavy account opening procedures, multiple reviews to finalize formal agreements.
- Technological obstacles meant delays for Taiwan users wishing to remotely access the Swiss server, and prevented SAC’s and AAC’s client databases from being merged.
- Financial barriers hindered full IT integration, e.g. installing a dedicated phone line for faster connection was too expensive.
- Geographic distance pushed participants to organize themselves in order to work across 7 time zones and interact during the few hours when both locations were open.
- Socio-cultural differences, as well as the characteristics inherent in transition phases, brought about numerous difficulties such as misunderstandings, conflicts and resistance to change.

These various difficulties generated frustration amongst participants. They also illustrate the CAGE model, whereby distance between businesses is multi-faceted: cultural, administrative, geographic and economic (Ghemawat, 2001; Hauxschild et al., 1994).

3) Endorsing the many roles of the Integration Manager

Throughout this project, the Swiss Integration Co-Manager, wore several hats:

- As project leader, she focused on planning, monitoring and steering integration.
- As project coordinator, she organized meetings, ensured follow-up, maintained documentation and centralized communications.
- As executive, she carried every effort to make the project progress, and even carried out some tasks that went beyond her assignment, e.g. producing inter-company agreements.
- As advisor, she convinced Senior Management to enhance strategic communication and apply pressure when necessary.
- As coach, she motivated and encouraged participants, and supplied background explanations.
- As facilitator, she listened to people, showing understanding for their opinions, reactions, differences and frustrations.
- As trouble shooter, she dealt with the multi-faceted challenges that arose.
- As catalyst, she strived to get things done without getting involved emotionally.
- As buffer, she acted as a lightning rod (Ashkenas and Francis, 2000) for people’s emotions.
- As messenger, she was likely to be “shot at”, with participants taking her for a scapegoat.
- As manager, she often felt lonely while making the project progress.

This integration field experience confirms that Integration Managers typically practice a multi-disciplinary role and carry out multiple functions. Further, this experience has shed light on the key tasks that Integration Managers need to accomplish: bring focus, dissipate problems and imprint a steady rhythm in changing times.

7.4. Role of the tools

To assess the value of the tools developed to support the management of this project, a survey was conducted amongst the Core Integration Team, Senior Management and other participants. The following data was obtained through questionnaires from eleven people who provided feedback concerning their awareness, use and perception of the tools:

- All participants confirmed they were aware of the specific tools they needed to be aware of, but not necessarily aware of all the tools; this matched the Project Manager’s intentions.
- Senior Management and the Integration Team indicated they knew all the tools, and used all of them.
- Only a few participants found all the tools to be useful, but most participants found that the specific tools they used were useful. For the Integration Team, the Action Plan was the most useful tool, the IT Memo was very useful, the Products Memo and Meeting Schedules were quite useful, and the Newsletter was little useful. Senior Management rated the Executive Journal as very useful. Other participants appreciated the Meeting Schedules, the Newsletter and the specific Memos they used.

Seven people expressed their opinion about the tools’ advantages and/or drawbacks:

- Overall, these people fully agreed that the tools favored a good understanding of the project amongst participants and gave a clear depiction of actions and discussions in progress.
- They rather agreed that the tools brought structure and efficiency to the integration process, enabled to visualize targets and responsibilities, and were updated at appropriate intervals.
And some of them viewed the large number of tools as a source of confusion.

Overall, the tools proved useful and well designed, each tool reaching the appropriate target audience. In fact, participants’ appreciation and use of the tools was a function of their position in the company and of their role in the project. Although some found the tools somewhat too detailed or numerous, users commented that the tools were instrumental in delineating roles, depicting integration progress and facilitating communication amongst distant players.

Unlike the other tools, the Newsletter failed to meet its mission (creating links and motivating people to work together). First, it was sent out two months into the project, with information that seemed obvious. Second, the CEO dispatched it, assuming it would have more impact, which proved wrong as the Swiss Integration Manager was perceived as the Project Manager. Third, it contained only facts: an interactive quiz or personal portraits would have made it more appealing. The weak impact of the Newsletter confirms research showing that written information is a rather poor media for mobilizing people (Sheer and Chen, 2004). Yet, producing this letter forced the managers to resolve certain issues before distribution, which helped the project move forward.

In sum, the tools contributed to enhancing organization and communication between the participants, raising awareness to the project, keeping momentum alive, and meeting objectives. The tools were useful in that they boosted the project and provided a framework for integration.

8. Conclusion

8.1. Success factors

The successful achievement of the main objectives of this project, including the effective management of the integration difficulties that appeared, has enabled to identify a series of useful practices which confirm theory (Vester, 2002; Tetenbaum, 1999):

- Consider the many dimensions at stake; allocate resources; set priorities; stay focused.
- Employ a rigorous method; use a set of tools; conduct regular progress reviews and adapt the action plan consequently.
- Apply sufficient pressure; imprint and sustain pace; allocate time; build trust and rapport.
- Communicate abundantly; provide training; motivate people; listen to people’s concerns and complaints.
- Identify and resolve socio-cultural differences; explain customs and processes.
- Detect signs of resistance to change; manage resistance to change.

Applied in an integrated manner across the 6S Watch List, these principles allowed not only to grasp and harness the complexity of such a project, but also to adequately manage business and social factors, which are often neglected in more traditional approaches to Project Management.

8.2. A multi-faceted approach for a multi-faceted challenge

This case illustrates that post-merger integration management is a multi-faceted challenge that requires communication, organizational and social skills, as well as a series of working tools. Achieving successful integration proved challenging for the Integration Co-Managers who deployed integration across several business functions, met integration objectives, and also dealt with socio-cultural issues, structural practicalities and commercial concerns. Fig. 4 outlines a series of recommendations to Integration Managers.

8.3. Hard and soft aspects

To steer the project, several tools were created and used. Conducted at regular intervals during the project, Progress Reviews enabled to identify strengths and weaknesses, define consolidating/corrective actions, and review priorities. Based on the progress that was achieved in-between each review, the authors find that performing these reviews also allowed to gain distance from the project, take into account the various dimensions of integration, avoid losing sight of critical aspects at stake, and favor integration success. This successful experience shows that tools and organizational skills contribute to achieving integration success by handling the “hard” side of integration.

In line with the theory, various integration difficulties were encountered in this case: administrative, technological, geographic and socio-cultural differences; resistance to change; and structural differences or “unevenness between the parties” (Stahl and Voigt, 2004; Morosini et al., 1998). These complications, which typically accompany transition periods, showed through in the form of emotional reactions (fears, fights, frustration, and discouragement), and led to reducing the speed of integration (delays). Anticipating, identifying and handling socio-cultural issues probably contributed to making integration progress. This “soft” side of integration calls for good communication and social skills, including the ability to listen, understand, explain and persuade.

8.4. Pace

Mirroring theory (Bert et al., 2003), the case illustrates that speed is essential in post-merger integration, not only to meet deadlines and remain competitive, but also to foster trust amongst staff. More precisely, the case shows that integration pace depends not only on the pressure that can be applied to gain speed, but also on the social climate that prevails, such as tension, frustration or enthusiasm. Pace seems to lie at the core of the ingredients for success presented across the six dimensions of the 6S Watch List. One of the Integration Manager’s essential roles is to imprint the pace of integration, just like an orchestra conductor gives rhythm to keep up momentum. In fact, pacing integration is a mixture between injecting speed in the form of pressure, which could cause negative reactions such as rejection or rebellion, and injecting speed in the form of motivation, which should get people into motion. To play this role of making integration happen by
### 1. STRATEGY
- Make sure that Senior Management has defined the strategic objectives for the integration project, allocated resources for implementation, and assigned responsibilities for execution.
- Provide integration updates (progress, successes, weaknesses) to Senior Management, highlight action items requiring managerial intervention, and request feedback from Senior Management.
- Seek continuous involvement, endorsement and support from Senior Management.

### 2. SPEED: FOCUS and PACE
- Focus on short-term goals and set priorities in consultation with all the parties involved.
- Follow up constantly on all action items, in order to pace the integration process.
- Pace follows both pressure and social climate. Pace is the heartbeat of the integration progress.

### 3. SOCIAL: PEOPLE and INTERNAL COMMUNICATIONS
- Keep in mind that people are at the heart of the integration process (people are processes).
- Communicate very frequently on the project’s objectives and achievements, both verbally and in writing.
- Create a joint organizational chart to allow visual representation, even for legally-separate entities.
- Use common language in all communications to enable the integrated party to “feel part of it”.
- Emphasize social events, get-togethers, informal meetings and verbal communication.
- Listen to people’s concerns and frustrations. Act as a lightning rod for their emotions if necessary.
- Provide training and encouragement. Be available to give explanations. Build trust and rapport.
- Anticipate socio-cultural differences and change-related difficulties, and address them.

### 4. STRUCTURE: TOOLS and ORGANIZATION
- Use a methodological approach (e.g. “plan-do-check-react” method) for regular follow-up and questioning.
- Conduct regular reviews to monitor integration progress and define corrective or consolidating actions.
- Establish a weekly meeting between the members of the Integration Team.
- Work in consultation when documenting decisions, writing procedures or drafting contracts.
- Create "tandem" between members of the former entities to build links while working on projects.

### 5. SURROUNDINGS: CLIENTS and EXTERNAL COMMUNICATIONS
- Work with sales and client service teams to identify the possible effects of integration on the market, to minimize impact on customers, and to strengthen client relationships.
- Create working groups for merging existing product lines and/or creating new, joint products.
- Work with marketing teams to disseminate positive external communications about the merger.
- Ensure speedy re-branding across all media supports, marketing materials and communication platforms.

### 6. SUCCESS
- Keep in mind that integration is a complex challenge that requires focus, pacing and reflection.
  - **Focus**: Define a limited amount of short-term goals, achieve them and spread the good news.
  - **Pacing**: Like an orchestra conductor, pace integration efforts and monitor successes/weaknesses.
  - **Reflection**: Occasionally get away from practice and reflect. Work with a coach or a consultant.
- Refer to the 6S Watch List so as to take into account the multiple dimensions at play in integration:
  - Strategy, Speed, Structure, Social, Surroundings, Success.

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Fig. 4. Recommendations to Integration Managers along the 6S Watch List.

setting a pace that motivates people to cooperate towards success, Integration Managers require change management skills.

8.5. Project management

To lead the project, the Integration Co-Managers applied project management techniques, including:

- **Plan–do–check–react method**: This consisted of drafting an action plan, executing the plan, monitoring results, assessing progress, refining the plan, and ensuring continuation.
- **Phases**: The Action Plan was deployed in three phases intersected by progress reviews.
- **Objectives**: Focus was kept on a few, specific, short-term objectives.
- **Tools**: To support project implementation, various tools were fashioned and used.

Combining this disciplined method with some tact and fingerling proved beneficial for achieving integration success. Harnessing the challenge of post-merger integration management
calls for a holistic approach that features both structural and human qualities.

Acknowledgement

We sincerely thank the three referees whose comments and suggestions enabled us to improve this article.

References


