

MERGER INTEGRATION BLUEPRINT

MERGER ANNOUNCED

CIO & TRANSITION TEAM RESPONSIBILITIES:*
Set objectives for merger of IT organizations
Select new CIO and appoint key IT lieutenants
Keep most of the IT organization focused on running the business
Create project teams to enable the business to meet its merger goals
Appoint integration team leader
Name integration team and decide key roles

MONTH 1: MERGER SIGNED

CIO & TRANSITION TEAM RESPONSIBILITIES:
Draft overall IT merger plan and get steering committee's feedback
Help integration team leader assess priorities
Build processes to tap input from business side

INTEGRATION TEAM RESPONSIBILITIES:
Assess organization structure of existing IT departments
Conduct systems inventory to build "fact base" (resources, budgets, projects, systems)
Identify quick wins, such as standardizing purchasing and consolidating data centers

MONTH 2

CIO & TRANSITION TEAM RESPONSIBILITIES:
Ensure all IT leader appointees are endorsed early by business executives
Gauge morale of overall IT staff
Ensure communication flows smoothly within integration team and between integration team and business units

INTEGRATION TEAM RESPONSIBILITIES:
Draft project plans based on business needs
Build data "bridges" between base businesses

MONTH 3

CIO & TRANSITION TEAM RESPONSIBILITIES:
Communicate often to remove uncertainty, boost morale, head off staff defections

INTEGRATION TEAM RESPONSIBILITIES:
Screen merger integration projects for fit with business goals
Staff up for implementation of quick wins
Start planning new systems architecture

MONTH 4

CIO & TRANSITION TEAM RESPONSIBILITIES:
Midpoint review: assess progress, gauge satisfaction of business users
Ensure IT leaders have solid data to deflect any "maverick" initiatives by the business side that may upset integration

INTEGRATION TEAM RESPONSIBILITIES:
Ensure fast pacing of projects

MONTH 5

CIO & TRANSITION TEAM RESPONSIBILITIES:
Finalize staffing plans, matching resources to skill-set needs
Review processes that tap feedback from the business side
Ensure the integration team moves smoothly into full implementation phase

INTEGRATION TEAM RESPONSIBILITIES:
Build plans to manage implementation projects
Build in quality control steps

MONTH 6

CIO & TRANSITION TEAM RESPONSIBILITIES:
When important new business need pops up, assess impact on overall IT integration plan; reset priorities and reassign resources

INTEGRATION TEAM RESPONSIBILITIES:
Ensure project teams are on track with implementation

MONTH 7

CIO & TRANSITION TEAM RESPONSIBILITIES:
Hold project leaders accountable for not letting plan slip
Communicate early with business executives to lock in support for sticking with big goals
Prepare audit of integration effectiveness

INTEGRATION TEAM RESPONSIBILITIES:
Communicate track record of achievements to business users

MONTH 8

CIO & TRANSITION TEAM RESPONSIBILITIES:
Prepare comprehensive milestone review for steering committee

INTEGRATION TEAM RESPONSIBILITIES:
Prepare to celebrate key project milestones

MONTHS 9-12+

*DEFINITIONS OF THE TEAMS

Steering Committee Typically led by COO and comprising corporate executives such as the VP of marketing. Responsible for success of all aspects of business merger.

Transition Team Headed by CIO and several senior IT managers. Puts the interim IT organization structure in place in merged company.

Integration Team Can be led by CIO, more often by senior IT manager (e.g., head of enterprise applications or network operations chief). Drives and coordinates all IT integration projects.

Project Teams Headed by IT staff with project-management skills. Each drives an integration project.

CREDITS

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Who's going to be the CIO? Will our project survive? Are they on the same platform? Who will be laid off?

PLANNING DISCUSSIONS FOR IT MERGER

Establish interim organization structure

Define IT merger's expectations and objectives

Assign IT merger project teams

IT MERGER PROCESS GETS UNDER WAY

MERGE IT ORGANIZATIONS, OPERATIONS AND PLATFORMS

Develop IT "fact base"—staff, projects, budgets, systems and processes

Define new IT organization structure and governance processes

Identify "quick wins"
IT COST REDUCTIONS
REDUNDANT PROJECTS

Define IT merger integration projects
EXPECTED BENEFITS
IMPLEMENTATION PLAN
KEY ROLES ON EACH PROJECT

Plan migration to new organization structure
Refine business cases and prioritize key initiatives

Implement "quick wins"
Define future IT architecture
Create integration plan

Develop implementation plan supporting integration initiatives:
MAP THE RESOURCES NEEDED
DEFINE THE SCOPE OF EACH PROJECT
BUILD SCHEDULES

Business whims subvert IT governance

Implement IT integration activities
CLEAR COMMUNICATION WITH BUSINESS UNITS
RIGHT PROJECT MANAGERS
RIGHT TRACKING SYSTEMS AND METRICS

Establish IT integration program office

Incorporate new IT needs as the businesses combine

Major new business need comes up

Big goals are compromised as implementation becomes harder

BUSINESS NOW VIEWS ORIGINAL IT UNITS AS ONE

INTEGRATION COMPLETED

(SOME PROJECTS MAY TAKE LONGER)

KEY TO MERGER STEPS

Merge IT Organizations, Operations and Platforms

BENEFITS IF DONE:
Fewer wasted investments
Cost synergies achieved
Smoother integration process

RISKS IF NOT DONE:
IT integration never gets completed—patchwork of systems
Excessive IT spending
Lower service to the business

Enable Business to Meet Merger Goals

BENEFITS IF DONE:
More likely to achieve merger business synergies
Smoother integration process
Improved customer/supplier interaction and satisfaction

RISKS IF NOT DONE:
Last-minute awareness of need for new systems
Missed "greenfield" technology-based business opportunities

Support Running of Base Business During Transition

BENEFITS IF DONE:
Accurate business information
Cross-enterprise data to support integration analysis
Clear processes/systems to support short-term operations

RISKS IF NOT DONE:
No consistent information about the state of the business
Time consuming/costly rework to keep operations running