Microsoft® Office

Improving the Post-Merger Integration process with Microsoft Office Groove 2007

Secure, efficient collaboration to improve post-merger business integration

White Paper

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Overview

Merger activity is on the rise. According to the Wall Street Journal, global merger and acquisition (M&A) deal volume in the first seven months of 2007 was $3.65 trillion, up 51 percent compared to the same period in 2006.[1]

Many studies have shown that the majority of acquisitions do not meet their financial goals. According to an analysis of over 7,000 mergers and acquisitions, between 55 and 77 percent of mergers fail to deliver on the financial promise predicted when the merger was initiated.[2]

Evidence	Study Sponsor
65%-70% of deals fail to enhance shareholder value	McKinsey, 2000
58% of deals reduced shareholder value	A.T. Kearney, 1999
27% increase value,33% no change, 50% reduce value	BusinessWeek, Mercer

An article in The Economist stated that "A stream of studies has shown that corporate mergers have even higher failure rates than the liaisons of Hollywood stars."[3]

Why do mergers and acquisitions fail to meet expectations?

A Bain & Company survey of 250 global business executives involved in M&A found that the number-one reason such deals are unsuccessful is "ignored potential integration challenges." More often than not, mergers fail to deliver expected value because of poor post-merger integration execution.[4]

A critical success factor for post-merger integration is getting people from the companies involved to begin working together quickly, even though they may be on separate network infrastructures and in different locations during the transition period.

Microsoft® Office Groove® 2007, part of Microsoft Office Enterprise 2007, provides a collaboration solution that can help improve post-merger integration. It enables team members from multiple organizations to efficiently share large amounts of information across multiple locations and networks. Office Groove 2007 also protects all data with military-grade security. Often, the solution can be deployed quickly and with little IT support.

There are three key aspects of the Microsoft Office Groove 2007 solution that help support post-merger integration:

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[1] Wall Street Journal, August 31, 2007.
[2] Alexandra Lajoux, The Art of M&A Integration (New York: McGraw Hill, 2005).
[3] "How Mergers Go Wrong," The Economist, July 20, 2000.
[4] Jay Grob and Matthew Meachem, The Merger Before the Merger (Bain & Company, February 1, 2005).

coordinate, and manage communications. Team members work more efficiently, regardless of location or network connection. Office Groove 2007 provides both online and offline collaboration capability through synchronization. The solution can be deployed quickly and without being impacted by traditional barriers to collaboration, such as network permissions and firewalls.

Office Groove 2007 works with Microsoft Office SharePoint® Server 2007 and Windows SharePoint Services to form a highly integrated collaborative platform, one that helps teams and organizations work together and share information more effectively. Office Groove 2007 is ideal for ad hoc collaboration within teams, and Office SharePoint Server 2007 is a Web-based solution with a scalable, searchable back end that is ideal for broad information sharing across a team or organization.

The Office Groove 2007 Solution

Some of the characteristics of Office Groove 2007 solutions for post-merger integration are:

Teams can form quickly and can include members from all organizations involved in the merger.

Large amounts of information can be gathered and disseminated to team members in a secure and timely manner.

Team members have access to documents both online and offline, which is critical for post-merger integration team members who frequently work away from the office.

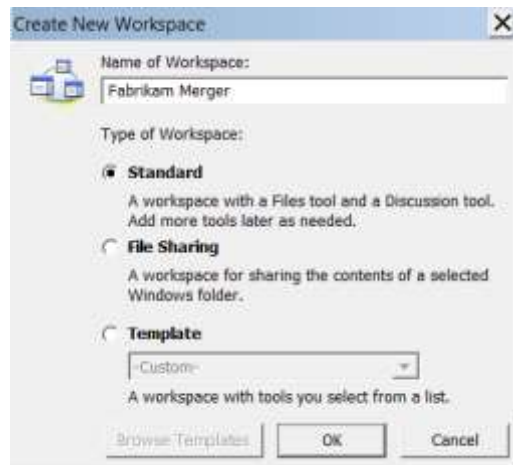Confidential information remains secure at all times, on the desktop and across the wire.

1. Office Groove 2007 supports effective post-merger integration planning

Office Groove 2007 helps the post-merger integration team work and plan together effectively inside a collaborative workspace that puts team members, tools, and information in the same context. Office Groove 2007 workspaces can be created with no IT assistance or server space, saving the team time and reducing the chance of post-merger integration delays.
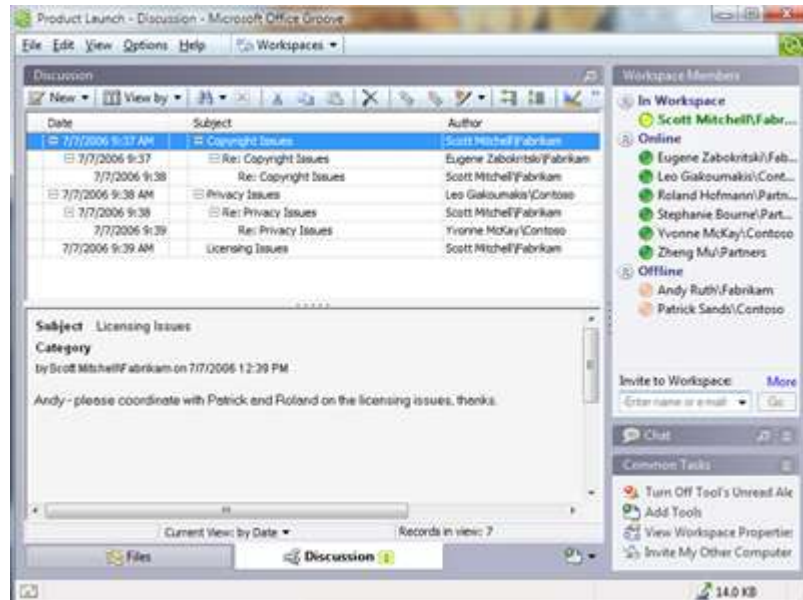
Post-Merger Integration Planning Workspace
Fabrikam Inc., a worldwide manufacturing firm, has acquired Contoso.

1. Scott Mitchell, the integration manager for Fabrikam, decides to set up a Microsoft Office Groove 2007 workspace for post-merger integration planning after seeing the challenges that employees experienced during previous company acquisitions. Scott creates an Office Groove 2007 workspace for his team on his computer.

4. Office Groove 2007 helps ensure that all members' copies of the workspace stay in sync every step of the way. The workspace is a virtual place that enables teams to collaboratively share, modify, and discuss files; chat; hold threaded discussions; manage recurring project meetings; track tasks, opportunities, and issues; and more.
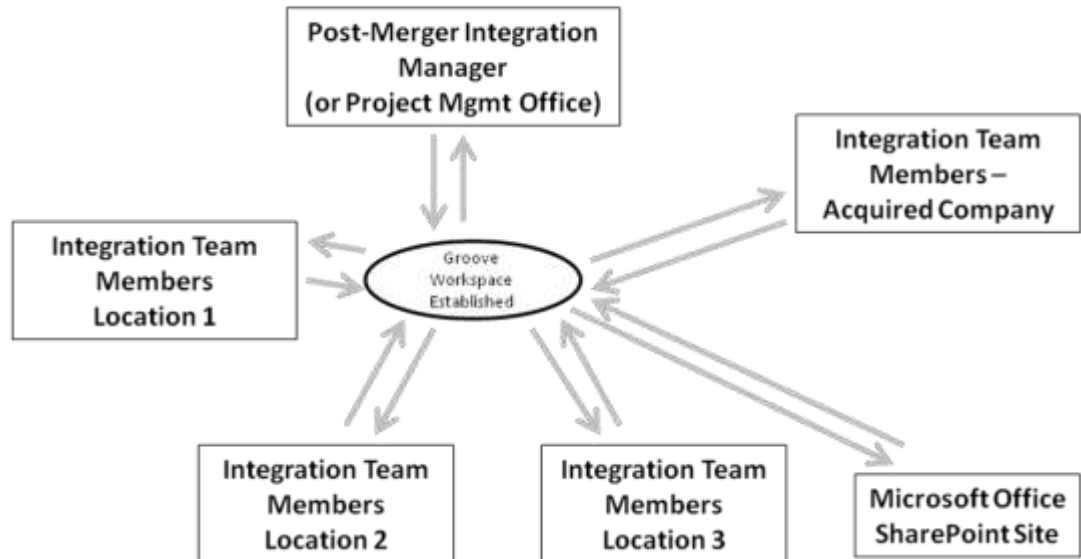
lack of portability of information. Iterations of documents are typically sent as an e-mail message between team members.

Business Process – With Microsoft Office Groove® 2007
Post-Merger Integration Planning

By utilizing an Office Groove 2007 collaboration workspace, the post-merger integration team members have an efficient, secure workspace in which to create and share knowledge. Previous limitations on the portability of information are eliminated. Teams are now able to easily share information with all members in the workspace. Integration teams can help keep everyone on your team apprised on important project milestones, meetings, and updates.

Post-Merger Integration Planning for Employee Benefits

Ben is the benefits administrator for Fabrikam. Megan has been the benefits administrator for Contoso for the past 15 years. Ben and Megan have begun coordinating their efforts to merge the employee benefit plans. The benefits integration team starts with a simple Microsoft Office Groove 2007 workspace consisting of a Files tool, which they used to share large files, such as benefit plan documents and other information. Ben and Megan use the Discussion tool to securely exchange information about employee plan updates. They quickly discover that it would be helpful to have a benefit integration team activities calendar where they can share important planning milestones. They begin to use the Calendar tool to build a shared employee benefits integration schedule to track important deadlines, meetings, and upcoming communication delivery dates.

Office Groove 2007 is an ideal solution for facilitating dynamic teamwork across the firewall, as in the preceding example. Office Groove 2007 is the workbench for very frequent information exchanges and dynamic teamwork. Office SharePoint Server 2007 is a portal for storing and archiving large amounts of data that can provide the centralized, scalable systems where that work gets published, broadly shared and searched, and integrated with structured business applications.

Some of the documents created in Office Groove 2007 may need to be archived to an internal Office SharePoint Server 2007 site, both to allow access for other members of the team while the project is ongoing, and to create a record once the project concludes. Team