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23996 - SPOTLIGHT SESSION TALENT CONSIDERATIONS IN M&A

VIDEO TRANSCRIPT

Steve: Hello and welcome to our spotlight session talent considerations in M&A. I'm Steve Gelsi senior reporter at The Deal and the moderator for this panel. The need to acquire innovation capabilities and fill skill gaps is now on par with traditional M&A triggers such as industry or geographic expansion. In order to maximize M&A value companies need to address the talent side of the equation as the deal progresses, not just in the aftermath. Let's welcome our two panelists. We've got Michael Benyomin managing director and Accenture's talent and organization human potential practice. Michael thanks for joining us.

Michael: Thank you Steve.

Steve: And we've got Jay Neely managing director mergers and acquisitions lead Accenture. Jay thanks for joining us.

Jay: Glad to be here.

Steve: This session will examine different organization and talent approaches depending on the type of deal and how companies can use advanced technologies to facilitate faster, better organization design and ultimately derive more value from their deals. So let's move on to the first topic. Jay, human capital equation and M&A broadly. Let's start with how - 0:01:13- talent strategy is evolving.

Jay: Yeah certainly Steve. Look I think it's a really important topic and it always has been, M&A, I mean it's always about bringing companies together and people. But what we think is really different now is the human capital equation in so many of these deals is the equation for how you actually capture value. And so much of the if you went back 30-40 years ago and you're doing your heavy industry consolidation and buying assets, a lot of that the capital of business was actually capital and you can look at the kinds of businesses that trade today, a lot of the capitalism people brains. And we're seeing it and no industry is really sort of immune from that. We see all kinds of industrials doing digital deals. We see massive life sciences coming together and blending biotech with pharma. We see big plays around Fintech. Right? And all these things are bringing together notions of digital and people and in that kind of world of course you'll create synergies and there will be some roles that are eliminated but you have to really actually think hard about what's the right operating model, what's the right place to plate talent, where the best capabilities within the business. And you really have to sort of start from announcement to win hearts and minds the whole way through. And so it really is just sort of an issue I just think is in a contemporary deal environment has kind of risen to the top of one of the things you really have to pay attention to and you have to think hard about in a deal environment.

Steve: So yeah, so it's not as you said it's not just about synergies. Michael what's your take on this on kind of the macro that's going on here?

Michael: Yeah I think as Jay was describing is it's really about balance. So you have to do some things around synergies, of course there's deal value associated with that but at the end of the day what you're really trying to do is just make sure that you have the right talent in place, stabilize the organization so it's not distracted from the deal and then work towards being able to collaborate innovate together so you're actually maximizing on the long term benefits of why you had the merger in the beginning.

Steve: So Michael let's just stay with you for a minute. Why is talent so integral for companies to get the most value out of their M&A? Kind of break us down for it. I mean Jay mentioned like what you're buying is almost what's inside of people's brains. So how has that been so important, so integral, for companies to get the most value in their deals?

Michael: Sure I think as Jay was describing really as you're doing deals now you're really buying the assets of the organization and it's not so much the physical assets but you're buying the intellectual capital, the intellectual property and the people and the scale of those things and that varies certainly by deal type that you're getting into. But as you're doing that, things are a little different in M&A situation versus let's say a transformation situation. So in a transformation situation you're transforming, you're doing some important things but everyone assumes they have a job unless you hear otherwise. M&A situation people are fairly distracted and the degree of uncertainty of do I have a job, where do I fit in the organization? I don't understand the organization, hugely distracting from your productivity. And so you could be on the spectrum of well I can confuse, distract, disengaged people to being on the other side of the spectrum of I can help enable collaboration, innovation and engagement. And those are very different successes versus not in a deal situation and so what you normally find is that you got to hit the culture point and figure out how to bring the cultures together and you got to stabilize the organization so you know where people fit and they have a home and you have to be able to communicate that home. And then you got to then further harmonize the talent even further whether it's how we work together, whether it's harmonizing our total rewards program so people are being paid similarly or understand people have the same kinds of titles and so on. So you got to do all these things at pace at the right moments otherwise again you could buy the assets but you can certainly not achieve the long term success that you're trying to get to while you're doing other things simultaneously such as trying to achieve synergy some of which are headcount at the same.

Steve: So jay you work on M&A deals. Is Michael correct in saying that people do get distracted at the companies and there is a little bit of maybe even a productivity hit that goes on during M&A deals?

Jay: All the time. You have to expect some of it but you also need to manage to it. I had a story I used to like to tell about a large deal I did quite a while ago at this point but we used to do the parking count. And as the months wore on in pre-closed planning and it's getting closer and closer to close and people didn't necessarily know who had a role who didn't have a role. You just notice like every morning as a consultant you show up the same time in the parking lot at this company and you could park closer and closer to the building. And throughout the summer just fewer and fewer people are there, like week to week. Some are out looking for jobs and some are just taking more time off. And then after they closed the deal they created certainty about who was in what roles, the parking lot filled right back up. And I always use that as like a just a very real physical example of what starts to happen. And I think what you're always facing when you're doing M&A especially if you do larger deals it's hard for everybody because how decisions are made, who's making decisions, when they'll be made. None of that's always immediately clear and so people are trying to learn how to work together in a pre-close environment and figure some of that out and they're also trying to figure out what's my future going to be. And so it's a really important part of the equation that you've always had to manage but especially in these environments where you really want to be thoughtful about what talent you do retain in the business and what kind of roles you create for them. Keeping them engaged during it and keep them focused on the business but also like just keeping them in the door while you're trying to sort out what the right set that plays matters. And I think in the environment we're on too, a lot of these industries the mobility of individuals is extremely high and in some ways perhaps even in our current environment where we've all learned how to work from home a lot more too, people were even more mobile than ever. And so you always have this constant tension of needing to make your way through making some decisions and takes some time but also trying to keep your workforce very engaged in the daily business and in the process of thinking through integration and not over promise who will have a role and who won't have a role but being in a position where you actually will have choices to make when the time comes. So I just think yeah Michael kind of got it right but those are just some examples from how I see it and how I see it play out in different deals.

Steve: So yeah that that was a really interesting analogy with the empty parking lot and the parking lot filling up again. Jay let me ask you, let's stay with you for a second so how should talent approaches differ though depending on the type of deal if it's an add on, if it's a consolidation or if it's a transformational deal? I guess you kind of have to go in with different type of expectations or different types of approaches. What are your thoughts on that?

Jay: Yeah absolutely and there's not a one size fits all for this and there are different deal types. A lot of the idea on deals tend to be sort of big buys smaller and I work a lot in consumer products and there's been a lot of buyouts of small brands for example. And I think the key in these little add on deals is usual you're buying a capability or you're buying like a very interesting product, your chances are you're buying a set of individuals who help create that but you're not going to build sort of run it exactly the way it was run before. And there are going to be things about the larger corporate that you have to impart on it and some of it is just reporting on the business and the back office and things like that. And some of it might be having to evaluate sort of standards that it has and bring them up to a certain level that this commensurate being part of a larger company and the exposures they could create. But you also have to sort of if you're buying something like a founder company or an innovative company, you don't want to like kill that off either. You bought it for a reason, they created something with high growth. And so these add on deals like really sort of being and Accenture actually buys a lot of companies. We actually are one of the most acquisitive firms in the world. And we talk about culture of cultures. We buy a lot of smaller businesses but we don't necessarily try and change them all overnight, we don't necessarily even change all the brand names. Most of time we let them retain these interesting brand trademarks they have in the marketplace. And I think he had to sort of think through for your type of add on deal what do you do. A couple other key points on consolidated deals versus transformation deals, I mean even consolidation deals which can be very high overlap kinds of things and you do eliminate a lot of roles, I've seen people be very creative about using that as an opportunity to sort of reset the company and really thinking about how to sort of change the culture of a business and being very thoughtful about the talent mixes they create in that and very thoughtful about using it as a basis for maybe even making some changes to their operating model. So just because something is consolidated doesn't mean that just one side takes all. I think we know that's rarely sort of the best play in those. And I've seen a lot of consolidated deals too where people actually sort of stop and look and they actually find hidden capabilities they didn't know existed in the organization they bought. I worked with a couple of home builders after the 2008 financial crisis and their businesses were obviously massively impaired with the slowdown in the housing market at that time. And it was very consolidated and they were eliminating lots of sales offices and things like that but they did sort of discover that the one company was actually better home builder. They had a better process for building homes, they had sort of done the operations research approach to it and they had taken thousands and thousands of dollars out of the median home price cost to build by doing that. Had they not sort of stopped and looked around and understood the talent that they acquired with the business they would have just rolled right over it. It actually end up being like an extremely valuable thing from their deal.

And then transformative deals are really sort of the place where you have to sort of think through this most carefully. Now these are kinds of deals where you're really blending business models, where you might actually enjoy changing a fundamental operating model the business and a new approach to r&d, a new approach to go into market. Maybe you're sort of bringing different kinds of routes to market together in a consumer products business. And in these environments where you really sort of it's sometimes called best of both but you're trying to blend the organizations together and a lot of times to drive growth. In those kinds of settings you got to really sort of think through what are the acquiring businesses going to sort of prevail is like the case to be and where are you going to reinvent the business. And around that you have to really then selected who what's the right people from both organizations to sort of fill that new organization in the future. So every one of them has like different flavors to it but at the end of the day you have to have a really thoughtful process about what am I trying to get to as a future end state for my operating model for a company and then what role of talent play in that and how I manage all these interplays we talked about before about keeping people engaged while you're making choices and the like. But you do have to sort of start with what's my deal and what am I trying to achieve? And some of these like you might have one mode in one part of the organization in one mode and the other. I've done deals where the back office parts frankly consolidation and there's not a lot of question about change and the front of the house is where you're trying to sort of really change how you approach the market and drive growth.

Steve: Michael you have anything to add? That was really interesting, a lot of insights there for from Jay on approaches differing depending on the type of deal, add on consolidation or transformation -0:13:54- any other thoughts on that topic?

Michael: Just a couple of example for instances. Just to bring that to life I think when you start, depending on the deal that you're getting into so it's one thing if you're a 50 000 person company buying a 200 person company you start to rationalize quickly and then you got to figure out what's the value of that? But if you're buying something of scale of size going into a new geography or getting into a manufacturing of a product line that you're not in, you start to realize okay well what implications really around how much time should I take to integrate and so sometimes if you're going to leave alone a little bit longer you're going to take a little longer to integrate and that's okay. And other times you're going to want to accelerate that because there's a high degree of overlap and so you have a lot of blended teams and then it creates confusion if you don't, it’s a distraction. And then the other component of that is well if you're now going to get scale in a particular business geography or maybe even back office function it starts to beg the question around well how do we look at the operating model of that and say well we've made some insource outsource decisions for instance and now that we have this new capability or this scale of talent or whatever it is, how do we revisit those things and really think about that. And that could go in either direction by the way. And so it allows you to reflect a bit more to get the right operating model not just simply mash up the talent together.

Steve: Okay well staying with you Michael, you mentioned some of the challenges in your answer just now but what are some of the really common challenges companies run into when bringing cultures together after a deal?

Michael: Yeah, evaluating culture happens during due diligence. Right? So if you have like cultures that aren't just never going to blend you're not going to do the deal because it just will not work. I get into this and so in my past I was an employee that went through a merger. Day to day I helped companies integrate their acquisitions and then inside of Accenture Jay mentioned how acquisitive we are, well one of the people that helps us do due diligence and think about ventures and acquisitions as we go through that and so culture starts very early on in terms of understanding can we find a way to work together? Is there enough commonality in the organizations in terms of where their focus is. And you need that anchor so that you can celebrate the things that are in common and then the rest of it you find ways of working together. But oftentimes if you don't do the culture part well, that part is going to result in talent loss, quite frankly. And that's what you're trying to avoid. And so you can define culture, you can say look here are six attributes, this is what it means to have a culture and then you have the so now what. What does this actually mean in practicality in the ways that people work? So when you're acquiring an organization everyone can read all the attributes, they can hear the speak but if they don't actually understand how to get work done in the now combined organization. And by the way that happens to be for both sides of the organization because if you're now part of blended teams or you now have new capabilities you're asking the question in lots of ways. And so it's really important that we help activate in the right kinds of ways and versus leave alone and help people figure it out. So we’ve come up with a culture strategy, here it is, ‘now what’ is not a good answer. It falls under the spectrum of never going to happen to inefficiently happen. And what you want to do is be on the spectrum of really enable and guide. And that really comes down especially in the middle management ranks so leaderships all bought in, they totally understand but then translated day-to-day in terms of how middle managers of blended teams in particular can actually help bring the teams together and understand how they would work together through all sorts of things. And then lastly there's a bunch of distracting things that get in the way that until you integrate those things you're never going to feel like the same company. And some of those things are for example collaboration tools. So someone is on Microsoft Teams, another company is on Zoom. Well when you send out a calendar invite it's very visible that you're sending a Teams thing versus a Zoom thing. Right? Or even a Skype, both Microsoft products. Right? And it's always a little clunky, never exactly works right and all of those kinds of things. And so how team members actually collaborate with each other especially in this remote environment is super important to get right and as fast as possible. And then you have other things that are deeply personal to people like the mobile policy, mobile phone policy. We have one company reimburses, the other one doesn't. Or bring your own device. One company allows it and the other one doesn't or they have some other kinds of things. So there's a bunch of things you got to sort of remove the distractions of integrating as soon as you can without distracting people and then you got to help people understand the ways of working especially on blended teams and then beyond and you can't just stop at the leadership level.

Steve: So Jay what are your thoughts on common challenges that companies run into when bringing cultures together? And it's interesting, just as a side note Michael and Jay it's interesting that Accenture sort of you eat your own cooking, you do your own deals and then it seems like you apply some of that knowledge that you do in your own acquisitions to your work helping in the M&A process. So that's kind of interesting how there's learning on both sides going on there.

Jay: Absolutely. Actually capabilities we have capabilities we built to do our own deal search that we use with our clients as well. It's a very nice reinforcing loop. Look, I think Michael hit some really important points. To me in culture it’s like these little things that matter the most but they can come become big issues pretty quickly. I actually think one of the most important ones are in early stage M&A is just how do decisions get made. And that sounds strange like well somebody makes them. But it's not always intuitive when two companies start to come together and some are much, much more consensus driven and there's a whole bunch of sort of backchannel stuff that happens before the meeting and everybody comes into the meeting and they're all decked up to make the decision. And other companies it’s very, very different and there's like a few key people and they really sort of make all the choices. And other places they're very used to very agile scrum time and bring it in the room, let’s hash it out and move. When you sort of bring two groups of people together for the first few times and they don't really understand how that works, it takes some time to work your way through it and actually it takes effort too because they start to have negative attribute association. Some people will perceive that well they're just disruptive. Well maybe not disruptive, it's just that's how decisions get made in their organization and then it's not how they get made in your organization. And then Michael hits some of the things like it's the little policies and things like that. You might ultimately change them but I think it's the question of when you do change them. Right? Because if some things are like some takeaways or be perceived as takeaways, and look I've worked with clients where they're very strict compliance environment and there are some policies that they have to impart. But how fast you roll them out and how quickly do you sort of make people take training at day one, it sets the tone for the culture you’re coming into and if you've got a company that's sort of not used to that, it's like a shock to the system if you hit them too hard. So I think it's just at the end of the day culture sort of is like always been viewed like this very software but I think you can break it down into a number of different very discrete elements. And then it’s the choices you make about each of those along the way that really sort of set the tone for like is this a place I think I could work in. For somebody being acquired that's ultimately do I like this group of people, do I think this is a company I enjoy being in? Does it feel about the same as me? Is it just too bureaucratic and I don't how to navigate here? Those are the kinds of questions that you want to get people to say oh okay I get it. It’s a little different, I'll figure this out but they're trying to be really helpful. And okay I get that this feels like a giveaway but now I understand why it has to be that way. You want to get people sort of understand versus just assuming it’s all being inflicted. And I think that becomes a really important part of that and I think finding keepers. I had a couple companies I put together a while ago and one was business casual ahead of his time and one was like suits and ties. And that was a big deal, that was a really big deal to both companies. The CEO kind of he bided his time, he didn't do anything fast but they got the clothes and he went to tie is optional. And he made a point of like you never saw him in a tie again. At first his leadership team they didn't quite get it and they were kind of still coming in with their ties and it kind of blended. And then you saw some of the people in the acquired company every now and then they show up in a tie. But he sort of like took a very symbolic thing at sort of the right point in time and he sort of made it change around and made it very visible and he lived it and I think it actually set a very nice tone as that company came together. It sounds silly talk about ties but that's the kind of stuff that people actually get worked up about.

Steve: Yeah definitely so Jay just staying with you for a second you're talking about really soft stuff about culture, let's talk about hard technology. What's the role of technology in organizational design? How can companies use data and analytics in their talents approaches during integration?

Jay: That's super exciting topic and the range of possibilities are just growing by the day, I mean yeah and really I think as we do surveys on M&A, most executives really recognize that using technology as a component of like how you're planning and executing your M&A is just essential to value creation. We think there's a number of ways that it just helps, one it can really help speed up the process. There used to be the world of you print out the org charts and you paste them on the wall or you create PowerPoints and you're kind of looking at them and you're doing headcount and spreadsheet. It just takes a lot of time and friction and you can't really it's hard to sort of very agilely look at design alternatives. And now with modern tools you can look at all kinds of different organization designs at a click of a button and you can take extracts out of work day and bring in the right kind of people data so that you've got a good understanding sort of compensation impacts if you sort of design organizational one way or another you can do spans and layers like get click of a button. And so I think that at a very base level of something like that just sort of speeds up what the necessary process in this. Where it gets super interesting is if you start to bring other sort of capabilities to it where using job descriptions and things like that and AI you can start to sort of evaluate options for different kinds of service delivery models and things that you might want to do yourself versus has somebody else do for you or the kinds of roles based on their description that are actually possible ones that you could do things like RPA on. And then as you start click over to more the culture side of the house, there's always the sort of surveys and tools like that but there's like really interesting things you can do using sort of data in systems. Mining calendars as sort of buildup views of what are like the informal networks in the company that really matter and who like the influencers in these organizations that actually can be really sort of instrumental in sort of helping be zealots for the new company or sort of helping to win those hearts and minds. And so the combination of data available and the analytic tools and capabilities there, it just becomes very exciting in this space because it lets you think more expansively about the possibility that lets you look at more options and let you model your organization in ways that we just never have been able to before. Now, there's always a but. The little but is in things like GDPR and the notion of all these like growing nations and data privacy is also…

Steve: GDPR is what again?

Jay: Global Data Privacy which already sort of an act you passed in the EU about individual person data. And rightfully so. You really want to protect people personal information. So as much as we want to use data you have to use data appropriately and you have to put safeguards around it and some of the stuff you end up doing with a few individuals who are allowed to look at it or you do it in name blind and scrambled employee -0:27:47- kind of way. But it's very possible to do. Right? And so I think as you're working through this if you ever sort of find it getting the right counsel involves that you can do the analysis you want to do, leverage modern tools to do it but do it in a way that sort of protects the individual information. You have to balance all of those but it's still very doable.

Steve: Michael what's your thoughts on technology as well in organizational design? How does it sort of figure into the human equation of what you're working on with your with your deal making?

Michael: Yeah thanks Steve. I think there are lots of purposes of technology that make decisions faster I think is the way I would couple some of the things that Jay was describing which had lots of rich examples in there. I'll just add a couple or three examples to that. So one, a very practical example is you're an organization buying another organization and let's say you're centralized or decentralized or you're both centralized but you have different services of how you're centralized. How do you even figure out who goes where so you can even figure out the boxes, right? And so you could use AI based on titles and job descriptions and other kinds of things to actually ring fence people, make it easier to say, ah, well these are all the shadow IT people that are sitting in the field somewhere else in country xy&z and they should be part of the centralized IT function because in this company we centralize that work or we centralize analytics work. And so you can make that kind of decision a lot faster than manually scanning and looking at some things. Another example is responsible scaling. And so without a doubt and there typically are going to be situations where you're going to have to let some people go but they all have skills and capabilities. And so with AI's help you can actually figure out what are the adjacent skills that they may have, that may fit other kinds of roles that you have. And how long will it take to make them proficient in that? So you can actually as a company decide to choose to make some development decisions and reinvest back into a portion of that workforce to actually then fill the talent needs you may have somewhere else. So there's a lot of different ways of technology really helping you make those things other than well we're just going to go out and just hire a bunch of these people. So there are lots of ways that they can help there and then once you're ready to actually start to execute on some of this stuff the way you can use technology for listening to employees or actually managing the change understanding the readiness for the change and all those kinds of things, in Accenture we use all sorts of tools to actually complement a whole ecosystem of stuff that we do along the way and it's that collection in that suite and the piecing together to craft the journey is so important and technology is so critical to just do that at speed and frankly at scale.

Steve: So Michael you're talking about the importance of technology and using AI for example it's very interesting. So let's say you have the technology all set, you've been working with this, you've been tweaking it. What's the ideal road map for talent integration? So you have all these tools but what steps do o companies need to take to ensure success?

Michael: So Steve it's a good question with respect to an ideal road map and the answer is it actually there's a series of ingredients for different kinds of recipes that need to be brought together really. Because the timing of M&A is there never neatly when you want them to be. Right? There's always first companies can be on different fiscal years, they have different timings for talent processes, the annual processes like performance management, comp planning, other kinds of things, you have some different timing along the way. So there's a bunch of things that impact people and depending on when the deal comes in you have to factor all of those kinds of things. And so this is never like a neat answer but the way I would describe it is there are few ingredients that you have to figure out before close and there's a few ingredients you have to figure out after close. And look there's probably 20 decisions, 30 decisions you have to make but just for today what're the quick few buckets if you will. So pre-close you got to figure out what's the right day one experience that I want to have to celebrate the commonalities between our cultures, our teams, and how do we welcome everybody together and all of that is really important. Figuring out who you need to primarily retain or mitigate talent risk against is also really important to start figuring that out fairly early. There's also this nature of cross functional processes that happen right away and what I mean by that Steve is that hey there are open roles that people can take in other organizations. Well how does that actually happen? Because you're not on the same system on day one, and so does that mean I got to leave this and my benefits and my title and my grade and my compensation and my service and now I got to go to this other thing that has a totally different compensation structure, benefit structure. How does that physically actually happen and do I have to accept the other thing or does this stuff carry forward. All of those decisions and the how of that cross functional, you got to figure out pretty early on because you have to operate in this interim period until you're integrated. And then of course you got to figure out your reporting lines day one. Who's reporting to whom? At least at some leadership levels and those kinds of things. Those are important things as ingredients and lots of decisions and there's more decisions in between those. Those are like the biggies and then post close is you got to figure out well how are you going to harmonize all your processes and technology things that you're going to do that impact people especially…

Steve: That's a big one.

Michael: That's the big one and then you have all these policies. So Ja and I sprinkled some of those examples and whether it's the mobile policy, whether it's a program for how we do child care support, whatever the thing is. And then you got all your *toler warts -0:34:55-*. At some point are we going to be on a common grading structure, titling structure, compensation structure, benefits, all of those kinds of things which take time. It's not immediate and it may vary and then you have your annual company processes in HR that impact people. So at some point after a deal closes and before you're probably done integrating you're going to get to some process where you're going to say hey I have all these people that I thought I was going to promote. Do I still promote these people? Or do I need to scale that back? Or what does promotion mean? And now this combined company can I still proceed? There's a bunch of things that really matter to people as you're trying to harmonize. Those things are happening in parallel that you have to layer in to your road map. And then of course you can't do any of this in a vacuum. You have to factor in finance, IT, HR, procurement, real estate, they all have to converge in terms of figuring out. And of course we can't forget about work councils and the timelines associated with working through those things as you're trying to work through your talent road map and talent implications. So all of those ingredients plus the crossovers and the impacts to each other all have to come together in this integrated way. And that varies greatly based on deal type and timing and the size and scale of the acquisition.

Steve: That's a lot of interesting stuff, there's a lot of work right there Michael that you're talking about. Jay, anything you'd like to add on the ideal road map for talent integration?

Jay: I think I would just say that yeah there's a lot of the focus on the day-one employee experience. I think that's always great to do but I would actually go all the way back to the journey starts when the thing gets publicly announced. And there can be quite a bit of time for large deals the average time to close is like nine months then if you get any kind of regulatory scrutiny it can easily be 12 months plus and I think that period leading up to close is just as important because it if you don't use that well and you don't sort of address some of these issues along the way quickly, by the time you get the day-one you've probably lost a lot of people in terms of like hearts and minds. So what you do from announce to the close is just as important as having a big celebration on day one.

Steve: Okay, great yeah. I wrote about a merger not too long ago that took two years to close because they had to get a lot of country approvals and stuff like that. That's a long time that things can kind of be in limbo I guess.

Jay: Yeah and that's why you also care about when do you actually announce leadership. It provides clarity about who's going to lead the future company but it also can be destabilizing if you announce it too soon. And that's always a delicate balance as well.

Steve: Okay, Jay let's stay with you. So we've talked a lot about the steps, the road maps, the meaning of talent in M&A. Let's try to move on to a couple of examples of how companies are getting it right and the benefits they're achieving as a result. Jay and then go with Michael then we'll wrap it up after that.

Jay: Sounds good. I want to give you some common characteristics. I think so first of all I think everybody needs to have a strong talent lens on their M&A. And I think when we look at sort of who's doing it right, who's doing well, there's sort of three key things that come to mind. So one is you kind of pick your spot to leapfrog because you probably can't change everything in a dramatic way but you have to like get back to how am I going to create value in the deal? Am I changing my commercial model? Am I changing my R&D model? What am I changing as a result of this deal to drive growth and drive value? And you really sort of have a bespoke talent agenda around that piece of it that might be differentiated from how you think about other parts of the organization. Two, is really sort of focusing on some of these enablers, like moments that people will remember that are symbolic of culture or really enablers. It doesn't have to be something like the guy got rid of the ties. It can be simple as really having an open discussion about this is how we make decisions around here. And do you guys do it and how we going to sort of like help each other out when we sort of feel like a little like we don't quite understand what's going on? How you make things discussable? But that's just an example of enablers. And then this whole notion of like hey just stop assuming and start modeling. I mean there's a lot that you can do with this technology as we talked about they actually sort of make really good progress and make good decisions faster and I think where we sort of seen companies apply those principles, they're really quite successful in this agenda and doesn't matter if it's a large deal or a small deal. I just worked with a company that bought a brand that was less than $100 million and they signed and closed and had it fully integrated in 90 days. But they were actually very conscious from the minute it got announced about embracing the company, engaging the talent. It was very clear that like the back office and things like that for that business probably was not going to continue. But they treated people well throughout it. They moved very, very quickly. They provided certainty to people quickly as they could. And the ones that they needed to keep in the business that sort of really understood the product and the brand were kind of like the heart and soul behind it, they really wrapped them up very, very quickly. And that's just a small deal example. And we've talked about some larger deal ones so maybe I'll just see if Michael has other examples he wants to add but those three things to me is sort of key to the equation.

Steve: Yeah I mean it's interesting that you're mentioning a lot of these middle market companies as well. Not just the mega companies that need to think about these kinds of issues. Michael what your thoughts on some good examples of good practices you're seeing out there?

Michael: Sure, so I think the kinds of things that we're seeing, well first of all, doing it well if you're going to be an acquisitive company is super important. Not just to do it well but actually the reputation. So working with one organization they're in the midst of integrating and then they went ahead and bought another company and that company actually called the other company they were being integrated to find out how their integration experience is going. And that was an important part of their decision making if they want to join forces or not. And so it's really important in terms of doing this stuff well because people are going to care about how their workforce is going to be treated and welcomed and integrated. I think that's one. I think the second thing is boards of companies care about certain types of metrics and a number of them are talent related. And so we look at voluntary attrition, we look at engagement, we look at those types of things, we look at is the product launch happening on time. Well, all of those things have a people component and using the right tools around measuring those things, sensing those things and actually being able to analyze and work through those matters are really important as you need to report out to the board on a regular basis about those types of metrics. And looking for hotspots quite frankly which is what we do and we try to understand why that is. And you can heat map all of these metrics across your organization instead of treating everything all the same. And so the boards really care about this stuff on the talent side because they understand without the talent you're not going to execute on the business metrics.

Steve: Okay, well Michael Benyamin and Jay Neely, thanks for joining us. This has been our spotlight session Talent Considerations in M&A. I'm Steve Gelsi senior reporter at The Deal. Thanks for joining us.