



Are you ready to integrate your acquired business?

Once you've purchased a business, you may be thinking the hard part is over. Well, think again! Integrating two businesses requires a lot of effort, no matter how alike they may seem to be. Even if you have "done it" before, it's never the same. Some acquirers' focus solely on the purchase and when it's finished, they ask themselves, now what?

Three steps to successfully retaining your new clients and staff

It's important to begin the integration process early and clearly define the desired outcome, a smooth and efficient transition. The best way to achieve this result is to create an "integration project" and manage it with a well-defined project plan. The "project" approach to integrating your two businesses helps set realistic targets and time frames and greatly increases your chances of success during and after the integration.

The first step to establishing this integration project is to determine your integration strategy as part of your overall business model and objectives. How do you want the business to "look & feel" when it has been integrated? The clearer you are in your vision, the easier it will be to define what needs to be done and how to get there.

The second step is to define your requirements. Being specific and detailed is essential to manage the expectations of all stakeholders (your new and existing clients, your new and existing employees, your new and existing suppliers i.e. dealer group, product providers). It's crucial to consider the collective position of all stakeholders with regards to timelines, outcomes, and processes.

You also have to define your business assumptions that support your strategy and requirements. What may be obvious to you may not be apparent to other stakeholders. If you want and need their support, you will benefit by identifying what you require from them in the context of your assumptions. If the assumptions change, both of you may need to rethink the strategy or requirement and how it will be achieved.

When integrating your business, it's important to re-define roles and responsibilities even when the outward changes may appear to be minimal. Accountabilities shift

in the context of the integrated business and it provides a great opportunity to re-energise some if not all of the stakeholders.

You're ready to integrate when you can answer 'yes' to these questions:

1. Do all of your stakeholders (especially your new clients) know what is happening and understand how the integration will affect them?
2. Will your servicing levels meet your clients' needs and will they be appropriately priced?
3. Will your business processes meet service standards that are consistent and effective?
4. Do you have the right business processes and tools to deliver advice and service efficiently?
5. Do you have the right information to manage your clients and run your business?
6. Do you have adequate controls and processes to ensure your business remains compliant?

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If you can't answer "yes" to all these questions, then you still have some work to do.

Plan ahead and ensure a smooth and successful transition

An integration plan needs to be updated on a "regular" basis. A conscious re-alignment of the steps required will benefit the process. When you commit to the integration plan, it

is important to follow it or clearly identify the reasons for variations for yourself and the involved stakeholders. Otherwise, you may lose sight of the end result you were hoping to achieve. Being able to apply some flexibility with discipline is paramount. An integration plan should help you drive the process, not become the process or be set aside when the workload becomes too much.

Planning and managing your integration requires effective communication from start to finish and the benefits are substantial when done correctly and potentially disastrous when not done correctly.

If you need some assistance, we would be happy to talk with you about providing our help with integrating your acquired business successfully within your desired time frame and budget.

(continued overleaf)

Are you ready to integrate your acquired business? (continued)

Need / Issue	Action / Solution	Outcome
Clients of acquired business had to be notified that their financial information was transferred to another legal entity	Letter was prepared and sent out to clients informing them of transition and requesting permission / acknowledgement for information to be transferred	<ul style="list-style-type: none"> • Clients kept informed & invited to come in and meet the new management; prevented client departures • Compliance requirements met
No client service level agreements in place; no client ongoing review calendar in place	Client ongoing review requirements identified; client review meetings set up and service agreements introduced	<ul style="list-style-type: none"> • All clients reviewed in the initial period • Clients confirmed required service going forward; fee structures were clarified; client expectations were managed • New service opportunities were identified
Acquired clients data not current in financial planning software; minimal use of advice templates and modelling tools	New Fact Finds were completed (in review meetings); current valid data migrated to different software, new data added; advice templates revised / updated and staff trained on new software	<ul style="list-style-type: none"> • Data migration completed • Data cleanup achieved • Staff productivity improved • Advice writing timeframes and errors were reduced
Client segmentation was limited and tagging was applied inconsistently	Client segments realigned based on combined offering; analysis undertaken, clients (re)tagged; new management reports created	<ul style="list-style-type: none"> • New pricing structure set based on segmentation re-alignment • Clients migrated to new pricing structure • Enhanced profitability with better alignment of services to segmentation
Client files had to be brought into line with new dealer group processes and procedures	Documentation gaps were identified; additional data was gathered and out-of-date data was archived; staff training was initiated for changes to processes and procedures	<ul style="list-style-type: none"> • Staff brought up to speed on new dealer group requirements • Data was scrubbed • Files were made compliant & audit standards were achieved
Job descriptions were out-of-date and there was a general lack of accountability for meeting deadlines and targets	Job descriptions were updated, activities were defined and measured; Key Performance Indicators (KPIs) and Work-In-Progress (WIP) reporting was initiated	<ul style="list-style-type: none"> • Staff satisfaction / motivation improved with clarity of roles and responsibilities • Performance improvements were achieved with monitoring of KPIs • Target dates were more consistently met with WIP reporting