While choosing the right partner is the most critical, an effective integration initiative of both operations is nearly as important. Based on 2MC's experience and research it appears the actual execution of the merger strategy has the least understanding and causes the biggest challenges for our clients. 2MC's key factors of merger success for Australian organisations have been identified and described hereafter.

Pro-actively managing the long term merger benefits realisation process

Benefits realisation management is about knowing *'where to get to'*, *'how to get there'* and *'when you have arrived'*. Organisations that pro-actively manage this lifecycle have a much better chance to achieve the long term benefits of the merger and obtain earlier and stronger commitment from employees, customers and shareholders during integration.

Starting integration activities as early as possible

Overall, successful mergers start their integration activities even before the merger announcement. Starting early allows organisations to better articulate the integration objective, scope, planning and potential customer impact for day one of the merger and beyond.

Focusing on ongoing employee, shareholder and board alignment

It is important that the overall integration plan is accompanied by a clear and open communication plan. This to ensure ongoing alignment happens with employees, shareholders and board and potential fears influenced by the merger integration are addressed in a timely manner.

Solving any cultural and branding issues early in the integration process

Not fully recognising and solving any cultural or branding issues early could lead to significant integration challenges, with a potential impact to customer experience. The integration and communication plan must further address and resolve any key differences.

Establishing a strong integration team with tight process controls

A strong integration team that coordinates the unification of departments and establishes common tools, processes and governance structure is a typical characteristic of a successful merger. To achieve this, organisations need to focus on a right blend of integration skills, experience and business representation with tight process controls to manage the change.

Finding the right balance between speed of implementation and significant changes

A merger puts management under time pressure to address challenges and implement changes. Although mergers create the expectation of significant change amongst employees, shareholders and customers, organisations need to balance the type and impact of changes and implementation timing, without prolonging the change opportunity window.

Focusing on adequate & quick decision making

Post-merger integration initiatives always involve a high number of changes and decisions that need to be made weekly by management. To keep the initiative on track organisations need to focus on the key decisions for each week, sufficient to satisfy the long term benefits of the merger. Prior agreement on a conflict resolution procedure throughout the merger integration could help.

The above merger success factors form the foundation of 2MC's approach to deliver a post-merger integration initiative with measurable and sustainable results for Australian organisations. Our approach begins with the development of a post-merger integration framework, by leveraging from 2MC's best practice integration methodology. The framework, in combination with a strong delivery management capability, will effectively support the planning and execution to realise the long term merger benefits.