

7 Tips for a Successful Business Integration

By Nate Lemmerman

Our company had not executed a strategic acquisition prior to 2016 when we acquired both Final Draft and CAPS Payroll. While the merits of these acquisitions were clear, our ability to realize the anticipated value would ultimately be driven by the successful integration of our three companies.

Our integration was incredibly complicated and critically important. We had three companies that offered similar services, had similar products in development and utilized comparable systems. We asked ourselves, how do we ensure the merits of our acquisitions come to fruition? How should we approach the integration of our three companies? And what will success look like?

We learned a great many things over the last year in executing the integration of Cast & Crew, CAPS Payroll and Final Draft. Our strategy included a thoughtful and detailed approach to planning, governance and execution. The following recommendations and examples are a reflection of some of the things we learned through our own process and hope that it may serve as a helpful frame of reference for others planning or executing their own business integration.

1. Establish guiding principles to outline goals and objectives

Establishing guiding principles with our executive management team was one of the most crucial first steps we took in our integration process. Examples of our own guiding principles included:

- Preserve valuable elements of all cultures
- Build a cohesive team that embodies our core values
- Ensure minimal disruption to existing customer base across the joint product portfolio
- Strive for best-in-class and adopt leading practices in terms of people, organization, systems and processes
- Complete integration within 18 months

Our guiding principles outlined the foundational roadmap and high-level goals we were trying to achieve as an organization as we integrated our companies. When questions, critical decisions and issues came up throughout our process, we would refer to these principles to ensure our actions and decisions aligned with our objectives.

2. Build functional teams with leaders representing each company to encourage collaboration

With our guiding principles in mind, we also knew that a successful integration requires the support and dedication of all key players involved. We needed to engage employees from all companies early and regularly to gain buy-in and keep things moving at the speed required. According to “Seven Steps to Merger Excellence” from the Ivey Business Journal, authors Roberta Hill and Sandy Weiner agree. “Time and people are the essence of the collaborative process ... The process will reinforce core competencies, build a

forward momentum and implement a flexible, collaborative methodology for consolidation.” There’s no doubt about it: collaborative planning and execution was crucial to our process.

We created teams and owners for each functional area in our organization (i.e. Sales, Finance, Operations, Product, etc.) that covered all the critical front-end and back-end areas of our combined companies. Each functional team or “work stream” was led by an executive sponsor who was tasked with overseeing the integration of his/her functional area and assigning day-to-day leads from each company. All work streams included key members of each company which promoted collaboration and teamwork.

3. Employ a “Wall Walk” process to build a sense of awareness and identify gaps in your plan

For the first 30 days post-acquisition, our individual work streams developed their integration plans. These plans were extremely detailed and included hundreds of key decision points/milestones and thousands of tasks. The process culminated in a two-day cross-functional planning exercise called a “wall walk” where each work stream presented the scope and key objectives of their team’s plan to a group of over 100 people representing all functional areas. Each milestone was placed on the wall in chronological order, highlighting the key goals each work stream wanted to achieve over the next 18 months.



The physical act of walking the wall helped stimulate discussion, ensured a thorough review of the desired plan, allowed participants to rapidly grasp key objectives and helped individuals identify and address disconnects and gaps in the plan. If one work stream was dependent upon another, it allowed those involved to ask what they needed to do to help the other group achieve their goals.

The wall essentially became our roadmap for execution as all the milestones were consolidated into one overall integration plan that would be executed and governed. This detailed and collaborative planning approach ensured that all parties involved understood the goals and objectives and invoked a strong sense of ownership.

4. Establish a robust governance structure to track progress and drive cross-functional decision making

In order to ensure all planned tasks were completed on time and in accordance with the presented scope of work, we established a comprehensive governance structure to track and report progress. On a weekly basis, each functional team submitted a dashboard to the integration program management office, which detailed what the team had accomplished that week, highlighted any risks/issues and outlined the key areas of focus over the next four weeks. This cadence allowed us to review progress, discuss potential risks and address issues in an organized and timely manner. In addition, every other week the executive team met to

discuss the overall progress of the integration program and make any critical decisions in real time. This robust structure helped us maintain momentum as we executed our plan.

5. Share best practices to encourage continuous improvement

Along the way we looked to individual work streams that were experiencing success so they could share key learnings and allow other teams to adopt best practices. Each week, in our check-in meetings with work streams, we would discuss successes and challenges. We would share common themes and best practices to members of each work stream as part of a weekly report that measured progress. Sharing these best practices fostered better and open communication, increased efficiencies and productivity and promoted a culture of continuous improvement. In addition, the weekly report gave all work streams transparency into how the overall program was progressing.

6. Take an activity-based approach to execution to encourage teams to build on their momentum

Plans can and do change. Priorities shift, new information is learned, bandwidth ebbs and flows. One initiative that may have been planned for may not be relevant by the time it is scheduled to start. Conversely, another initiative may be much more complex and require additional time to complete. As we began executing our plan and work streams completed specific tasks, we encouraged work streams to move on to the next task, even if it was not yet technically scheduled to start. This activity-based approach allowed teams to dig in and close out integration activities earlier than planned.

7. Celebrate success!

The entire planning, governance and execution process drove rigor and an impeccable attention to detail that was essential for the success of this integration. All these tasks were completed by a collective group of individuals who also had their day jobs to worry about. At times, things were overwhelming, especially when processes were new, so celebrating accomplishments was extremely important to make sure employees felt their hard work was appreciated.

Overall, we are extremely happy and proud with the outcome of our integration. Our combined company has expanded its footprint, grown its customer base, realized synergies and harmonized key processes and systems across the entire organization ... and we did all of this six months ahead of schedule. Finally, one of the most rewarding accomplishments is that we have proven to ourselves we can execute a complex integration effectively and efficiently, which means we are much better positioned to complete the next one.

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