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INTERNATIONAL MERGERS AND ACQUISITIONS: AN AUSTRALIAN STUDY ON POST AGREEMENT INTEGRATION

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Abstract

This study of six Australian organisations explores four post M&A agreement integration issues previously highlighted as important in the literature: strategic planning, corporate culture, employee retention and the role of leadership. It was found that successful integration requires five key factors: (i) acceptance of the new corporate vision and mission, (ii) a complementary structure, (iii) a clear integration timetable, (iv) initiation and completion of cultural due diligence, and (v) the implementation of a process to manage cultural differences. A number of organisations interviewed had instigated strategies to retain key personnel in order to prevent knowledge drain post M & A. To achieve M&A business objectives, integration leaders were identified as needing to focus on: innovative problem solving; developing effective communication with personnel; and relationship building.

INTERNATIONAL MERGERS AND ACQUISITIONS: AN AUSTRALIAN STUDY ON POST AGREEMENT INTEGRATION INTRODUCTION

The globalization of international economies and the resultant reduction in trade barriers has made mergers and acquisitions (M&A) an attractive growth strategy for internationalising organisations (Hitt, Harrison & Ireland, 2001). A merger or acquisition can increase the capabilities of a company within a relatively short period of time; an advantage over organic or internal growth which is generally slower at delivering similar growth outcomes (Lynch & Lind, 2002).

These organisations can use M&A strategies to develop new capabilities, expand their product range and brand offerings, increase supply and distribution chains, and achieve economies of scale while at the same time reducing overheads, and accruing personnel with experience in executive positions (Gulati, Freeman, Nolan, Tyson, Lewis & Greifeld, 2004; Lynch & Lind, 2002).

On the world scene merger and acquisition activity increased by over 40% in 2004 compared to 2000 (Thomson, 2005). Yet, historically, approximately half of all mergers and acquisitions (M&A) have proven unsuccessful (See Covin et al., 1997; Gadiesh, Ormiston & Rovit 2003; Kaplan 2001; Schneider 2003; Stanwick & Stanwick 2001). A recent Australian study found that for the first time shareholder value was increased as a result of M&A more frequently than it was reduced (KPMG, 2003). It was established that 34% of the deals enhanced shareholder value, 32% reduced value and 34% had no effect. This was a significant improvement from the first survey in 1999 when 53% of mergers and acquisitions reduced shareholder value (KPMG, 2003).

Given the high usage of M&A as a domestic and international growth strategy, research into organisations using this approach appears timely. This paper examines the following post M&A integration issues: strategic planning; corporate culture; employee retention; and leadership to help assess their impact on M&A success. The aim is to identify the impact of these factors on M&A success.

LITERATURE REVIEW

Strategic Planning in Post Merger Integration

Strategic planning has been identified as a core feature of the M&A process. For example, Kaplan (2001) has posited that the underlying strategic rationale behind the deal has a major impact on the level and type of integration. The development of a strategic rationale requires that an organisation develop a clear mission and goals for the organisation to make the task of integration easier (Bijlsma-Frankema, 2001). As noted by Shrivastava (1986), poor integration has been the catalyst for the failure of many mergers. As such, companies should begin integration planning prior to the completion of a merger. Shrivastava (1986) has argued that if the M&A is closely related to the current strategy of the organisation, then comprehensive integration will be of benefit. If the businesses are unrelated, however, then integration can pose many challenges, including dealing with: conflicting objectives and strategies; leadership power; systems duplication and under utilised resources.

Of particular importance to the current paper was the finding by Habeck et al. (2000) that post merger integration was the phase that had the greatest risk of failure. Habeck et al. (2000) highlighted risk areas in post merger integration: leadership, culture, communication, vision, growth targets and risk management. Factors identified to reduce this risk included the formulation and implementation of a comprehensive post merger due diligence strategy that incorporates incorporating the following three elements: (i) employee ownership of the M&A process; (ii) effective communication with employees on M&A strategies and progress; and (iii) proactive management of stakeholder expectations, communicating early and often with individuals and groups affected by the M&A.

Another key issue that has been identified in the M&A literature is the length of time required in integrating companies after an acquisition or merger has taken place. Research undertaken by Bert, MacDonald and Herd (2003), for example, indicates that to integrate systems, processes and teams effectively will take companies two years. Their research shows that the main reason for failed M&A is flawed execution by those in charge of implementation. They suggest there is a need to select leaders quickly, create a sense of urgency to get started and communicate openly to personnel on customer and corporate cultural issues as the process progresses.

Corporate Culture

Corporate culture, defined as the way things are done in an organisation (Miller, 2000), is an important albeit frequently overlooked concept in M&A (Schorg, Raiborn & Massoud, 2004). Potential cultural clashes and cultural integration issues can easily be overlooked during discussions on due diligence in the post M&A setting (Habeck et al., 2000). Shearer, Hames and Runge (2001) in an in-depth case study examined one organisation's culture immediately prior to acquisition and documented the change in company culture after the acquisition. They identified the inability to effectively integrate work cultures as one of the main reasons for the failure of a M&A. Miller (2000), believed that the merging of organisations cultures was as crucial as financial due diligence and having knowledge of any cultural differences is an essential tool in clarifying post M&A implementation requirements.

Stahl and Voigt (2004) examined the connection between a company's culture and its performance in M&A. The results of this study indicated that the way in which organisational cultures are integrated after M&A could positively or negatively affect firm performance. Issues identified as worthy of consideration in pre merger discussions about the organisational change process included: the level of disparity between the organisational cultures that are to be integrated; the type of integration method that should be used; and the way management should handle any identified cultural differences (Stahl & Voigt, 2004). Stahl and Voigt's (2004) research sounded a note of warning to those wishing to merge organisations with divergent cultures. Their research found personnel rarely accept attempts to integrate very discrepant cultures.

Kaplan (2001) goes further and suggests that companies acquiring close market competitors may not wish to preserve the acquired organisation's culture because it may have been a contributing factor to the company's poor performance. This attitude to culture may result in the replacement of existing senior management, which Kaplan views as unfortunate if they did not contribute to the organisations' poor performance.

Employee Retention

Another difficult challenge organisations face during the M&A process is that of retaining employees in the newly formed organisation (Griffith, 2000). In a comparison of US manufacturing and mining companies undergoing M&A with companies of similar size, but not engaged in this process, Walsh (1989) found that turnover in senior management was higher among the former. Walsh (1989) reported that approximately 25% of top management personnel left the organisation in the first year after the M&A and nearly 50% left during the three-year period after the M&A. In another study of 12,000 executives in 473 merged and non-merged firms, Krug (2003) examined the rate of top management turnover in the nine-year post-M&A period and found that the rate was 200% higher among companies that had engaged in M&A than among companies that had not engaged in this process. One reason postulated by Krug (2003) to explain these high turnover rates is that some merged organisations set unrealistic expectations for their executive personnel. The ensuing failure to meet these targets results in employee resignations and dismissals.

Kay and Shelton (2000) made the interesting point that 'poaching' of employees is a predicament faced by organisations engaged in M&A. The unfortunate consequence is that the newly formed organisation can experience a 'brain-drain' in key areas at a time when they need the implicit / tacit knowledge held by these employees to be disseminated within the new organisation (Kaplan, 2001). It is not uncommon for rival firms to attempt to poach employees from an organisation undergoing M&A as they are seen as vulnerable. One strategy suggested to ameliorate this problem is for senior management to identify the top 50-100 employees and to take steps to ensure that they are retained in the new organisation.

Leadership Skills

Leadership style and actions of senior management can also make a difference in whether or not the merger or acquisition is successful and therefore needs to be considered during the initial planning phase (Covin et al., 1997; Lind & Stevens, 2004). Hyde & Paterson (2001) found that leadership was a crucial area in merging organisations, due to a leaders' unique ability to shape an organisation's culture. Furthermore, Lind and Stevens (2004) have argued that leaders need to take a contingency approach and adapt their leadership style as required to best achieve M&A objectives.

It is important that leaders understand the challenging nature of the M&A process and to acknowledge that it is not business as usual. As Thack and Nyman (2001) have suggested, there is merit in leaders using the following strategies to facilitate employee transition into the new organisation: (i) acknowledging the emotional difficulties that the M&A process can place on employees; (ii) engaging in formal and informal dialogue with employees to provide opportunities for venting of issues [both formally and informally; and (iii) providing motivation and incentives to retain key employees.

Finally, it is important to note the importance of active involvement of all levels of management in the M&A process, particularly in the integration phase (Habeck et al, 2000). Traditionally, no one person had been responsible for the merger process, whereas more recently there has been support for the utilisation of an integration leader (Ashkenas & Francis, 2000). Ashkenas and Francis (2000) have argued that role of an integration leader begins as soon as the merger is announced and that their skills are critical in the first 100 days after the deal is closed. An integration leader is usually drawn from a senior executive position for a period of 6-12 months, depending on the complexity of the deal (Shelton, 2003).

RESEARCH DESIGN AND METHODOLOGY

A qualitative research approach was adopted in this study. The benefit of qualitative research is its ability to allow the investigator to gain depth and detail (Patton, 1990), and to address the 'how and why' questions (Yin, 2003). Researchers suggest a qualitative approach may yield important insights into the phenomena of mergers and acquisitions (Pablo, 1994; Cartwright & Cooper, 1990). Datta (1991) supports the utilisation of a qualitative approach in the study of mergers and acquisitions on the grounds that previous studies in this area provided limited insight as to the reason around half of these transactions have failed.

This exploratory study used semi-structured interviews to collect data. Punch, (1998) suggests this method allows an in-depth study of a variety of common topics, while providing the flexibility of moving from the more general to specific. The use of common topics in all interviews provided a level of consistency and allowed an evaluation of data to be conducted between interviewees. Limitations of this study are the sample size and geographical restriction to Australia.

The interviews were undertaken with experienced senior managers and CEOs of Australian listed companies and Australian based United States of America subsidiaries. The participants had a diverse range of experience, competence and skills. They operated in different industries and in companies of varying size and revenues, all participants' interviewed reflected on their experience with mergers and acquisitions, primarily focusing on their current organisation. A brief summary of participants is provided below:

Participant A has been with their organisation and in the industry for the past six years. Before this he had worked at one of the Big four accounting firms and in a large law firm as an accountant. His role for the past two and a half years has been manager of group strategies, responsible for business development and strategy. He described his role as covering all facets of merger and acquisition strategy, including driving the merger and acquisition process.

Participant B is an Asian Pacific CEO of a US listed company. He has worked for the company for three years, having experience in the industry for 4 years. In 2001 he was managing director of a consulting firm which merged with a US based software firm and subsequently became CEO of the newly merged organisation, the position he currently holds.

Participant C has been a senior manager for three years in a large consulting firm of a worldwide organisation, having worked in the firm for over six years and has completed a MBA. Previously worked for a year in the USA, advising private equity funds on acquisitions and has subsequently worked on several corporate and private equity acquisitions in Australia.

Participant D is a senior business analyst in the corporate finance group, a part of the corporate area which has responsibilities for mergers and acquisition. He has been working for the company and the industry for over two and a half years.

Participant E is the Chief Financial Officer and board member of an ASX listed organisation. He has been in the position and with the company for seven years, and holds a Masters of Finance degree. He has varied experience in the transport and resource industry for over thirty years.

Participant F spent the last six months as CEO of a large Australian division of a high profile acquisition organisation in the US. The division is currently in the process of being acquired. Previously he had merger and acquisition experience through senior management roles in Australia and Canada.

Table 1: Description of Participants Interviewed

Organisation and Participant ID	Organisation Description	Position	Listing Status
A	Multi national beverage company.	Manager- group strategies	Australian Stock Exchange(ASX) Listed
B	Global information technology company	President/CEO-Asia Pacific	NASDAQ listed
C	Global consulting firm- clients from all industry sectors	Senior Manager	Global Partnership
D	Manufacturing company- Australia, New Zealand, Asia and the US.	Senior Business Analyst	ASX Listed
E	Transport and logistics provider.	Chief Financial Officer	ASX Listed
F	Diversified manufacturing and service company	General Manager- Australian Division	New York Stock Exchange listed

RESULTS

Strategic Planning

Post-agreement integration was investigated as previous authors had identified that poor integration has been a catalyst for failure (see Shrivastava, 1986, Habeck, Krogan & Tram 2000). One of the difficulties in post-agreement integration is that there is no one standard approach to integration (Kaplan, 2001), while Bijlsma-Frankema (2001), believe there is a need for a clear strategic reason to successfully integrate.

When asked the question, “What is the most important factor in post-merger integration?” Participant E responded, “integration planning, there is nothing more important.” Participants A and F also noted that integration planning was an important post-merger factor. Both participants went on to discuss the ways in which they facilitated the integration process via the transfer of vision and mission. According to Participant A, initially this requires, “by and large, just walking around and talking, you can’t impose your beliefs. You need to communicate very openly from the start about beliefs and the way your business operates”. Participant D discussed how a recent acquisition was operating as a division of Organisation D with their own management team. To transfer Organisation’s D vision and mission they, “went and visited every operation site (of the acquired company) and spoke to all employees. We said this is what we are about and this is what we want to do.” The company tried to impart upon the acquired business their organisational values without directly imposing them.

Organisation E uses a template, which identifies the synergy benefits and the actions to be completed along with the timetable. Organisation E’s integration plan is based around five areas: people, property, assets, purchasing and information technology. In each of these areas Organisation E identifies where cost savings can be made. Participant E stated, “we have a standard process and everything, but the content is customised, it’s not a sort of cookie cutter.” This finding supports Kaplan’s (2002) view that there is no one standard approach for post merger integration.

The degree of integration that should be implemented raised some divergent views. Participant C claims that choice of whether to keep the business unit separate or not depends upon the reasons for the merger or acquisition. Are your sources of value in synergies? Or have you bought a business unit that is successful and doesn’t need to be integrated? For example, “it might be the company culture you are buying is the key ingredient to the success of the company.” This finding concurs with the views of Ogbor (2000), who notes that culture is a key consideration in the level of separation or integration adopted.

Participant B provided a complementary view, “I think you can keep them as a strategic business unit when there is very little overlap, as you start to get more and more overlap, it is very important for them to integrate.” Participant E described how their acquisitions had resulted in a variety of structures, describing the acquisition of a public company that was fully integrated as follows, “you can’t recognise that acquisition (in Organisation E)”, but also emphasizing how another acquisition, “stands alone because it’s a new service offering.”

Although participants debated the merits of integrating business units, they all agreed that integration was a complex undertaking. This complexity was summarised by Participant F, “the difficulty is there is not one single factor”, “there’s a 100 things that have to be done…. and you need to run the fine line of keeping management focused on the task of running the existing business, their time shouldn’t be focused on the integration, they need to run the business.” Participant F also emphasises the need for speed, discussing the normal integration time of approximately six months, “what you don’t want to be doing in 12 months time is still (dealing) with some of the integration issues.”

Overall it was identified that clear strategic planning was required for successful integration. This included having a clear mission and vision for the new organisation and a complementary structure. For each of the participants, the decision as to whether to integrate the business units or keep them separate had to be weighed up on a case-by-case basis. It was also found that general templates provide value in post merger integration, but they need to have flexible frameworks. It was also clear that managers must not ignore their previous duties; otherwise the organisation could fail to meet customer expectations and face competitive threats. Consequently starting integration early was the favoured strategy.

Corporate Culture

According to Miller (2000) integrating corporate cultures is so difficult it can be a key factor in the downfall of a merger or acquisition. The organisations interviewed had a strong awareness of culture. However, each organisation had a different attitude regarding the impact of culture on the success of M&A integration, consequently their strategies for dealing with cultural issues varied.

Organisation D emphasised the need for pre M&A cultural due diligence, "first you need to determine whether any difference in culture is so significant that it is not going to work". Participant B agreed and said when acquiring companies with differing cultures, "I think the biggest issue is the lack of awareness of what each other's culture is…. where you are headed, what is the desired state?" Participant B believes communication is a way to overcome the cultural gap, and he speaks to staff face to face so they can hear the management view clearly and voice their concerns.

When discussing culture, Organisation E stated, "we've been able to get people who have not only embraced our culture but enhanced it." These comments are consistent with Ogbor (2000) and Stahl and Voigt (2004) who suggest that some cultural differences can be an asset when integrated into an evolving culture. Participant E discusses the evolving culture of their organisation, "Without imposing our culture, the cultures sort of melded together so in (Organisation E) there's a conglomeration of cultures that have come from these healthy cultures."

It was also clear to Organisation E that if an acquired business had a corporate culture which was considered unhealthy, they would move quickly to rectify this situation. Participant E advised how after senior management in one acquired company was removed they found that, "once you get below the surface (talking about those below senior management) you find most people are enthusiastic and passionate about their business. If they're not, they're found out pretty quick and they go and do something else."

Organisation E has a decentralised structure allowing which allows multiple cultures within an overarching corporate culture. Participant E emphasised this, "we've been able to introduce certain responsibilities and accountabilities to those in the business without disturbing the entrepreneurial approach and empowerment across the business - quite a balancing act." In contrast to Organisation E, Participant F noted that their organisation had not developed such an overarching corporate culture. He felt that because, "90% of the business had come from acquisitions that still carry their old brand names, there was not a lot of company loyalty, the company loyalty was to the previous companies or to the industries they came from."

Participant B described the evolution of Organisation B's culture from a merger which combined two distinct cultures. A lot of work has resulted in a, "much more open culture than what it has been in the past." Organisation B has recently undertaken another acquisition. This new acquisition took the, "focus from us versus them, to, we're in this together. People do have to think 'we', allowing the cultures to integrate more quickly."

Unlike other companies whose culture is evolving, Organisation A looks for companies that will fit and thrive within its current culture; they are not looking for acquisitions to shape their culture. Participant A described their culture as being reflective of its one hundred years of history, "a very strong culture", "quite traditional", "male centric", "reflective of our industry, friendly and open".

Participant A gave the example of the impact on a previously acquired company, "It was quite a harsh process, a lot of people lost their jobs, but we did receive good feedback from those that lost their jobs on the way we went about it."

This section highlights the different attitudes that exist to the integration of cultures in any merger or acquisition. Those organisations with a centralised power structure were found to be more likely to impose their culture on those they acquired, whilst those with a more decentralised structure were more likely to tolerate cultural differences and even look to exploit these differences to enhance their overarching corporate culture. It was also found that those organisations that did not have a clear policy on dealing with cultural differences could end up with competitive cultures that reflected loyalty to old divisions rather than the corporate parent.

Employee Retention

Walsh (1989) and Krug (2003) identified keeping key employees after a merger or acquisition as a most difficult challenge. They found that top management turnover following a merger or acquisition was significantly higher compared to companies who had not acquired or merged.

Organisation B does not have a policy of placing or removing organisational staff members into key positions in the acquired company. Based on its experience they believe it is, "unfair to walk in and bring a whole new team because you get immediate resistance…. personally I found the best way to do it is to keep the existing management and get them to send the signal and communication until you are able to penetrate through the organisation to get their confidence …you may get one or two that may resist the change and they are sorted out quickly". Organisation B believes it takes about 12 months to identify what competencies the acquired staff members have, and they look for, "those with the ability to be able to accept change quickly and be part of a team."

Participant C discusses putting key personnel into the acquired organisation, "I am not hung up on putting a financial person into the business", but "having people being able to hit the ground running and understand the whole process and disciplines and implanting them in the business early, is very important." Participant C commented that, "if they need to change the trajectory of the business in a very fundamental way they would certainly lean towards bringing in someone."

Organisation A had a more systematic approach. They use a buddy system from the first day with the financial controller and MD of the acquisition being paired with Organisation A employees, as they, "were two people that just didn't have a role, long term".

Participant E warned that there can be, "disconnection between the senior management and the workforce ….and in most cases we've left the senior guys of the acquired entity behind because of this disconnect and instead provided support." Organisation E looks for managers prepared to take on accountability, as Organisation E is a, "very decentralised business so we force down accountabilities to the lowest level that we can find." They have had a stable workforce with about 35 of the top 40 people still with the organisation five years later. This contrasts with Krug (2003) who found top management departed at twice the rate of a normal company for up to nine years after an acquisition.

On keeping key personnel in the organisation Participant C advises to, "develop retention plans and be very, very specific about enacting them." Participant F talked about a range of options for keeping key personnel, such as golden handcuffs, golden parachutes and short-term incentives to keep people. However, Participant F was not greatly attracted to this approach suggesting, "nobody is indispensable and I prefer to keep focused on the job by good communication and getting their hearts and minds rather than dragging them along by the wallet."

Overall it appears acquirers believe it is wise to keep a close eye on any merger or acquisition via placing their own people into key positions. There was general recognition that higher than average turnover amongst the senior team of any acquired entity might occur or even be necessary. However, they recognised that retention of key people was essential, though non-monetary rewards such as allowing greater responsibility and authority were favoured over financial incentives.

Leadership Skills

Lind and Stevens (2004) state that leaders need to match their style with the type of merger or acquisition undertaken. Participant B describes the attributes they look for in current and potential leaders as, “very relationship driven, it’s really important that they are able to listen effectively and not to jump at making judgements.” The other attributes identified were, “very open minded, fairly entrepreneurial, strong business planning skills and definitely risk takers.”

Each organisation set up its own integration team with a nominated integration leader. When building their team, Participant B looks for people with differing skills, highlighting the importance of not getting clones, “but those who are really challenging you now, who are in a position to challenge your theories and your direction, and who proactively can turn around and get tasks done”.

Thack and Nyman (2001) suggest that leaders need to remain focused on running the business throughout the merger or acquisition. Participant C discussed the need for clarity, “there are so many things going on you can get distracted from your main task. We use tools such as the 100 day plan to focus on the most important tasks” …This ensures we remember “why we did the deal, what’s driving the value, the specific actions required and the people who are accountable.” Participant C identified experience of doing it before as important, and that those people experienced in managed change are valuable in leading the integration program.

Participant F identified the different requirements for leadership skills between an institutional and a trade buy. Institutional investors are looking for a going concern, so “the management team for them is vitally important.” If the buyer is a trade buyer “it is almost the opposite”: what they are looking for is buying the contracts, buying the relationships, buying the trade – not the leadership.

This section highlighted on the need for leaders to be flexible in meeting the different needs of each merger or acquisition. It was found internal leaders need to espouse the common vision and mission of their integrated firm. This required them to be relationship driven in order to develop an effective team yet focused on achieving end results. To achieve these key tasks it was found that leaders had to be good communicators and entrepreneurial, devising innovative solutions to cope with integration challenges.

CONCLUSION

This study explored what lessons firms considering international growth could learn from Australian organisations involved in M&A activity. Four post agreement integration issues were considered: strategic planning, corporate culture, employee retention and the role of leadership.

The literature identified that a clear strategic rationale was required for post M&A integration success. In this study all organisations agreed that strategic planning was important in developing a clear mission and vision for the new entity and ensuring integration objectives were in place. It was also found that integration needed to be owned by all employees of the new entity.

It was found that integration levels were dependent on the strategic objectives being set for the new entity. On some occasions little integration was required because the aim was to foster existing business approaches and in these cases the best approach was seen as separate strategic business units, often with existing senior executives who could foster their own culture. Where full or significant integration was considered important, then strong cultural integration was considered necessary. This usually meant replacement of key personnel in the new entity with those from the acquiring firm.

Lack of corporate culture integration has been identified in the literature as a major reason for M&A failure. This study found centralised firms are likely to transfer their culture onto the new entity whilst decentralised firms are likely to tolerate cultural differences. Firms were found to evaluate prospective acquisitions on the basis of the cultural fit within their existing business, whilst mergers were seen as an opportunity to shape a new culture. Whichever path of integration was followed it was found that conducting a cultural due diligence and managing cultural differences were critical to the success of M&As.

Having templates with flexible frameworks is useful in managing the integration process; allowing executives to maintain their focus on existing business, without losing track of integration requirements. Distracted key personnel can potentially neglect customers and competition strategies, endangering the overall wellbeing of the firm.

The literature identified high staff turnover at senior levels as one of the challenges for M&A integration. This survey found that several organisations did replace senior managers, often to control and coordinate the integration process, resolve financial problems and instigate cultural change. This did not happen as much in decentralised business units. It was also recognised that retention of key people throughout the organisation was necessary, but that rewards offered did not always have to be of a monetary nature.

A number of leadership skills were identified in the literature as important for M&A integration. This study confirmed previous studies and suggested leaders must be flexible in meeting the different needs of each merger or acquisition. It was found internal leaders must espouse the common vision and mission of their integrated firm, be entrepreneurial, devising innovative solutions to cope with integration challenges and communicate at every step what is happening including their expected outcomes.

The results outlined in this paper are part of a larger Australian study into mergers and acquisitions. Other issues identified in this part of the study worth further investigation include: differences between cross cultural and domestic M&As, challenges aligning integrated corporate cultures and performance, and the impact of different structures on M&A integration. Given the small sample in this study the findings need to be viewed with caution. They however provide a guide to potential issues that need to be addressed for successful M&A integration.

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