Strategy Implementation **Insights**

Chapter 15 / Version 1.0

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MERGER AND ACQUISITION SUCCESS . . . AN IMPLEMENTATION GUIDE

Mergers and acquisitions should exemplify one plus one equals three – at least. The challenge is to ensure that this equation is on-time, on-target, and on-budget to deliver stakeholder value. The goal is to develop an implementation plan that answers the question, "How, specifically, will we get to three after these two pieces come together?"

In our view, growth through mergers and acquisitions is desirable, but they must be manageable, implementable, and scalable. They must be strategy driven, with a focus on creating significant and sustainable value, especially for customers and investors.

While the timeline for merger-related changes is being compressed by investor impatience for returns, the complexity is increasing. The risks and challenges are greater particularly when the integration is global and talent focused. Most professionals focused on implementation believe, as we do, that 70% of all mergers and acquisitions fail to meet management's objectives and shareholders' expectations.

The recent and ongoing surge in merger and acquisition (M&A) activity conjures visions of past waves that failed to deliver on promised synergies and increased shareholder value, and failed to meet implementation schedules within budget.

In this chapter of *Strategy Implementation Insights*, we draw on over 35 years of consulting experience and research involving over 350 mergers, to focus on 12 priority areas that impact M&A success. Although there are easily a dozen more that require management's time and focus, these are among the most critical.

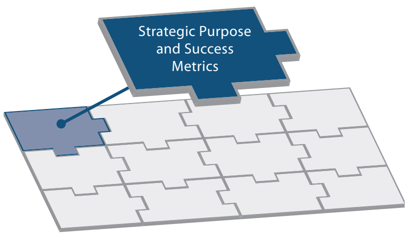
MERGERS AND ACQUISITIONS – IMPLEMENTATION FOCUS

Strategic Purpose and Success Metrics	Implementation Timeline and Milestones	Board of Directors	Transition Team
Communications	Talent	Information and Technology	Financial Policies
Competitive Threats	Globalization	Culture	Rewards

From our perspective, each merger is a strategic initiative that needs thoughtful implementation planning, management, and resources. Mergers of any scale are difficult, primarily because of people, technology, and culture. Mergers demand extraordinary levels of tenacity, creativity, and attention to the smallest of details.

Large-scale strategic change is complex and expensive to implement. The typical barriers and resistance to change in every organization are magnified during mergers and acquisitions. Creating a dynamic strategic vision, supported from the top to the bottom and across silos, requires integrated participation at all levels of the organization.

Time needs to be devoted to planning implementation carefully and creatively, then acting quickly and communicating frequently. Do not leave stakeholders uncertain about the new direction, which areas you will wait to resolve, and changes which will impact individuals.



Strategic Purpose and Success Metrics

Too often, mergers or acquisitions are consummated simply because of relationships, or because the money and targets are easily available. Some acquisitions are launched outside core competencies to diversify, but with ineffective mechanisms to link pieces of the acquisition to the parent's culture and processes.

The stakes are too high to continue these flawed approaches. Of the transactions that fail to live up to management's expectations, many should never have been approved by management and directors in the first place.

Mergers and acquisitions should be launched only if they complement a previously developed and well-crafted corporate strategy. The pre-acquisition analysis should answer a host of questions, including:

Mergers and acquisitions take time to solidify and become effective.

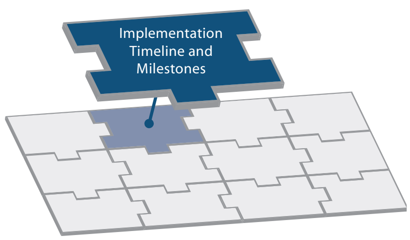
Long-term success may be jeopardized when short-term goals are too aggressive.

- **Merger Rationale:** Why is this merger or acquisition good for key stakeholders, especially customers and investors? How will it enable the company's immediate and long-term growth and success? How can we assure investors that this merger has a 75% or better chance to meet or exceed expectations?
- **Alternative Strategic Options:** What other actions or acquisitions are available at a comparable cost to increase shareholder value? What alternative investments were rejected in favor of this merger? Why? What alternative organic growth initiatives could be funded with the resources required for this merger's success?
- **Merger Implementation Talent:** Who on the companies' senior leadership teams, beyond the CEO, is devoting a significant amount of his or her time to ensuring that the merger succeeds? Do they have prior experience and a success record for executing large-scale change? Is there "bench strength" to continue to produce acceptable financial results from the existing and acquired companies, while building and transitioning to the new company?
- **Merger Objectives:** What are the short-term, mid-range, and long-term strategic goals? How will weekly, monthly, and quarterly success and progress be measured? What is the time frame for success?
- **Risks:** What are the most significant risks and the risk-mitigation plans and resources?
- **Strategic Initiatives:** What strategic initiatives, across the enterprises, will be necessary to achieve the goals? What are the timelines, tasks, and metrics for implementation success?

- **Strategic Assets:** What strategic assets – most importantly, talented leaders – are needed to support the M&A implementation initiatives, and are they currently available? How can these assets be shared and integrated across the enterprises to meet strategic goals?

- **Competencies and Resources:** What competencies, tools, and resources will be necessary for sustainable strategic implementation and change, and are they currently available within the enterprises?

Early analysis of a merger or acquisition will help ensure that it is strategy driven, manageable, implementable, scalable, and focused on creating significant and sustainable value.



Implementation Timeline and Milestones

The strategy implementation roadmap needs a time dimension that defines milestones in weekly, one-month, three-month, and six-month intervals. From day one, implementation milestones should be established and communicated to all stakeholders – investors, customers, employees, key business partners, and the board of directors.

Be comfortable revising the milestones when change is warranted. Revising dates is a sign of a healthy merger. On the other hand, an inability or unwillingness to set or reset practical dates is one of many early warning signs of a troubled merger.

As transition planning teams define strategies, tactics, tasks, and milestones, they are then integrated into the master timeline. As the merger moves forward, the inevitable unplanned delays, obstacles, and landmines can be quickly anticipated, recognized, analyzed, mitigated, and communicated.

The best timelines and milestones focus on at least the following dimensions of the merger:

- communications	- information & technology	- policies
- competitors	- intellectual property	- processes
- culture	- investors	- products
- customers	- leadership	- sales
- finance	- marketing	- space & infrastructure
- globalization	- outsourcing	- talent
- governance	- partners	- vendors

An early focus should involve installing a sound organization structure, leaders, and management process. How will decisions be made, by whom – from contract pricing and revenue forecasting to promotions, transfers, and annual budgets? How is the organization's structure going to look? What are the key postmerger management processes that impact customers?

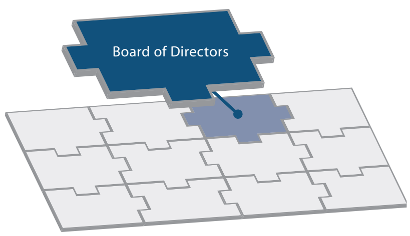
In our experience, the companies most successful at implementation ensure that initiative owners collaborate using a common set of forms and methodologies. Examples of those forms and procedures are presented in Chapter 13 of *Strategy Implementation Insights*, "Implementing Strategic Change . . . An Integrated View" (available at www.implementstrategy.com).

Weekly milestones should be established for the first six to eight months, followed by monthly milestones through the remainder of the year, then quarterly milestones through the balance of implementation.

As implementation progresses, it is important to add detailed milestones to ensure clarity regarding near-term goals.

Keeping score and recognizing performance matters in professional sports, and it matters much more in merger implementation.

For one global merger we identified 32 major points of vulnerability, most of which were not identified during the due diligence review. Without detailed planning and constant monitoring, the merger could have quickly led to bankruptcy.



It is essential that directors thoroughly understand all noteworthy risks, benefits, implementation milestones, and success metrics . . . before voting to authorize the merger or acquisition.

It is equally important that the board frequently monitors progress during and following implementation.

The framework for M&A implementation planning should include:

- an inventory of M&A implementation initiatives that tracks costs, changes in priorities, the impact that a failure or gain in one initiative might have on others, and the reaction to changes in technology, global competition, and market conditions;
- a master timeline and milestones for all initiatives, with green, yellow, or red status assessments to enable early identification of slow progress and early mitigation of obstacles;
- a summary for each initiative defining such key factors as what is being changed, why, how, the impact on stakeholders, the impact on resources, and the implementation status; and
- an impact projection of quarterly revenue and profit to monitor performance metrics against actual results.

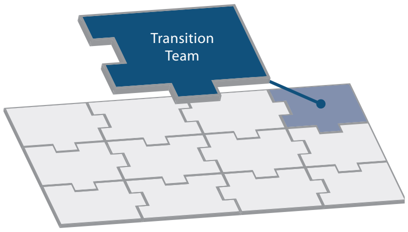
Board of Directors

In our view, directors have not been adequately or appropriately involved in mergers. Directors have a long-overdue role in vetting mergers and acquisitions, then staying involved as mentors and coaches to help ensure implementation success.

Directors should expect early development of an implementation timeline, with clearly articulated milestones and measures of interim success. Change leaders should be able to answer the question, “How is it going?” with quantitative metrics in the context of a plan.

Our sister firm, Board Effectiveness Partners (www.bepartners.com), collaborates with directors through the merger process. We believe that directors should be more effectively involved in answering the following questions:

- Has the board been included in vetting the merger or acquisition, and do all directors understand and agree with the strategy, rewards, risks, resource requirements – especially leadership talent – and success metrics?
- Without doing the work of management, has an ad hoc committee of the board been established to monitor merger implementation, to ensure that merger decision making is sound, effective, and timely?
- Do board agendas provide adequate time to review implementation progress, to anticipate and mitigate potential risks, and to identify additional opportunities?
- If two boards are being merged, have issues of board membership, size, competencies, committees, and leadership been explored to ensure board and director effectiveness? Has a Director Development Plan been created for each director assessing interests regarding board and committee roles, performance assessments, development goals and progress, and succession plans?



Because too many M&A implementations have failed to meet value-creation expectations, we believe the senior management team must be prepared to invest considerably more time managing merger success than we have generally seen to date.

Create a critical mass of executives on both sides of the merger who have a passion for making the merger work.

They must have the competence, mandate, infrastructure, tools, and time to make the difficult decisions required. These executives need to own merger success and they need the clout to implement the change vision.

In addition, the CEO should be "only a pager away" until success is in hand.

Transition Team

M&A due diligence typically involves a very small team of executives and outside advisors. After the merger or acquisition is announced, the outsiders leave and the executives return to their regularly assigned jobs.

Few of the merger decision makers remain center stage to implement the merger as a successful operating entity. Too frequently, there are few, if any, clear launch plans or assignments. Executives who were not part of decision making are now expected to step forward to deliver merger success.

In addition, both the existing and the acquired management teams still have businesses to lead while they design and operate the "new" business, build and manage the transitional bridge, and deliver targeted financial results. The following points should be carefully considered when developing the transition team:

Bench Strength: Leaders are unable to excel in both their pre-merger "day job" and in managing merger planning and implementation. If an executive team does not have the bench strength to devote key leaders from both the acquired and acquiring companies to focus exclusively on the merger's success, it may be an early warning. Consider delaying the merger and concentrate instead on strengthening the senior leadership team. Restart merger initiatives when there is the leadership capacity to plan and guide implementation on-time, on-target, and on-budget.

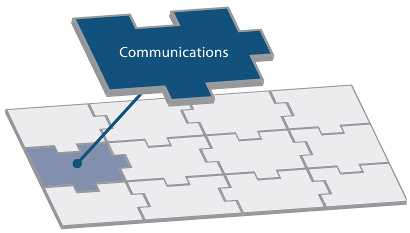
Competence: Mergers will not wait for executives to build implementation competence. Leadership talent is the most valuable resource in all strategic initiatives. Many mergers fail because the people in charge lack strategic vision and experience with merger implementation.

Implementation Team: Before the merger or acquisition is announced, we urge that our clients assign a cross-function group of executives from each company to a merger implementation-success team. Be certain that there are partnerships from both sides of the merger: finance-finance, sales-sales, IT-IT, HR-HR, R&D-R&D, and so on. The implementation team must understand the merger's strategic significance, what good will come from it, in what time frame, and how to quantitatively measure success.

Timing Commitment: Depending on the merger's complexity, merger implementation leaders should be taken off-line for up to 24 months to stay focused on ensuring that the merger is effectively implemented and the quantitative goals achieved.

Functional Perspectives: Technology, sales, marketing, finance, operations, and product management leaders must be included when strategy and implementation plans are being formulated and launched. Their input and commitment can improve success because:

- their functions are a lifeline to the customers and partners essential to strategic success, and their functions are difficult to redesign because they are independent yet interdependent; and
- data mining, market segmentation, global brand management, and fast-track product development are critical and complex.



In the end, communications is 60% listening, 60% explaining, and 100% shaping and managing expectations.

Communicate, listen, and explain creatively, tenaciously, aggressively, worldwide, in all the native languages of your audiences–24/7. Identify for each audience the win-win enabled by the merger.

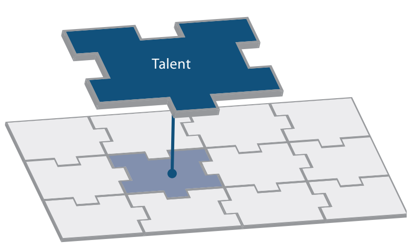
Communications

Management must quickly and effectively articulate the strategic and tactical goals that motivated the merger or acquisition. Communicate tirelessly with directors, investors, customers, employees, analysts, and the media, to be certain that critical audiences:

- embrace, and have the opportunity to influence, the merger vision and timetable for changes, which may have an impact on them;
- identify with, on a deeply personal basis, the win-win enabled by the merger or acquisition;
- understand the risks, mitigation plans, and the week-by-week implementation timetable and success milestones; and
- understand their personal role and accountability for strategic and tactical success.

Communications success is often enabled by some, or all, of the following:

- Balance inbound and outbound traffic to ensure stakeholders' suggestions and concerns are considered in the communication process.
- Communicate, even if it is just to let the audiences know that there is nothing to announce. Uncertainty is grist for the rumor mill and will most likely be very disruptive, with potentially negative fallout in customer, investor, and partner relations.
- Develop for each specific audience a communications plan, then refine messages and deal with questions and unplanned issues.
- Devote adequate resources and leverage technology, including intranets, Web portals, blogs, and 24/7 inquiry centers with well-informed help-desk professionals – real people, not a recorded message.
- Leverage field, telephone, and Internet sales professionals' connections with customers. They may be the most powerful and effective, yet least used, communications resource. Correctly leveraged, they add 10X their apparent value. Badly managed – or worse, ignored – they detract at a rate of 100X.
- Respect cultural differences. In situations involving multicountry implementation, be certain that newsletters, advertisements, sales materials, Web sites, blogs, and podcasts are structured in the native languages of your employees and most important markets for talent, suppliers, customers, and investors. English is widely spoken around the world, but it is less widely understood than most Americans realize.



Talent

Frequently, some of the existing and acquired talent is insufficient. Expect that new customer, market, and management competencies will suddenly be required. Management competencies needed for the new organization must be proactively identified and recruited. Being reactive makes it harder, and at times impossible, to be effective in time to save the merger.

The merging of leadership and talent in duplicative departments – human resources, finance, information and technology, and sales are examples – is critical and one of the biggest potential landmines that can easily sabotage a merger or acquisition.

Beyond critical individuals, the overall human equation and human resources policies are a powerful implementation enabler –or disabler.

Be proactive in anticipating and answering questions at every level in the organization, from the CEO to individual contributors:

- What does this mean for me?
- What is going to happen to me?

Overcome Resistance

In one merger engagement, we explored the views of a number of executives about the strategic intent involved in the merger at the SVP and EVP level. We heard more than once, often with passion and profanity, a version of: "I think this merger is the dumbest thing we have ever done. It's the CEO's idea, and he's going to have to get it right, not us."

For implementation success it was critical to identify these change blockers and reinforce the strategic and tactical goals that motivated the merger.

The good news is that the blockers and consequences were identified quickly by a competent team that was fully invested and completely focused on only one thing – making this merger succeed. The CEO was intimately involved. The implementation team understood the strategic significance of merger success and worked tirelessly until the new entity was stable and scalable.

Re-recruit Key Leaders

It is prudent to anticipate that even key senior executives will resign as a consequence of the merger, either literally, by leaving; physically, through absenteeism and illness; or emotionally, in terms of their passion for business success. That loss of executive talent can be devastating.

Many CEOs we have served have been surprised to learn, too late, that key athletes – from both the acquired and acquiring companies – feel vulnerable and then leave. Be proactive by involving survivors in launching the restructured enterprise.

Competitors and search professionals often focus on capturing talent during mergers and acquisitions. Employees' anxiety about layoffs, job restructuring, and demotions makes them more vulnerable to new career opportunities.

Losing key people, particularly those with close ties to markets, customers, employees, and intellectual property, can be damaging even when they are anticipated. The relationships and intellectual property they own are often compromised.

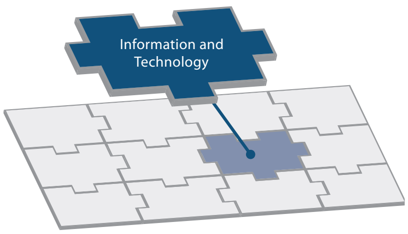
Preventing the loss of key people is not as simple as analyzing and refining organization charts and titles. It involves observing, speaking, and listening . . . to develop a clear understanding of people, policies, processes, practices, and problems that may not have been obvious to either side in the merger during due diligence.

It is important to identify critical contributors and then re-recruit, collaborate with, and involve them as early as possible. Engage and educate executives, who are key to success, to be certain they personalize their roles in the new, postmerger organization.

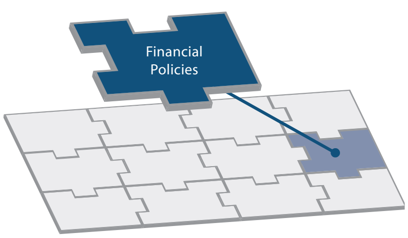
Be proactive, but also have a backup plan that assumes the worst case. Double-team key customers and critical strategic initiatives, products, and services to be certain that no individual can adversely impact your customer and partner retention plans and growth strategy.

Scalability

It is important to be realistic about leaders. They are not always scalable. In a recent merger, unexpected revenue losses developed when sales, marketing, and product management became ineffective and dysfunctional. In retrospect, it should have been clear that the premerger leadership talent in these areas could not scale to the more complex leadership and strategy design roles involved in a larger and now global postmerger enterprise.



Global proliferation of legacy infrastructure, databases, and networks presents complex challenges that too often define merger success or failure.



Information and Technology

In our experience, information and technology (IT) risks are rarely adequately examined in the due diligence phase. More than ever before, achieving the strategic vision and competitive advantages of M&A hinges on technology reliability, optimization, and effectiveness.

IT solutions are expensive and often fragile. They can quickly spiral out of control and can cause irreparable damage to an organization. Anticipate significant challenges with security, hardware, software, networks, scalability, recoverability, database and knowledge management, talent development, and user training.

In working with our sister firm, the CIO Group (www.ciogroup.net), we have found it is helpful to consider the following during M&A implementation:

- Ensure that IT strategies and tactics are aligned to meet implementation objectives. Is IT adaptable to meet marketplace challenges? Can IT enable competitive differentiation? What is IT's role and performance goals in enabling research and development? Can IT support management's regulatory compliance?
- Ensure responsible utilization of IT assets and resources. What metrics and controls are in place? What have been the results of sourcing strategies, including insourcing, outsourcing, and offshoring? What plans have been developed for the strategic deployment of emerging technology?
- Ensure that IT professionals have the calendar time, and "mind time," to design, test, and implement postmerger solutions.
- Develop a contingency plan that anticipates information- and technology-enabled processes, and recovery resources, that cannot be integrated . . . particularly in sales, research and development, customer support, and product development and distribution.

Financial Policies

Financial policies are frequently critical implementation challenges. Some examples include signature approval levels, expense reimbursements, budgetary guidelines, goodwill amortization policies, and capital acquisition authority.

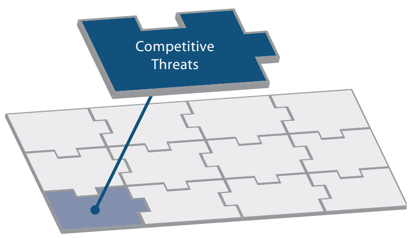
For example: Before a recent merger, an executive was authorized to approve expenditures up to $5 million. The day after the merger the same executive was limited to a $50,000 approval level.

In terms of unintended consequences . . . the CEO and directors involved had no intention of emasculating executive decision making, but it happened. It had to be identified, analyzed, and mitigated. Quickly.

Differences in values, empowerment, management competence, and technology often clash in the context of financial policies. Financial policies must be closely monitored for opportunities to enhance the odds for merger success. Be creative initiating financial policy changes, and then communicate aggressively in explaining the "why" behind any new, revised, or discontinued policies.

Competitive Threats

While the CEO, senior leadership team, board of directors, and others critical to success are preoccupied with the complex challenges implementing mergers and acquisitions, competitive threats often emerge on several fronts. It is best to be prepared with action-oriented contingency plans.



The three prime targets are customers, intellectual property, and talent. Be attentive. Establish a task force to anticipate, simulate, then mitigate threats to employees, customers, and your competitive position during the merger or acquisition implementation period.

Mergers and acquisitions frequently require a sophisticated understanding of a host of new marketplace challenges and competitors. Recognize that today's competition may be very different tomorrow. They may outflank you in your target markets, acquire you, or you may acquire them. Competitors can become critical customers, just as customers can become competitors.

Customers are an often overlooked competitive intelligence resource.

Our clients have been alerted to competitive change by customers who have said, "Our vendor X says they will be able to do Y next month. Can you match or beat that service?"

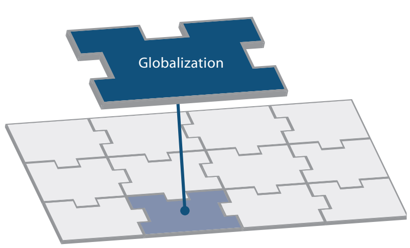
Additionally, recognize that customer loyalty is fragile and needs extraordinary attention.

Your competitive position may be weakened by your competitors' price, sales, or technology initiatives. We suggest establishing a competitive intelligence program that defines products and monitors your competition in these and other business areas, including strategic initiatives, product development initiatives, intellectual property, and target markets.

In a word, know your existing and evolving marketplace. Develop a profile for each competitor and strategic customer, and a proactive plan to address potential challenges. Recommendations for designing a competitive intelligence program are included in our *Strategy Implementation Insights,* chapter 12.

Key questions include:

- Who are your current competitors?
- Who will they be in the future?
- What are they planning?
- Where will they be in 3, 6, 9, 12, and 18 months?
- Or . . . is your most dangerous competition customer priorities, displacing technology, currency exchange rates, political unrest, the weather, or new government regulations, among other challenges?



Globalization

Globalization demands new creativity, leadership skills, and processes. The issues of integrating personnel, languages, values, and corporate cultures, as well as understanding customer needs and the competitive environment, are even greater when dealing in unfamiliar segments of the world.

Diverse cultures, values, and religions must be understood, recognized, and respected. The multicountry implementation of mergers and acquisitions requires attention to a host of complexities beyond those in one language, one country, one time zone, and one culture.

Growing and flourishing businesses will exemplify a seamless, 24/7 operation.

Product management must provide an agile capacity for change, including a customer-service capacity that reflects competitive superiority:

- around the clock,
- around the calendar,
- around the world, and
- across cultures.

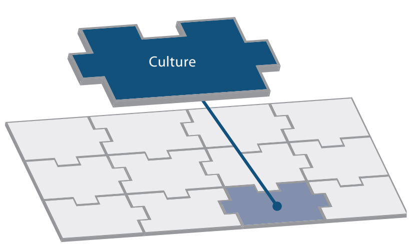
In a recent global merger, the CEO asked that each of the 15 new country managers translate the U.S. corporation's business values from English into their local languages. The task was impossible to complete. The apparently simple assignment was halted due to a gap in understanding and translating the intent of key words and phrases related to business values. Accountability, new product development processes, and the new go-to-market value proposition were some of the confusion leaders.

Policies are communicated in words. They are implemented through behavior, people, and technology. If the people involved do not understand one another, or they do not have the same deep-rooted beliefs, then working together toward a common goal is, at best, difficult. Communication issues, challenges, and opportunities need to be identified and effectively addressed.

For example: Holidays, particularly those honoring religious beliefs, are very important. We were surprised in a recent engagement when United States managers, planning product launches and management meetings, failed to anticipate and respect religious holidays. Planning must also recognize language, geographic, and cultural imperatives.

We urge that our clients consider taking the following steps when facing global challenges:

- Be knowledgeable and comfortable with a growing array of values, beliefs, and languages. In addition to time zones and languages, see many different beliefs as positive differentiators and competitive assets.
- Establish and nurture global and country-specific advisory groups to continually critique your changing strategy implementation plans.
- Ensure that nationals in each of your global markets develop and execute country- and culture-specific market research and education initiatives, and are active in community philanthropy.
- Ensure that management teams are frequently engaged in global, multicultural development initiatives.
- Diversify directors to be certain that board membership reflects the global demographic profile of the postmerger company being built.

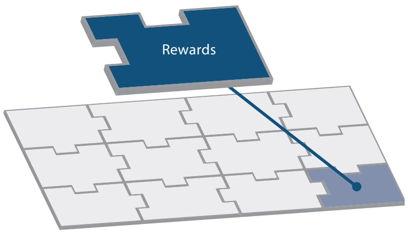


Culture

The importance of diverse corporate cultures cannot be underestimated.

Launch a change process to establish a "one company" unified culture. Assume that diverse corporate cultures will not align easily or quickly. Ensure your leaders have the sensitivity, creativity, patience, and communication plans to mitigate predictable culture conflicts.

Culture differences surface in many ways. Examples include furniture and office space expectations, dress codes, communication styles, meeting schedules, and even expectations for holiday parties. In cases where an older, larger company acquires a small, entrepreneurial enterprise, the culture clash can be an order of magnitude more complex.



Lack of mutual trust and respect can bring merger implementation initiatives to a crawl, or even to a halt. Building genuine esprit de corps requires time and tools. These "tools" can include: new visual and physical changes, including space, colors, and logos; new performance and professional growth reward systems; quickly merged telephone and technology systems; and making sure each person understands his or her role, responsibility, and reward for achieving the combined enterprise's success metrics.

Rewards

We are convinced that all people key to a merger – investment bankers, lawyers, consultants, boards of directors, and senior management – should recommit themselves and insist on success at 24 months following the merger announcement. Financial rewards for everyone involved should have a significant component at risk – to be paid out after 24 months, in a celebration of achievement.

The merger implementation team should be compensated based on deadlines met and goals realized. This is not a place to be stingy. One-time strategy implementation costs are insignificant – particularly when compared to a failed merger or acquisition.

Rewards should be cascaded throughout the organization. As strategic initiatives are cascaded down to support the merger implementation, key staff should understand their role in the process, and the specific rewards for achieving success. Rewards must be tied to a timeline for change and quantifiable milestones.

Summary

There are always high expectations and champagne celebrations when a merger is penned. But, more often than not, mergers fail to achieve what is expected.

Successful implementation of mergers and acquisitions is not an option – it is a strategic imperative.

Every merger is different. We suggest that the focus points highlighted in this *Insights* chapter be incorporated into an implementation guide tailored for each company. The implementation guide should consider each company's previous successes and disappointments with M&A implementations.

An M&A implementation guide and management orientation program can help leaders across the enterprises, and around the globe, as they struggle to share one vision and one voice.

Everyone involved with managing implementation success must quickly and significantly strengthen their respect for, and understanding of, what works effectively in ensuring M&A success, and what steps, taken or not taken, lead to failure.

An environment of collaboration and integration is essential for merger success. Be certain everyone understands the strategic goals, opportunities, risks, mitigation plans, implementation timetable, his or her personal role and accountability, and how success will be defined, achieved, and celebrated.

We look forward to sharing our lessons learned in more detail.

We welcome your suggestions, thoughts, questions, and concerns related to implementing mergers, acquisitions, and other large-scale change.

Please contact Sharon Carrigan, *Insights* editor and Vice President, Communications, at 203.801.5002 or ***sec@implementstrategy.com***

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Merger and Acquisition Success

INSIGHTS

We publish *Strategy Implementation Insights* periodically to encourage dialogue on strategy implementation effectiveness.

We invest in developing and publishing *Insights* chapters to share the lessons we learn during consulting engagements, supplemented by our ongoing research.

Our readers are encouraged to pass this *Insights* chapter along to others, or contact us for additional copies.

Please visit our Web site at www.implementstrategy.com for other chapters of *Strategy Implementation Insights*, and the sites for our sister firms: www.bepartners.com and www.ciogroup.net.

McCreight & Company
STRATEGY IMPLEMENTATION CONSULTANTS

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Research & Operations Center

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Our Firms

McCreight & Company, Inc. partners with clients worldwide, helping to ensure their competitive superiority, designing and guiding the implementation of sound and sustainable strategy. Our unique consulting and operating experience has evolved while partnering with many of the world's most respected leaders and most dynamic organizations. Our capabilities are further enhanced by our two sister firms – Board Effectiveness Partners and the CIO Group.

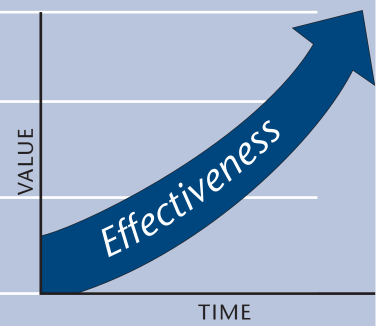
How We Add Value

Analyze and refine strategy

Define implementation initiatives with timelines and milestones

Define implementation roles, accountability, and resources

Monitor implementation progress and identify and help mitigate roadblocks



Our Goal

Our goal is to ensure that strategy is sound, sustainable, scalable, and successfully implemented, on-time, on-target, and on-budget. We partner with clients in designing and implementing strategic change, including: global growth, leadership transitions, board and director effectiveness, business restructurings, new business launches, mergers, acquisitions, joint ventures, and alliance partnerships.

Industry Competencies

- Aerospace
- Communications
- Defense
- Foundations
- Information & Technology
- Intelligence
- Life Sciences & Health Care
- Media
- Professional Services

Our Chairman

JOHN MCCREIGHT has devoted over 35 years to consulting and partnering with CEOs, senior management, boards, and investors, defining and implementing large-scale strategic change. Mr. McCreight leads every engagement and is professionally involved on site.

Alliance Partners

Each strategy implementation engagement is unique in terms of our client's needs, our response, and the consulting competencies and professionals involved. McCreight & Company nurtures relationships with over 100 alliance partners worldwide. They strengthen our capacity to ensure our clients' success. Our alliance partners exemplify preeminence in their fields and complement our core competencies.

Research & Operations Center (ROC)

Our ROC professionals are linked globally to our clients, alliance partners, industry experts, and the academic community. We focus daily on monitoring facts, opinions, successes, disappointments, lessons learned, and emerging best practices in many areas, including board and director effectiveness, information and technology, and the issues and challenges that impact strategy development and implementation.