

McCreightPartners Insights - Chapter 3



Trust from the Top: Lessons Learned During a Global Acquisition

In any organization trust is crucial. Trust between leaders, among staff, and with partners, suppliers, and customers enables success. Lack of trust is debilitating.

During one engagement we encountered high hurdles on the path toward establishing effective trust, as two leading enterprises from different countries merged in a headline-grabbing combination.

We learned lessons about how focus, diligence, and collaboration can bring a leadership team to a better place. Outlined below are the highlights of the work, summarized with three valuable insights.

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The Challenge

A company from outside the U.S. acquired a leading U.S. business, at an unprecedented scale. The CEO and Chairman needed to develop an effective working relationship. However, there was no blueprint to follow as giants from two different cultures needed to find a way to optimize their organizations to compete – all while the market and governments expressed concerns.

Our Solution – Partnering With Our Client’s Leaders

McCreightPartners was engaged to deliver a framework describing critical functions of the global company's executive leadership, with clear definitions of the roles the CEO and Chairman would play. The key to success was that both the Chairman and CEO – from different organizations and cultures – needed to agree to, then commit to operate, in accordance with the roles and responsibilities framework.



Our Senior-Only Consulting Team:

- interviewed the CEO, Chairman, and senior leadership team to understand the company's growth plans, performance objectives, and competitive challenges
- performed research tapping our network of expert Alliance Partners to leverage appropriate exemplars in the U.S., country of the acquirer, and worldwide
- explored the current state of leadership roles in each legacy organization
- defined specific roles and responsibilities for the Chairman and CEO
- negotiated agreement between the Chairman and CEO and assisted in the early phases of implementation

The Result

The CEO and Chairman were able to come to an agreement on their roles – the final challenge they faced during the early stages of the merger.

We now consider this global acquisition a model for multi-cultural strategic initiatives.

The combined companies' revenue is now 4x – compared to the date the acquisition was announced.

Other facts and trends since our engagement are a tribute to effective leaders. They include:

- \$11 billion in revenue at stake
- A top 20 private equity firm was deeply involved
- Our client has achieved 26% annual revenue growth rate since the acquisition
- One roles and responsibilities matrix was deployed to guide critical activities for the Chairman and the CEO

Lessons Learned



While focused nearly exclusively on the C-suite, this engagement reminds us of

valuable insights we have learned during decades of strategy implementation consulting involving mergers and acquisitions.

- **Understand and work through “politics” to build trust.** In this engagement there were countless corporate and personal agendas and overlapping ambitions. By breaking governance, roles, and accountabilities into manageable pieces we were able to direct the dialogue to specific issues. Once the conversation was carefully scoped, we could spend time on each element, and each contributor respected that their voice had been heard and respected as the decisions were made. As a result, each party could trust the outcome and agree to their roles during execution.
- **Communication matters.** Beyond the platitudes involving respect of cultures and languages, we found that communication challenges were only overcome when client leaders devoted the time necessary to listen, learn, and work through issues. Once collaboration became effective, we noticed increased trust and increased ability to understand one another.
- **Varied perspectives inform effective decisions.** Negotiating the nuances of which roles the Chairman would fill compared to the CEO for outward and internal activity was often tense. Both legacy companies valued insights from the histories provided by their leadership teams, as well as views we were able to bring from past experiences and research. Incorporating these perspectives often resulted in stronger confirmation of a decision or an improved decision, which was valued by all parties.

[McCreightPartners](#) is proud of the role we played in this critical moment as two leading organizations from different cultures took the time to get it right as they came together. We are grateful as well for the lessons we learned, which continue to ring true today.

Author, Alliance Partner Jeff Smith



McCreightPartners Insights are intended to be valuable to our clients as the voice of our Alliance Partners and Research & Operations Center (ROC) professionals. We welcome your thoughts and experiences.

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