

The Art of Being Acquired

12 steps to success

Navigating the complex landscape of an impending acquisition by a private equity firm presents both significant challenges and promising opportunities for leadership. As leaders grapple with maintaining operational stability, addressing employee concerns, and integrating new strategic visions, they must also leverage the fresh influx of capital and expertise to drive growth. What do executives in an acquired company have to do in order to be acquired well? Consider these 12 steps:

1

Guard Against Performance Declines

Performance often suffers in the acquired company following the announcement of the deal. This is due to increased executive concern about acquisition-related issues and inevitable changes. One of the first steps for executives in the acquired company is to prioritize maintaining performance.

3

Embrace the Acquisition

Executives must wholeheartedly embrace the acquisition. They need to show enthusiasm, appreciate the change, and focus on its benefits. They should help others see the strategic opportunity and business case behind the union. Only when convinced of the synergies will they successfully sell the new company to stakeholders.

5

Keep Egos in Check

Acquisitions can bruise egos, but it's crucial for executives to set aside personal pride for the good of the new enterprise. They should actively seek and accept feedback on ego-related issues.

7

Embrace the New Culture

Successful executives adapt to new cultural norms and practices post-acquisition. They should quickly align with the new culture rather than resist it out of ego or discomfort.

9

Anticipate and Accept the Power Shift

Recognize and gracefully accept the power shift to the acquiring company post-acquisition. Executives should prove themselves capable of managing this new dynamic.

11

Support Organizational Adjustment

Executives should actively support employees through the transition, demonstrating their commitment to the acquisition's success and providing clarity on the new corporate culture and career paths.

2

Accept Additional Responsibility

Before an acquisition, leadership's main goal is to run the company profitably. Post-acquisition, they have an added responsibility: preparing the organization for the acquisition and guiding everyone through necessary adjustments. Leaders must take bold, assertive action. Even proactive executives tend to wait for new ownership to provide direction post-acquisition.

4

Take Symbolic Steps

Executive actions and symbols matter greatly post-acquisition. They should immediately adopt new company symbols, discard old ones, and unify language by referring to the combined organization as "we" instead of "them." These symbolic gestures shape perceptions and integration success.

6

Accept New Systems

Executives must acknowledge and accept that new systems and procedures will be implemented. Resistance can lead to unnecessary friction and potentially their departure. Objectively assessing motives for resistance can aid integration.

8

Appreciate Both Perspectives

Executives must understand the challenges faced by acquiring counterparts. This empathy aids in smoother integration.

10

Compromise More

Executives will need to compromise more within the newly acquired organization than they did previously. Choosing battles wisely and resolving differences professionally are key.

12

Solve Problems from Both Ends

Managing an acquisition is challenging; managing the process of being acquired is even more so. Dysfunctional mergers are common, but with diligent effort from the acquired company's executives, successful integration and the anticipated benefits of the union are achievable.

Ready to talk?

Learn how to be acquired well! RHR has the private equity experience and expertise to set your leaders up for success.

Robert Abramo
Head of Business Development
rabramo@rhrinternational.com

Nick Twyman
Partner, Head of Private Markets
ntwyman@rhrinternational.com