

# 10½ tips to make sure your firm's merger goes off without a hitch

## Tenandahalf top tips: February 2021

At the moment M&A activity in the professional service sector is beyond buoyant and this level of activity is expected to continue well into 2022.

However, not every merger goes off without a hitch (or seven ... or maybe more).

Having conducted [in-depth research](#) into professional service firms with over 50 mergers between them, Tenandahalf confidante Anne Harnetty has found several issues being raised regardless of the size and/or culture of the firms involved.

Given mergers are going to remain on many professional service firm's agendas for the foreseeable future, we thought it would be useful to share the insight Anne has learned from a diverse group of managing partners in case you're planning to merge with or acquire another practice.

### 1. Plan, plan and plan again ...

... and when you think you have done enough planning, plan again

Have a clear strategy for your merger because success for understanding the purpose of the merger or acquisition is key.

Conduct a detailed and very clear analysis into the benefits a merger would provide for your firm and ensure that the firm you are in talks with is looking for similar gains. Continually

assess the value creation; due diligence should cover everything not just financial aspects because the gaps are where significant differences always arise.

And please walk away if you decide the fit is not good. It will undoubtedly be amicable, and it will definitely save you time, effort and money.

### 2. Get your culture right ... it's easy to sense but hard to measure

You can create a new culture for the new firm as long as everyone has a desire to make it work. People will embrace a shared vision because it gives them a sense of identity.

However, there are 2 watch outs:

- Culture has to come from the top so encourage staff with events to help build your new community and encourage integration
- Never let culture be an excuse for putting up with poor performance or resisting change.

### 3. Partners should help not hinder a merger

Every partner will have a different view of the merger. Some will support it and have a vision for what will make the firm better.

For others the merger will bring fear and uncertainty because they fear they'll lose everything they are familiar with.

Make sure you invest the time to tell your partners what they're voting for and how the merger will benefit them.

#### 4. Have a clear communication plan

Communication must be continuous, not a onetime message

Every firm believes they are great at communicating but our research showed that was not the case.

Essential messages can quickly be forgotten amongst everything else going on during a merger.

Make sure you communicate from the very beginning of the merger process to lay the foundation of what is to come then keep communicating progress throughout and after your merger.

#### 5. Understand your partners' concerns

Partners need to be shown a compelling reason for the merger and convinced that the merged entity is better than the two legacy firms.

Keep reenforcing the key messages. Make sure the timelines and objectives are understood. Involve senior leaders in the communication plan so they are fully supportive of your vision and future success. Don't let frustrations build as people try to get used to working in a new team, with new people, in a new way.

#### 6. Maintain an open dialogue with all staff

Decide how you are going to communicate key messages and ensure these messages are positive and effective.

Don't worry about information being leaked before you are ready; you can have a pre-merger message ready to convey you've been talking to a variety of firms regarding a potential merger.

And always tell the truth.

You can't pretend that nothing will change and that certain jobs might be lost - change is inescapable - but you can explain why and when while you lay out the long-term benefits of the merger.

#### 7. Keep clients informed

You need to start marketing your merger as early as possible.

Tell your clients what's happening. Tell them how the merger will benefit them. Tell them how the merger will strengthen their firm and serve them better.

Most of all, emphasise your continued commitment to your clients.

#### 8. Snuff out gossip and rumours

Mergers naturally create fear, fear of loss of job, fear of a change in responsibilities and a fear of stifled career development.

Staff need to trust you and not feel excluded or ignored so keep selling the positives:

- A larger firm will create more opportunities
- A larger firm will have increased ambitions
- A larger firm will have an improved leadership structure
- A larger firm will offer a better working environment
- A larger firm will provide additional opportunities for personal and career development

And deliver these messages (repeatedly) in person, not by email.

#### 9. Put a good project manager in place

'Business as usual' can't stop for you to integrate the legacy firms.

That said, how you integrate after the merger will have direct impact on your success.

Successful integration starts with a strategy and financial plan that embodies what the new firm looks like. A good project manager – empowered to execute a well-defined role by the partnership – will turn that theory and into reality.

### 10. Don't scrimp

An experienced project director will come with a cost. The specialist marketing support you'll need to define your new firm's client value proposition and promote your new offering will come with a cost. The design team you'll need to brand your new firm will come with a cost. New Business Support Directors who fit the larger firm, will come with a cost.

These aren't negotiable/avoidable/losable costs. They are essential costs and if you scrimp on them now, you'll pay for your parsimony later.

### 10½. If we all had the gift of hindsight everything would be different ...

Everything would be easier with the benefit of hindsight but until we develop the gift of hindsight, the best thing to do is to listen to those who have been through a merger.

My new book *Mergers with the Benefit of Hindsight* (available from Amazon and all good book shops) brings together the experience of a range of managing partners, all of whom were willing to share their experiences.

Reading this book before you merge will make you aware of the potential pitfalls and give you a steer as to how you can either dodge or prepare for those bumps in the road.

If you'd like to discuss a proposed or upcoming merger or discuss how best to approach your integration post-merger you can email Anne at [Aharnetty@Jonsonbeaumont.co.uk](mailto:Aharnetty@Jonsonbeaumont.co.uk)

If you'd like to order a copy of *Mergers with the Benefit of Hindsight* you can do so via Amazon

If you'd like to have an initial chat about creating a new client value proposition, a new brand identity or a plan to promote your new firm, please email [douglas@tenandahalf.co.uk](mailto:douglas@tenandahalf.co.uk)

## How can we help your firm grow?

If you would like to discuss any aspect of your firm, practice or chambers' marketing or business development please email [claire@tenandahalf.co.uk](mailto:claire@tenandahalf.co.uk) and book your FREE initial 45 minute consultancy.



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