

Luminous

Case Study – Merging Two Companies

Background

Global Regulatory and Risk Management Company (Software Co.) is a provider of **a unified risk and regulatory platform** providing their products to over 1000 banks worldwide, serving 45 of the global top 50.

Before becoming a vendor providing unified risk and regulatory software, they focused primarily on the regulatory software arm. In August of 2008, this company acquired one of the world's most revered risk management software companies so as to expand their service offering to include risk.

The task at hand

The acquisition was challenging for several reasons:

- Software Co. had 600 members of staff, whereas the risk management company (Risk Co.) they were acquiring only had 100 members of staff (each being a specialist)
- A number of key personnel and support personnel had to be let go and made redundant
- Communication with key people didn't happen until the last minute due to the secrecy of the acquisition (causing stress and strain amongst staff members)
- Key knowledge and people within the acquired company HAD to be retained or the acquisition would have been a disaster
- The two software platforms needed to be merged and this was an enormous task
- The cultures between the different companies was EXTREMELY different (Risk Co. was Swiss-based and culturally they were meticulous and took time to make decisions whereas Software Co. was globally based with offices in 20 countries worldwide and culturally they were boisterous, quick in decision making and loose on perfectionism!)

Luminous was brought on board to manage the change management and smooth things over with all the people involved ensuring they were brought on board and looking forward to a bright and shiny future with Software Co. Luminous called this project 'Welcome to the family' to ensure that Software Co. welcomed Risk Co. with open arms and adapted themselves to the differences in culture and ways of working.

Results

Between August 2008 and December 2008, the following was achieved:

- Luminous worked with key people within Risk Co. to establish the chief concerns of their people. Workshops were run to get to know these key people and work out their pain points with the acquisition
- Luminous chose to call the acquisition a 'merger' globally to ensure that the perception of the change didn't make Risk Co. feel like they were being taken over and subject to manipulation and change beyond their control. Also the positive connotations of a 'merger' superseded the very negative connotations of an acquisition. Within a week

- everyone was calling the acquisition a 'merger' and Risk Co. immediately felt more comfortable with the impending changes as well as their role within the new company
- A communication program was created within a week – including an intranet full of information about the merger, help line, support team, HR strategy for the change, explaining the timeline involved within the merger and what people can expect – this was updated on a weekly basis
 - Luminous worked with the global executive team to ensure that decisions involving redundancies were made rapidly so as to avoid any further stress or strain on employees, impacting morale or productivity
 - Luminous worked across all departments to coordinate the change in roles and responsibilities so that this could be communicated rapidly to Risk Co.
 - Luminous got all offices within Software Co. to make a video introducing members of their teams and welcoming Risk Co. to the 'family'
 - Luminous and a team of staff went to visit the Risk Co. offices within Zurich, Geneva as well as Cluj in Romania and we conducted 'welcome to the family' sessions with all staff there. We played them the video and people reported afterwards they felt so excited about this merger and really felt like they were part of a global family now
 - Luminous then worked with Risk Co. to make a video introducing Software Co. to the Risk Co. culture and way of working – people LOVED the video and really enjoyed getting to know the different people involved
 - Luminous set up a global training program for Risk Co. to learn everything they can about regulatory products and services as well as for Software Co. to learn everything they can about risk products and services – this project ran over 3 months with 2 teleseminar sessions per week so people could attend worldwide across all different time zones
 - The whole project was an enormous success, with the merger being extremely successful and peaceful
 - Luminous coordinated a great deal of the integration between the two companies to allow for a seamless transition transcending culture and differences

"Adele has shown an incredible passion and drive during the transition after the acquisition of Risk Co. by Software Co. Her energy rubbed off to the involved and impacted collaborators, moved critical matters forward and contributed to the success of the deal. She delivered quality results at an unbelievable short notice."

Michael Kaestner , Global Project Manager

"It has been a true pleasure working with Adele. Not often one comes across a person with such incredible drive, passion and enthusiasm. Very high energy, very professional and great fun to work with. Her work with our merger was done very well. She will certainly be missed in our team."

Jeroen Gruijters , SVP Research & Development