

Nine essential qualities of an M&A integration leader



Every merger or acquisition (M&A) is unique – achieving success requires a different balance of efforts from a variety of stakeholders. One constant is that all transactions require an integration leader who is responsible for driving the integration from when the deal is signed through closing and beyond.

Integration leaders are often asked to step outside their day-to-day role and lead a cross-functional program through a high-impact, high-profile initiative. As the person at the center of the program, it is essential that the integration leader navigate complex situations successfully, build cross-functional relationships and bridge cultural gaps.

Finding the right person for the job can be a difficult task.



Qualities and skills to succeed as an M&A integration leader

Because a leader's role changes throughout the life cycle of an integration, identifying the right person for this position is key. We consider nine qualities and skills required to succeed in the role.

1

Rapid problem-solving skills

The ability to quickly prioritize is essential. Constant responsibilities of the integration leader include focusing the program on the most critical tasks and aligning all stakeholders with the deal thesis. Successful integration leaders are capable of not only solving problems as they arise, but also recognizing and mitigating risks early, reducing bottlenecks that hold up progress.

2

Ability to communicate effectively, with strong interpersonal skills

Integration leaders must possess strong communication skills, as integration teams are typically highly diverse groups made up of members from different organizations, work streams, geographies and backgrounds. The integration leader must clearly communicate goals and objectives to all stakeholders across all levels in the organization. In addition, regular communication with senior executives, the steering committee and sometimes the board is important to report on integration and value capture progress. Similarly, integration leaders must possess strong interpersonal skills with emotional intelligence.

3

Understanding of the business and functional areas

To lead an organization through a major transformational event such as an integration, leaders need a deep understanding of how their own company operates, how the acquired company manages its business, where the competition is going and major trends in the respective industry. The integration leader knows how to get things done, where to look for answers and whom to contact. Great leaders must understand the priorities, operating needs and responsibilities of the different work streams, and be able to anticipate, plan and solve for cross-functional interdependencies.

4

Trust of top management, with the authority to make timely decisions

Integrations are conducted on tight timelines with little room for errors, requiring the integration leader to be trusted to make operational decisions and to know when strategic choices need to be reviewed more broadly. Integration leaders should be able to command respect and be comfortable making decisions with incomplete information. This will enable them to break down roadblocks and keep the integration moving forward.

5

Financial acumen

A background in finance can be extremely helpful to an integration leader. He or she will need to understand both companies' historical and forecasted financial performance and how the combined entity will perform. In addition, the integration leader will be responsible for building and managing the integration budget and identifying, tracking and capturing synergies.

6

Ability to think strategically

It is essential that the integration leader keep the strategic goals of the integration in mind. Developing an integration strategy and setting integration guiding principles are some of the first responsibilities on which to focus. Throughout the integration, the goals may change or new goals may be identified so the integration leader must constantly review the integration plans and confirm that they still support the evolving deal model, assumptions and goals of the organization. The integration leader also needs to make sure the plan and team can quickly pivot when necessary.

7

Understanding the big picture, with an eye for detail (microscope and telescope views)

To pressure-test the quality of the integration plans and review work stream progress, the integration leader must be able to pick out the smallest details or risks that could have a major impact on the integration. For example, something as small as an incorrectly communicated task due date for one function can delay or majorly impact another work stream's progress, possibly leading to a cascade of delays. Being able to build out a critical path, especially for Day One must-haves, is an important task.

8

Ability to influence corporate opinion and key stakeholders

An integration leader must set the tone of the integration, measure employee sentiment regularly and take steps to shift opinion as needed. The most effective integration leaders are generally well-respected and able to ground senior leadership around a shared set of guiding principles. They can inspire teams that may have never collaborated to work toward a shared goal. In addition, the integration leader should be able to help work streams or teams balance competing priorities and manage any differences that may arise.

9

Organizational knowledge and motivational skills

Integrations are typically conducted under high-pressure environments with high expectations from upper management and shareholders. The integration leader must know whom to reach out to and what processes to follow within the organization to get things done. Because integrations can take months to years and often face many unexpected hurdles and delays, it's imperative that an integration leader motivate the work stream leads throughout the duration of the integration to confirm that all goals are achieved.

and leading one can open many doors, allowing the integration leader to operate outside of their normal responsibilities and build relationships with other leaders and executives within the organization. Integration leaders can gain more visibility into the operations of other functions and business units, learning the key challenges and underlying priorities of each function firsthand.

As a champion of the vision of the integration and program management structure, integration leaders will create the momentum and drive needed to capture the value of the transaction. Leading an M&A integration can be a defining moment in an individual's career; the skills, knowledge and lessons learned will be invaluable once the integration leader transitions to any future positions in their organization and beyond.

Further reading:

Refer to *Nine key steps to setting up an M&A integration program* to understand the role of the integration leader throughout the integration phases.

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