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A merger can be a 'Trojan horse' opportunity to transform your firm

"Don't worry about the implementation, that's tomorrow's problem. Just focus on getting the deal done" figures high on the list of comments which betray the naivety of those negotiating mergers.

Of course, it is also fair to say that such sentiments are understandable given the context of the moment, the pressure of closure and the belief that all things will be possible once the final push to the summit has been attained. But, as every mountaineer will testify, reaching the peak does not represent success unless the return journey can be safely navigated. Failing to have a clear and detailed merger implementation programme is analogous to reaching the summit with no plan for the descent.

Those who believe that such planning can be put to one side and viewed as a post-completion activity are simply painting themselves into a corner from which it is difficult to plot an escape. They are driven to a large extent by a focus on getting the deal done. After all, this is what lawyers are hired to do – post-deal activity is rarely a concern. Implementation is outside the scope of law firm's engagement; the client plans for it separately.

But, when the 'client' is the lawyers' own firm, who takes on the responsibility for this planning?

Planning for change

The view within negotiating teams that the 'deal' is about 'getting the paper' over the line (rather than considering the structure, management, resourcing and client focus of the new business) is pernicious. While such matters will generally have been discussed and articulated at the top line in a merger agreement, it is all too common to find that the implications and inter-relationships have not been thought through.

Timing and speed are of the essence. A newly-merged business is 'change ready' for only a limited period (perhaps six months) after it comes into existence. This is the window of opportunity, since people will have an expectation that the new firm will approach things differently; perhaps with a mixture of dread and enthusiasm about what the future will bring. This is the time for action!

After six months or so, a new state develops. The way in which things are at that point is assumed to be the way in which things will be in perpetuity. The fluidity recedes and the *modus operandi* is crystallised. People assume that this is the way of life in the new firm; change beyond this point becomes exponentially more difficult.

"Look wider than the changes that are strictly necessary to effect the merger"

A merger can be a 'Trojan horse' opportunity to introduce change in areas that are not driven by the merger *per se*. There are perhaps developments which members of the management team will have been contemplating for some time but were unable to implement within a historic environment fixated on maintaining the status quo. By looking wider than the changes that are strictly necessary to effect the merger, they can capitalise on the opportunities which exist and implement a broader sweep of initiatives during the merger processes.

So, for example, a firm could include new flexible working practices in its post-merger implementation programme. Such a move may not be a strict consequence of the merger, but the relatively fluid post-merger environment can be taken advantage of to introduce additional changes to systems, processes and working practices. Of course, this has to be balanced against resource constraints and the ability of both the firm and its people to cope with multiple change projects.

Focus and preparation

Successful implementation and change management requires focus and detailed preparation. A great merger is not the result of serendipity – understanding the firm's current position, defining its desired end-state and putting in place the required structures and plans cannot be put to one side for consideration at the eleventh hour.

The implementation plan should be developed in parallel with the deal-making, not subsequent to it. The plan and change agenda should underpin the new firm's operating model, impact on its investment priorities and help to shape its future business plans.

To find oneself, on the day after completion of a merger, looking into the abyss of delivery without a clear picture and route map for implementation is a dereliction of management duty. Not only is this the loss of a huge opportunity to deliver a significant merger dividend, but it also carries the risk that the new firm hits the ground stumbling rather than running. mp

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