ADP Solution
Optimized M&A Integration Strategy and Tactics

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SURF Internet[SM]

Signature Page

Optimized M&A INTEGRATION STRATEGY AND TACTICS

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This Applied Doctoral Project has been approved for the degree of Doctor of Business Administration.

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List of Abbreviations

AI	artificial intelligence
ARPU	average revenue per user
B	billion
BEAD	broadband equity access and deployment
CAF	Connect America Fund
CEO	chief executive officer
CPGA	cost per gross add
CPF	capital projects fund
COGS	cost of goods sold
EBITDA	earnings before interest, taxes, depreciation, and amortization
FCC	Federal Communications Commission
FTTH	fiber to the home
GenAI	generative AI
HR	human resources
ILEC	incumbent local exchange carrier
ISP	internet service provider
KPI	key performance indicator
LP	limited partnership
LOI	letter of intent
M&A	mergers & acquisitions
MOU	memo of understanding
NAICS	North American Industry Classification System
NDA	non-disclosure agreement
NPS	net promoter score
NSMA	National Spectrum Managers Association
PE	private equity
PwC	Price Waterhouse Cooper
RF	radio frequency
RFI	request for information
ROE	return on equity

SWOT	strengths, weaknesses, opportunities, threats
TAM	total addressable market
VAR	value-added reseller
VBM	virtuous business model
VC	venture capital
WISP	wireless internet service providers

APA Modifications

This paper uses the *Publication Manual of the American Psychological Association* (7th ed.) style format. However, as an applied doctoral project (ADP), there are instances where a modification of the American Psychological Association (APA) style format is appropriate. The following describes the modifications used for this project.

Abbreviations. All abbreviations are included on the list, regardless of the number of times used.

Callout Boxes. Callout boxes displaying text and/or numbers are distinguished from figures and tables. Each callout box provides supporting content that is stated and cited in the narrative or is meant to serve as supplemental information only. Callout boxes are not numbered.

Figures and Tables. The bold label and italicized title are placed at the bottom, along with the citation, if applicable, and the inclusion of a note when required.

Font. This ADP is designed with the following font types and sizes:

- Calibri 16 for Level 0 headings
- Calibri 14 for Level 1 headings, excluding those in Sections 1–5
- Calibri 12 for all remaining heading levels and standard text
- Calibri 10 for footnotes

Layout. Full justification is used for all narrative content in the report except seriation and tables.

Footnotes. Footnotes are used throughout this ADP to provide supplemental information. They are formatted using single spacing.

Headings. APA heading levels were modified for aesthetics and the use of EMT-branded colors:

- Level 0: blue, centered, bold, title case
- Level 1: black, left justified, bold, title case
- Level 2: black, left justified, bold, title case
- Level 3: black, bold, left justified, italics, title case[1]
- Level 4: black, bold, indented, sentence case, level to paragraph, ends with period
- Level 5: black, indented, italicized, title case, level to paragraph, ending in a period

Spacing. Single-line spacing is used throughout this ADP. This format limits the report's length and helps blend the scholar-practitioner concepts and techniques in this consulting report.

Table of Contents. Only the Level 0 and Level 1 headings are listed, not the Level 2 headings.

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[1] In addition to the formatting identified for Level 3 headings, in the At-A-Glance reports in Section 2, they are also shown level with the paragraphs for aesthetic purposes.

Executive Summary

The complexity of mergers and acquisitions (M&A) results in frequent mistakes that can be costly. These issues can result in lost customers, reduced employee engagement, and poor financial performance (Svante, 2021). Surf Internet has executed multiple acquisitions over the last several years, and the results of these mergers have yet to be as expected. A common issue noted with similar mergers is that cultural differences often result in lower productivity, lowering potential profitability (Sherman, 2023). Post-deal challenges can relate to optimal transition speed, the degree of consolidation, integration management, communications, employee motivation, and cultural alignment (Junni & Teerikangas, 2019). Surf Internet sought consultative assistance to revise and expand its current M&A process. The CEO and founder of Surf Internet requested help with developing a structured approach for M&A integration, cognizant of the need for cultural integration tactics and profitable strategies to drive a successful exit strategy.

The Problem

The current business environment has driven competitors in the telecommunications industry to seek growth, with some organizations, such as Verizon, using M&A as a growth strategy (Sherman, 2023, p. 328). However, M&As in all sectors often face considerable risk and reap less-than-optimal outcomes. It is a widespread problem where up to 80% fail to create value (Sherman, 2023, p. 9). There are generally accepted practices for integrating processes and systems during the M&A implementation phase; however, there are limited publicly documented practices for addressing interpersonal relationships and cultural factors due to the proprietary content. The complicated nature of merger and acquisition issues is further compounded when an organization has a planned exit strategy[2] to increase company valuation by optimizing growth and profitability through a series of mergers. Surf Internet's challenge during integration was suspected of being a human issue involving culture, communications, morale, and alignment, including core values, during and after integration (G. Cruise, personal communications, April 10, 2022). The significance of the problem becomes apparent with the challenging record of horizontal mergers. About 70% of these mergers fail to provide the expected value (Carroll & Mui, 2013, p. 35).

The specific problem is that Surf Internet has yet to successfully achieve consistent targeted M&A results or deliver exceptional deal value for all stakeholders as the leaders actively pursue an opportunistic exit strategy in the near term. While recognizing the need for a well-developed plan for consistent M&A results, Surf Internet was uncertain about how to design and implement an M&A integration plan that would establish standards for speed, consistency, repeatability, and accountability, and ensure the achievement of expected financial performance (PwC, 2017).

[2] An *exit strategy* is "a contingency plan executed by an investor, venture capitalist, or business owner to liquidate a position in a financial asset or dispose of tangible business assets once predetermined criteria have been met or exceeded" (Hayes, 2023, para. 1).

Driving Research Question

Surf Internet requested consultative help with its challenges in combining two organizational cultures with a primary focus on the integration phase of M&A—the area of greatest struggle. The overarching research question focused on how to address Surf Internet's complex problem:

Based on best practices and prior merger and acquisition lessons learned, what content elements should be included in the customized design of an M&A integration playbook to help Surf Internet consistently achieve targeted M&A results and deliver exceptional deal value for stakeholders through standards set for speed, consistency, repeatability, and accountability in light of their planned exit strategy?

Multiple Perspective Framework

Two frames were utilized to develop the lens through which to conduct the analysis: the IWU virtuous business model (VBM) and Horsager's (2021) eight pillars of trust. These frames provided a well-developed and multiple-perspective approach to developing an optimal and virtuous solution for Surf Internet. Hein and Wilkinson (2015) noted that the VBM helps organizations to be/become virtuous by aligning all organizational activities and decision-making around a set of core values, ensuring the organization consistently acts in an ethical and socially responsible manner; essentially, it provides a framework to operationalize the organization's ethical principles and promote long-term sustainable value creation for all stakeholders. The concept of the eight pillars of trust, based on the book *Trusted Leader* by Horsager (2021), was also integrated as a complimentary multi-frame way of thinking because of the high incidence of M&A failure (~70%) and that "loss of trust is at the root of most of these failures" (Whipple, n.d., para. 1). Horsager's (2021) eight pillars of trust—clarity, compassion, character, competency, commitment, connection, contribution, and consistency—can help increase organizational trust, which is essential to M&A success. Figure 1 shows the eight pillars.

Figure 1. *The Eight Pillars of Trust* (Horsager, 2021). Used with permission.

Methodology

Secondary research included a literature review to locate best practices, metrics, tenets of M&A integration, and lessons learned—including failures—based on other company's experiences. Primary research was conducted using a mixed methods approach: a survey of employees impacted by an acquisition and a focus group onsite at three Surf Internet locations (e.g., company headquarters and two recently acquired locations). Additionally, two M&A experts were interviewed as subject matter experts, one a family member executive of a Fortune 500 company that built its almost $15 billion enterprise through M&As. Creswell and Creswell (2024) suggested that collecting data of various types of results in a more complete understanding of the issue than quantitative or qualitative data alone and that the combination, termed *mixed methods*, overcomes the limitations of either method alone.

Analysis

Quantitative analysis was conducted using Intellectus software. The survey data uncovered six main variables pre-identified to be part of the survey related to employee experiences and perceptions during the M&A integration phase at Surf Internet: never threatened (feeling secure), motivated/engaged, communication, opportunity for feedback, went well, and understanding of the impact. Descriptive statistics across all participants showed an overall neutral-to-slightly-positive sentiment during the integration phase. For example, the average score for *never threatened* was 3.50, indicating moderate feelings of safety. Communication scored lower, with a score of 2.69, highlighting a potential area for improvement (Intellectus, 2024).

The qualitative data analysis involved two main data sets: focus groups and expert interviews, which were analyzed using thematic analysis facilitated by ChatGPT (OpenAI, 2024). The first data set included focus groups conducted at three Surf Internet locations. A separate thematic analysis was conducted for each location to identify key themes specific to each site's experiences, challenges, and insights. Following this, a comprehensive analysis was performed on the combined data from all three locations to identify cross-location themes reflecting shared organizational experiences and patterns. This approach provided an in-depth understanding of location-specific and company-wide perspectives, capturing unique site dynamics alongside overarching themes. The second data set comprised two interviews with subject matter experts, who provided insights based on their knowledge and experience.

The qualitative analysis confirmed that communication with employees during integration needs improvement. Another noticeable trend is that the employees at the headquarters location consistently rated the merger experience as better than the two acquired locations. Themes in the qualitative data indicated that employees perceived that roles were not clearly defined during the integration and lacked clarity and communication. Potential improvements identified included frequent and clear communication, training for the acquired employees, and increasing engagement. There was a "WOW!" moment when the preparation for remote management was suggested as training when utilizing AI for the thematic analysis. The subject matter experts identified cultural fit as a significant factor. They highlighted the need for frequent communication, role clarity, and a leadership presence at acquired locations. Carroll and Mui (2013) stated that 50% of executives claimed the due diligence process failed to prevent a lousy merger deal (p. 15). A subject matter expert confirmed this by stating, "Don't tell the big lie" When discussing the retention of the acquired company's founder/leader. There was a strong convergence across the research methods.

The primary research results and the best practices in the literature review guided the development of the outline for a customized M&A integration playbook. PwC (2017) maintains that speed, consistency, repeatability, and accountability are essential for successful M&A

integration. “A strong playbook will help set timelines and goals, define the guidelines for integration, and plan the communications critical to keeping stakeholders informed” (PwC, 2017, p. 11).

Recommended Solution

The McKinsey 7-S Model, as discussed by Lakhanpal (2023), provides a structured framework for navigating the complexities of M&A. By examining seven interconnected elements—strategy, structure, systems, shared values, style, staff, and skills; the model ensures that all critical components are aligned during the integration process. Placing shared values as the "center" of the model reflects the crucial nature of changes in the other elements. This holistic approach helps organizations address potential challenges and optimize the combined entity’s performance.

The solution provided to Surf Internet was a customized M&A playbook focused on integration. AI was used to sort the secondary and primary research findings per the 7-S categories, with AI using the 7-S Model to sort content. It offers best practices, enhances accountability, and allows for further customization. By ensuring consistent application, it supports improved outcomes, more robust organizational learning, and better employee retention to grow the talent pool. Surf Internet’s executives expect this solution to drive exceptional deal value, higher EBITA, increased shareholder returns, and a stronger exit strategy.

A comprehensive change management plan was provided to support the implementation of the M&A playbook. Organizations can align values, foster cultural cohesion, and build trust by applying the McKinsey 7-S Model alongside the VBM and *Trusted Leader* frameworks. This alignment promotes principled, proficient, and profound practices, driving economic capital (Indiana Wesleyan University, 2024) and creating a resilient, trusted business environment (Horsager, 2021).

Conclusion

This research and the customized M&A integration playbook represent a transformative step for Surf Internet, promising streamlined, effective integration processes. The playbook is designed to minimize disruptions, enhance talent retention, and foster trust, virtue, and collaboration by focusing on cultural alignment, shared values, communication, and leadership. Standardizing best practices ensures sustainable growth through acquisitions, which is vital to Surf Internet’s exit strategy. Future M&A success will also enable greater investment in employees, the organization, and the communities Surf Internet serves, driving virtuous business and sustainable value creation, all positive implications for a stronger exit.

Section 1: Problem Identification & Investigation

Surf Internet, the partner organization, requested assistance in reviewing its former merger and acquisition (M&A) integration process. There may be more effective and profitable integration tactics and acquisition strategies that can be deployed. Surf Internet has been growing consistently, resulting in some of the typical growing pains a small organization can experience as it changes. Surf Internet's founder and CEO, Gene Crusie, is a leader who strives for excellence. Gene was intrigued by the opportunity to partner on a project. Surf Internet had several potential projects we considered, and each was carefully considered in detail by its CEO. Surf Internet's drive to help people communicate is apparent in the company's mission statement: "To provide the greatest number of people with the best possible access to the Internet" (Surf Broadband, n.d., p. 3). Their mission is vital for the communities they serve and the world in general. Having broadband access from a home or business can be transformative, no matter where that home or business is.

When considering the M&A performance problem that Gene and his leadership team face, he realized the need for some specific experience to further identify and resolve it. M&As have enabled Surf Broadband Solutions to grow their business, but Surf Internet feels the value provided by its M&A activity should be greater than what has been experienced. Surf Broadband Solutions plans to continue with M&A activity but will require improved systems and processes to achieve its desired success.

Organization Overview

Gene Crusie founded the forerunner company of Surf Internet in 1999 as a wireless value-added reseller (VAR) and dial-up internet service provider (ISP). Initially called MapleNet, the company began its operations in Goshen, Indiana. In 2000, MapleNet formed a wireless internet service provider business that transmits a signal locally, providing internet access to homes, businesses, and schools for a monthly fee. He changed MapleNet's name to MapleNet Wireless to signify this expansion. The organization continued to grow the business over the years, as seen in its timeline in Figure 2. In 2016, the organization merged with SurfAir Wireless. In 2018, Surf Broadband Solutions took its first cash infusion by selling 50% of the company to a private equity firm. Then, in 2021, the organization sold most of the shares to Bain Capital. The business is a C corporation, with many individual companies operated as independent LLCs (G. Crusie, personal communication, April 10, 2022).[3] In the summer of 2022, Surf changed its name to Surf Internet.

[3] See Appendix A for the bios of those who are cited in personal communications.

This cash infusion by Bain Capital has allowed what is now known as Surf Internet to invest heavily in fiber optic systems and running fiber-to-the-home (FTTH). These newly deployed networks have led to high growth rates and an ability to provide comprehensive broad bandwidth internet access to consumers and businesses in their area of operations. Their fiber strategy is appropriately called the "Go big or Go home" strategy. Surf's sales are currently about \$20 million per year, with earnings before interest, tax, depreciation, and amortization (EBITDA) of \$4.2 million, and 150 employees work from offices in Indiana, Michigan, and Illinois. Surf Internet continues to grow, and its geographic focus is to expand in the Great Lakes region (G. Crusie, personal communication, April 10, 2022).

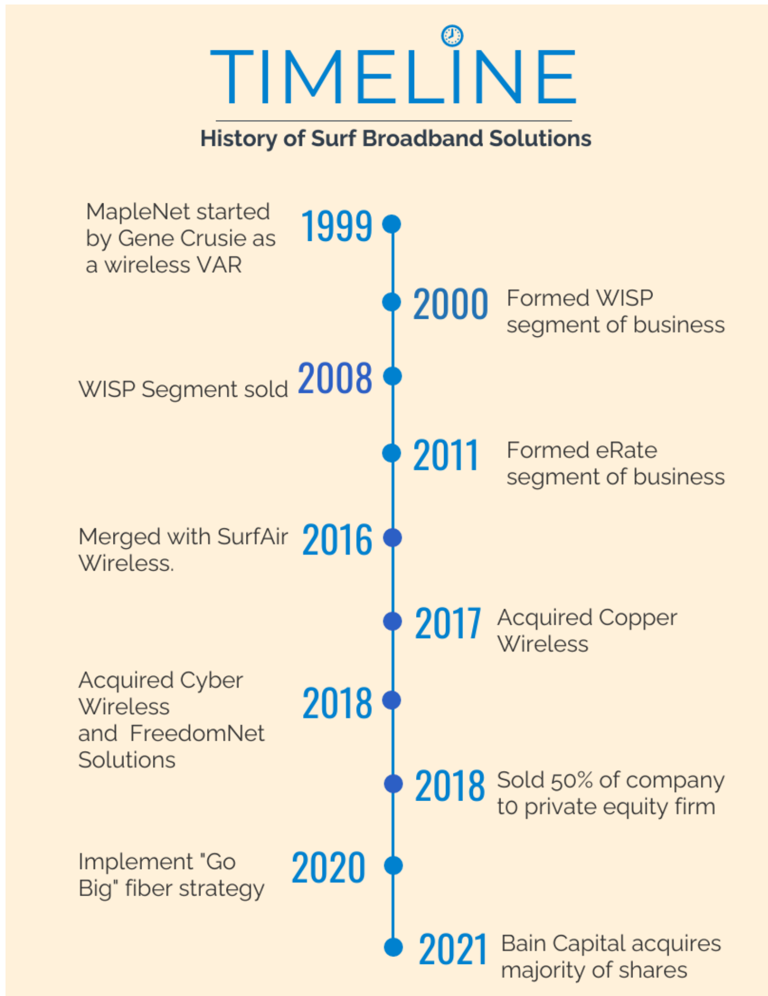
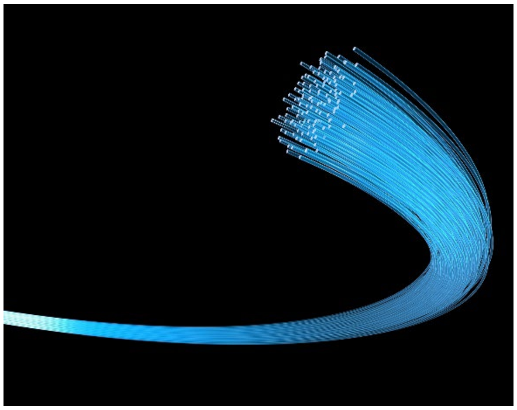


Figure 2. *Surf Timeline* (G. Crusie, personal communication, April 10, 2022).

With all of today's communications needs, reliable internet access is essential. Surf Internet aggressively expands its network to offer life-changing technology to homes, schools, and businesses. In addition to its solid financial performance, Surf Internet has developed a set of core values to help drive decisions at all levels. These core values are responsibility, honesty, integrity, putting others first, and having fun (Surf Broadband, n.d.). The CEO has admitted that they may not have been doing a great job communicating these core values to newly acquired businesses. Surf Internet believes in operating ethically and that employees should always try to do the right thing (G. Crusie, personal communication, April 10, 2022).

Problem Description



Surf Internet has executed several acquisitions over the last five years. The results of these acquisitions have not always been as expected. One thought is that the critical nature of cultural integration was not fully understood. The acquisition of a business in Illinois serves as an example. After the purchase, Surf Internet kept all the acquired business senior management teams in place. The acquired company kept running its business the way it always had and would not follow the acquiring corporation's documented processes and procedures. Although directed by the owners, the incumbent management team did not focus on or follow vital corporate strategies. This failure to follow the owner's directives resulted in less-than-ideal operating metrics and, more importantly, poor morale and high employee turnover. There may also be, as often is the case, a need for more communication in these situations. The problem that Surf Internet needs assistance with is the following:

Surf Internet would like assistance in reviewing their current M&A integration process and the associated development of an M&A integration plan that provides cultural integration tactics and profitable acquisition strategies as a competitive advantage.

Problem Scenario

Surf Internet currently has systems covering several states in the upper Midwest, including Indiana, Illinois, and Michigan. Their headquarters is in Elkhart, Indiana. Forecasts project that the Wireless Internet Service Providers (WISP) market of the telecommunications industry will serve 13 million subscribers by 2025. Demand is robust, and subscribers are forecasted to double every five years. Furthermore, revenue gains for the sector will reach $11 billion in 2025, a substantial increase over previous years (Schaeffler, 2021, Key 2021 Findings section). While various system operators and network managers welcome this growth level, such gains will undoubtedly increase competition (Schaeffler, 2021, Key Challenges section). There will also be a need to increase fiber deployment to assure broadband access to consumers' homes. Surf Internet and other players in the industry potentially have exciting opportunities. They also have threats and challenges and will need strategies to meet them as they arise.

One demographic issue the telecommunications industry faces is the lack of radio frequency (RF) experts with the correct knowledge and experience with these networks. Many telecommunications organizations continue to identify the skilled labor shortage as a significant challenge facing their members (Harrington, 2021). When college students consider which engineering or technical area to specialize in, most are attracted to software careers rather than RF technology. Current subject matter experts in RF are aging or have already retired. It is challenging for smaller companies to compete with large companies like Google, Facebook, and Apple for the best and brightest technology workers. This preference for young engineers to choose the more well-known, large tech companies makes it challenging for even well-known companies in the telecommunication industry to attract qualified candidates (J. Hong, personal communication, September 21, 2020). On the installation side of the industry, it is also hard to find qualified installers. Subcontractors in the sector must compete with the trades, such as electricians, builders, and plumbers, that offer great pay and opportunities for workers to develop their businesses.

The industry challenge of finding qualified and experienced help happened during the COVID-19 outbreak when users heavily increased their dependence on Internet service providers and continues today (Moser, 2020). This requirement for more bandwidth directly resulted from changes in how people did their work and attended school during COVID-19. These ISPs struggled to keep up with projects and installations due to their limited ability to rapidly hire and train workers to meet the high customer demand. With so many workers staying home, students taking classes online, and families wanting to keep in touch or just for entertainment, capacity demands during COVID were higher than ever before for these ISPs. This demand for broadband capacity continues to grow and will continue for years. Employees working remotely, synchronous conference calls using applications such as Zoom and Teams, and big data are now permanent parts of how we work. High-bandwidth networks are required to support these activities. These networks will include both wireless and fiber optic technology.

As the telecommunications industry has grown and merged, understanding politics and assuming its power has become essential for business success (T. Courtney, personal communication, October 5, 2020). Supply chain issues have also been a challenge for the sector. Many companies paid an extra 25% import duty on wireless system components manufactured in China. Significant delays occurred when procuring specific parts and equipment from many Chinese manufacturers. The Consumer Technology Association warned that the development of next-generation 5G broadband internet access and other networks would be impacted by the 25% tariffs(Loftus, 2019). Smaller industry players also faced delays in their supply chain from China over a three-year period because of noted issues related to both COVID-19 and politics (D. Jurman, personal communication, September 24, 2020). They have had to make challenging and sometimes costly decisions to work through the delays and margin issues resulting from the political and supply chain issues. Another political issue has been quite favorable for the wireless telecommunications industry. Through the Connect America Fund (CAF), the United States government has helped fund a broadband build-out of network access technology for 23 million Americans in more rural areas of the country that needed high-speed broadband connectivity (Federal Communications Commission, 2017). systems take time to deploy and will continue to support firms in the telecommunications industry who will stay busy for several more years as the systems are built, optimized, and operated. The projects associated with the Connect America Fund will affect telecommunications equipment manufacturers and the services companies that provide the installation and optimization work. This work connected with CAF should continue until at least 2028. In 2018, the Federal Communication Commission conducted a second CAF auction to allocate Phase II support to some qualified regions across the United States. This auction ran from July 24, 2018, to August 21, 2018. Over 100 bidders won $1.49 billion over ten years to provide fixed broadband and voice services to over 700,000 locations in 45 states (Federal Communications Commission, 2022).

Several technical issues are also impacting the telecommunications industry. One major challenge is keeping up with the rapid increasing in demand for broadband services, a need that has continued for the last several years. For example, Comcast saw 633,000 net adds for high-speed internet customers versus 534,000 expected for the third quarter of 2020 (Feiner, 2020, para. 1). This demand for high-speed internet requires equipment, and workers must be ready to install and optimize the equipment. As noted previously, obtaining both can be challenging currently. Companies such as AT&T, Apple, Alphabet, Charter Communications, Comcast, T-Mobile, and Verizon also try to hire the same technical talent. There can also be challenging RF interference issues that require highly skilled RF technicians or engineers to resolve.

While states and municipalities still have a long way to go toward getting everyone high-speed internet access, efforts at all levels of government, including federal funding, promise positive progress. The American Rescue Plan Act allows states and local areas to use federal relief funding on broadband internet projects. Pressgrove (2022) noted that individual states are setting aside eye-popping amounts of money, with California announcing a $6 billion plan, Virginia committing $700 million, and Missouri investing $400 million. Public and private organizations are putting their best minds together to figure out how these funds can be well spent (para. 2). New ideas like electric cooperative networks, multi-town partnerships, and open-access fiber are starting to take off. With open-access fiber, multiple providers use the same physical infrastructure (Pressgrove, 2022).

G. Crusie shared that with a strong history of growth and an eye on potential synergy, Surf Broadband Solutions decided in 2016 to utilize mergers and acquisitions to become a more competitive player in their industry (personal communication, May 12, 2022). The first merger was between MapleNet Wireless and SurfAir Wireless. Surf Air Wireless had a network that served residential-only customers from the west of South Bend, IN, and MapleNet Wireless supported commercial-only customers to the east of South Bend. The immediate synergies replicated the Surf residential business on the MapleNet wireless network and vice versa. Another perceived benefit was that residential customers used bandwidth mostly from 5 p.m. to 1 a.m., while commercial customers and schools primarily used bandwidth from 8 a.m. to 5 p.m. This consolidation of network and bandwidth expenses provided an immediate positive EBITDA impact.

Over the next several years, the organization began a series of acquisitions, funded mainly by private equity investments, stated G. Cruise (personal communication, April 25, 2022). In many cases, mergers and acquisitions are necessary due to the trends observed in the telecommunications industry. These include rapidly changing technology—effective use of fiber, fierce competition, the pressure to control costs, and the need for transformative change to survive a competitive industry under consolidation. No one who is part of these transactions plans to enter bad deals. Even with noble intentions, many executives complete M&A deals they later regret or consummate deals that provide less than the expected results. The expectation is that the whole will be greater than the sum of the parts, but that is not always true .

An example is the desire to merge and create more significant economies of scale or efficiencies. This drive for economies of scale is a noble goal for mergers but one that strategists do not constantly achieve. A primary reason is that cultural differences often lead to decreased productivity, ultimately reducing potential profitability. The actual result of this M&A activity is that the combined entity has a lower value than expected (Sherman, 2018). Firms chose to move forward with M&A activity for various reasons. The most common cause is to gain market share, market power, or product line expansion and innovation. The success of this activity is still controversial, with 40% to 80% of such deals not providing the increased value predicted (Samo et al., 2022, p. 58).

Discovery & Investigation of the Problem

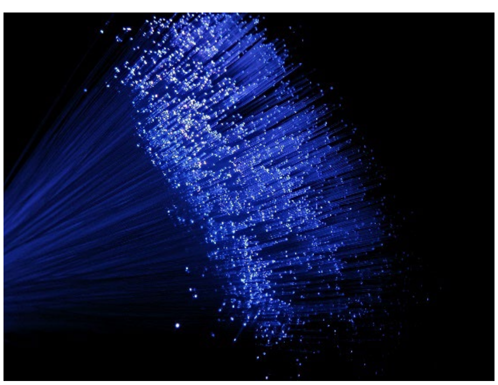
As defined in the partnership agreement for this case study, Surf Internet would like assistance reviewing the problematic nature of their current M&A integration process to culminate in the associated development of an M&A integration plan that provides cultural integration tactics and profitable acquisition strategies for competitive advantage. To grow their business, Surf Internet has implemented an M&A strategy. They believe the technical and system integration has gone smoothly, but they have had difficulty with the people or soft side of merging organizations. Morale has suffered, some employees have bad attitudes, and specific business units march to their own beat. Leadership thinks there is a loss of clarity of who is in charge, resulting in the loss of people. The leadership saw this misalignment issue arise after each acquisition. Employees seem to feel or act like each business unit is an island. This misalignment can result in the communities these business units serve getting mixed messages, ultimately impacting customers. There is also a belief that the morale and customer satisfaction issues lead to lower profits during the integration phase of these mergers. Company leaders suspect this is due to not integrating the cultures of acquired companies (G. Crusie, personal communication, April 10, 2022).

The problem was first observed when MapleNet Wireless merged with Surf Air Wireless. Surf Air acquired CSI in 2012. Even though four years had passed, issues with that acquisition were still observed. High levels of conflict, mistrust, culture clashes, and misaligned expectations indicated the problem (G. Crusie, personal communication, April 10, 2022). As Surf Broadband Solutions continues to execute its M&A strategy, it sees the same recurring issues of misalignment, conflict, low morale, culture clashes, and people feeling like they are working on "islands." They have also seen similar cultural problems arise when onboarding new senior managers.

Mergers and acquisitions have been a significant factor in the business strategy for Surf Broadband Solutions and businesses worldwide. Despite massive investments, M&As have failed to achieve the desired or expected results (G. Crusie, personal communication, April 10, 2022). Existing literature suggests there are far more failures than successes. These mergers and acquisitions have consequences because they are subject to individuals' nature and behavior (Samo et al., 2022). Ignoring these “people issues” can significantly affect employee productivity and ultimately reduce shareholder value.

History also shows that acquisitions are usually leaps of faith with substantial financial and managerial resource investments that offer uncertain rewards at best. The acquirer should be guided to proceed carefully and consider relevant information before finalizing a merger and acquisition transaction (Svante et al., 2021). As the due diligence process evolves, firms often find more information that may indicate the acquisition cannot create value or is certainly not as easy as initially presumed. Even with this, managers usually experience an increasing momentum to close the deal due to the excitement from the process and the desire to grow their empire. This excitement can sometimes lead to overpaying for a low synergy target or overestimating synergy (Svante et al., 2021). Perhaps, in some cases, a carefully designed “devil’s advocate” process could help identify poorly justified mergers before the deal is signed. There are also challenges for employees of acquired businesses. There can be adverse reactions from the employees of the acquired company, such as increased stress, higher turnover, and decreased job satisfaction (Samo et al., 2022). The acquired employees’ reactions should not be considered much of a shock because staff reductions and reorganization often follow mergers and acquisitions. Studies have revealed that 50 to 70% of M&A deals ultimately fail to realize expected synergies and value (Lau, 2015, para. 1; McKinsey & Company, 2010, p. 11). Many of these deals dilute shareholder value. One of the causes of this failure to deliver value is that companies often neglect to adequately consider the impact of M&A on their employee’s mental health and morale (Lau, 2015).

Significance of the Problem



Surf Internet welcomed assistance in reviewing their current M&A integration processes and the associated development of an M&A integration plan that provides cultural integration tactics and profitable acquisition strategies as a competitive advantage. The absence of analysis and a well-developed M&A integration plan has delayed or prevented them from meeting many of their goals, and they are worried that if it is not addressed, the lack of a plan could even “sink the business.” The resulting issues are high turnover and a reduction in business efficiency. Their senior leaders spend much time on employee issues instead of focusing on strategy. The problem has also impacted customer satisfaction (G. Crusie, personal communication, May 24, 2022). A drop in customer satisfaction can lead to a loss of customers and the associated revenue and profit from these lost customers.

An example of the impact on customer satisfaction is shown in Figure 3, which graphically displays *subscriber churn* over a 28-month period.[14] In the telecommunications industry, subscriber churn is defined as the percentage of total subscribers who leave during a given period, often measured monthly. The Cyber integration started around July 1, 2018. One can see that subscriber churn increased during and after the M&A integration period. Then, after several months, subscriber churn went back to normal levels. The data also shows a loss of customers due to dissatisfaction during the integration of an acquired company (G. Crusie, personal communication, May 24, 2022).

Figure 3. *Subscriber Churn* (G. Crusie, personal communication, May 24, 2022). *Note.* This information conforms with data from Surf Internet board meetings.

Another challenge for Surf Broadband Solutions is reduced earnings before interest, taxes, and amortization (EBITDA) after an acquisition is closed. EBITDA, which measures the profitability of a business before deducting interest, taxes, and amortization expenses from profits, is a helpful measurement of company profitability commonly used by investors. This is a beneficial financial ratio because an investor can get a more accurate view of a company's performance by excluding financial costs, particularly when comparing the operational profitability of similar companies in an industry. Figure 4 shows the monthly EBITDA for Surf Broadband Solutions, as provided by G. Crusie (personal communication, June 13, 2022). Data for monthly EBITDA from 2017 through 2020 was reviewed and analyzed for EBITDA performance after acquiring Cyber Broadcasting, FreedomNet, and Hyper Wave, displayed in three colored circles on the graph. As shown, EBITDA was lower for several months after each acquisition. The measure of profitability is indicative of Surf Broadband Solutions' financial performance. The EBITDA data indicates that profitability suffers during the integration phase of each merger. If the underlying integration issues can be resolved, the profitability for Surf Broadband Solutions would be significantly higher.

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[4] Churn is "the rate at which customers stop doing business with an entity" (Frankenfield, 2022, para. 1).

Surf Internet realizes their problem is a complex human nature issue they have yet to be able to solve independently. Their M&A problem has persisted with each acquisition. Surf Broadband Solutions needs outside expertise. A proper solution is required to optimize operational efficiencies, improve morale, reduce conflict, and increase alignment across the organization.

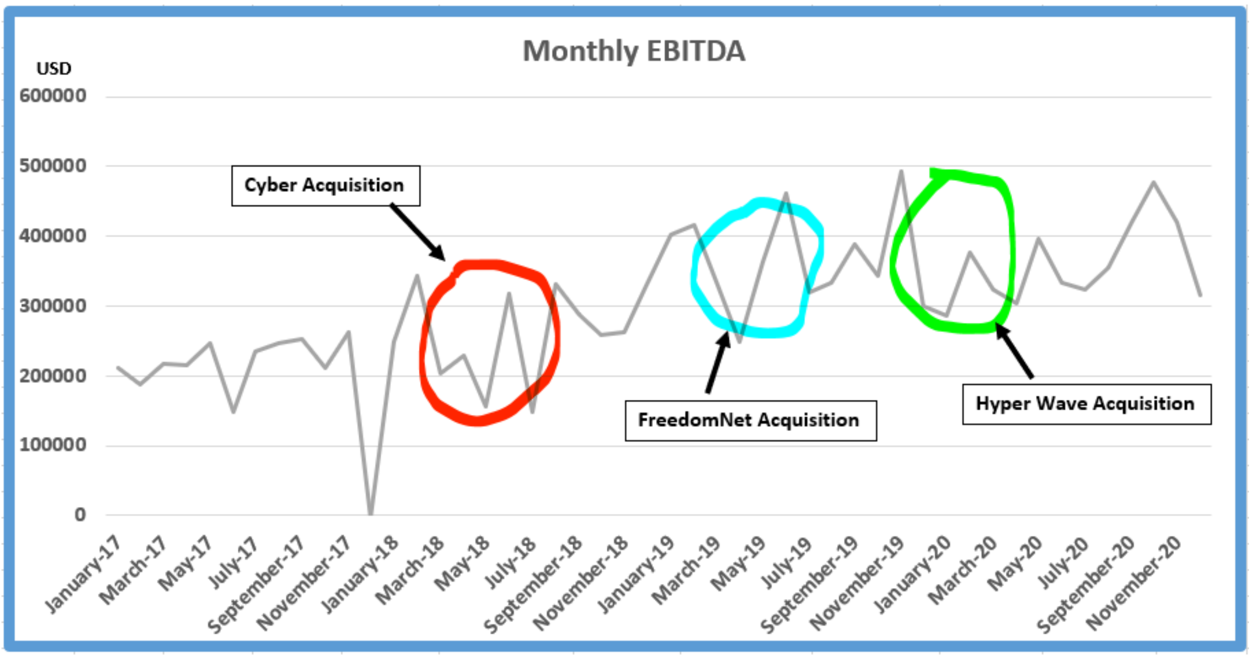


Figure 4. *Monthly EBITA* (G. Crusie, personal communication, June 13, 2022).
Note. The information conforms with data from Surf Internet board meetings.

Broader Implications of the Problem

With Surf Internets' M&A problem resolved, the development of their employees would improve, and the communities they operate in would be better served via more rapid system deployment at a lower cost. This improvement would allow Surf Internet to create more value for all stakeholders and enhance internet connectivity to improve the quality of work, learning, and living. A trusted firm has outstanding value, both to shareholders and society. Brand equity and reputation have tangible and intangible value for the associated individuals and organizations (Hendriks et al., 2020).

The complexity of M&As causes early mistakes to be easy to make and often expensive to correct. Svante et al. (2021) share that the lack of careful selection and consideration when deciding to proceed, combined with needing an integration process, can result in a lack of enthusiasm after the deal is consummated. This problem can create less-than-ideal conditions during the integration phase, such as fewer resulting synergies and resistance to change. The additional workload that comes with organizational integration can cause excessive job stress and employee burnout. Poor integration ultimately leads to employee turnover in many cases. This problem can also result in a loss of customers or customer churn. For example, the combination of United Airlines and Continental led to months of passenger disruptions from a poorly executed combination of reservation systems and a lack of employee engagement. Perhaps these challenges can be lessened through a more careful and well-designed integration change management process. This solution would create a more virtuous business environment that would benefit owners, employees, and customers.

Surf Internet seeks to grow the business and operate it ethically, so the organization will have a positive influence in the communities it serves. The organizational leaders believe that God and Christ should be at the center of decision-making; thus, providing improvements to help them expand the organization more effectively and efficiently will help them serve the communities they operate in and benefit society in general. The solution provided to Surf Internet may be generalizable among most telecommunications organizations, helping them become more efficient and effective during M&A activity. These organizations could potentially achieve better operations metrics, improve employee morale, and better serve their customers and communities. The benefits of the solution also include industry organizations in other countries. The positive impacts provided by this solution could enhance industry performance and customer satisfaction globally.

Purpose of the Project

The purpose of this project was twofold. The first was to review the current M&A integration process at Surf Internet and perform a qualitative study of the employees impacted by the M&A activity. Determining how individual employees respond to mergers and acquisitions and what issues they face after the merger was anticipated to help the organization take appropriate measures to minimize any subsequent negative impacts. The information gathered at Surf Broadband Solutions was compared with the existing literature, specifically research detailing M&A challenges and solutions. The second aim was to develop an M&A playbook with cultural integration tactics and profitable acquisition strategies with an accompanying implementable change management plan to provide Surf executives with the means to achieve improved organizational competitive advantage. The playbook was envisioned to include quantitative data analysis procedures to measure the success of future M&A activity, such as EBITDA, customer churn, and employee turnover, relative to the timing of the M&A activity.

Significance of the Project

The successful implementation of the change management plan will allow Surf Internet to improve its operating metrics and be more competitive. The plan will enhance the morale of the employees and enable the organization to better support the communities they serve. The solution could provide a roadmap for other organizations in the industry to be more successful with the results of M&A activity and strategy. As these organizations become more efficient and effective, they, too, will be enabled to better serve the communities where they operate and improve customer satisfaction. This effectiveness means the great equalizer of at-home broadband communications will be available to more of the population. Communities that once had limited access to broadband communications will be equal to those communities that do, and the opportunities that access affords to all. The states and areas with the lowest broadband adoption rates have had the lowest median incomes, the highest shares of rural communities, and the highest shares of communities of color (Tomer et al., 2021). Because broadband's functions are so wide-ranging, it can deliver services that touch all social determinants of health. "From economic stability, to education, to social supports, to civic agency, broadband, and the digital services it enables are today intrinsically tied to collective health and equity outcomes" (Tomer et al., 2021, Why Broadband Matters section).

Summary

Growth is never by chance. It results from planned group action and their drive to succeed. Global competition, supply chain challenges, government regulations, and changing technology compel rapid changes in industries such as telecommunications. Mergers and acquisitions are common strategies among firms looking for a competitive advantage in a changing world. Surf Broadband Solutions has executed several acquisitions over the last several years. The results of these acquisitions have often not been as expected. One thought is that the critical nature of cultural integration is not fully understood. Surf Broadband Solutions sought assistance in reviewing its current M&A integration process and the development of an M&A integration plan that provides cultural integration tactics and profitable acquisition strategies as a competitive advantage. Perhaps the challenges can be abated through a more careful and well-designed integration change management process. This process would likely result in a more virtuous business environment that could benefit owners, employees, and customers.

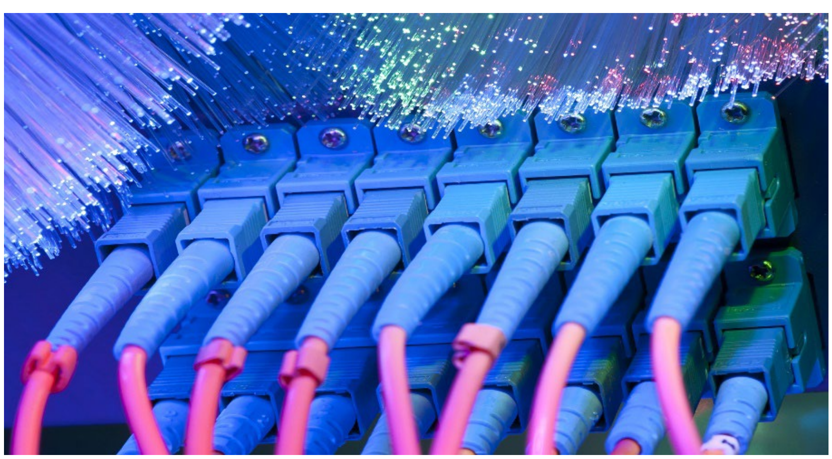
The next area of focus is Section 2: Diagnosing the Problem. The focus is on identifying what is known and unknown about Surf Broadband's M&A problem, with consideration of associated assumptions, ideas, and theories, and the ideation of potential solutions. Section 2 includes the problem statement, overarching research question, and a set of guiding questions to focus on for the literature review.

Section 2: Diagnosing the Problem

Surf Internet continues accelerating its roll-out of fiber-to-the-home services to underserved areas across the Great Lakes region. This acceleration requires investors to provide fresh capital, and in 2021, significant funding was provided by Bain Capital Credit's investment (Lessne, 2021). The company continues to raise venture capital (VC) funds to support its build-out of new systems and acquisitions of similar providers in the Upper Midwest. Most recently, Surf acquired a Michigan broadband ISP, MiSignal, in July 2023. MiSignal has fiber assets in central and eastern Michigan. Surf plans to invest $20 million to help the acquisition grow its fiber footprint (Pinpoint Advisors, 2023b).

Surf Internet leadership must review its current M&A integration process to identify more effective and profitable integration tactics and acquisition strategies for future deployment. The organization has been growing consistently, resulting in some of the typical expansion pains a smaller entity can experience as it changes.

When considering the merger and acquisition performance problem that CEO Gene Crusie and his leadership team face, he realized the need for some specific experience to further identify and resolve their issue. M&As have enabled Surf Broadband Solutions to grow their business, but the owners think that the value provided by M&A activity should be greater than what has been experienced. Surf Broadband Solutions plans to continue with M&A activity as part of its exit strategy but will require improved systems and processes to achieve the desired success (Surf Internet, 2023b). This section includes three analyses—an environmental analysis, an industry analysis, and an organizational analysis—to better understand the holistic implications of operating conditions for Surf Internet. Also presented are what is known and unknown about Surf Broadband Solution's M&A problem as well as assumptions, ideas, theories related to it, and potential solutions. The analysis output and problem-based approach to looking at the issues fostered the development of the problem statement, an overarching research question, and a set of guiding questions to focus the literature review.



Presenting the Problem

During discussions with the CEO and senior management team at Surf Internet, they expressed that growing through M&A activity is essential for its business model and goal (G. Crusie, personal communication, April 10, 2022). However, as noted in Section 1, the data indicates that post-merger results could be better, particularly during the integration phase of their acquisitions. Surf often notices troubling behavior, such as culture clashes and misaligned expectations, which leads to low morale during the period after a business has been acquired. Also, there is an industry-wide issue with a shortage of talented labor (Harrington, 2021). As a result, Surf is considering how M&A can be better strategized to help them work through the issues during implementation while also resolving the labor challenge (Surf Internet, 2023a). To facilitate improved M&A outcomes, research was conducted on their performance. The following environmental, industry, and organizational analyses help contextualize the problem.

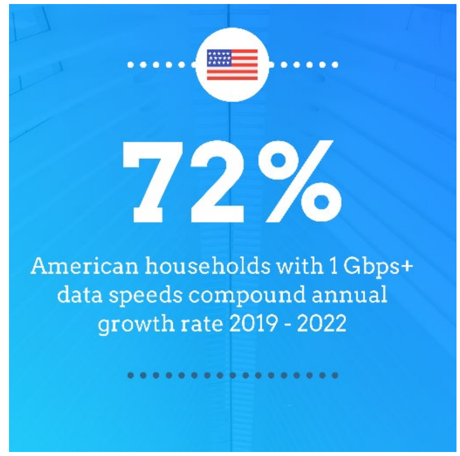
Environmental Analysis At-A-Glance

Socio-Cultural

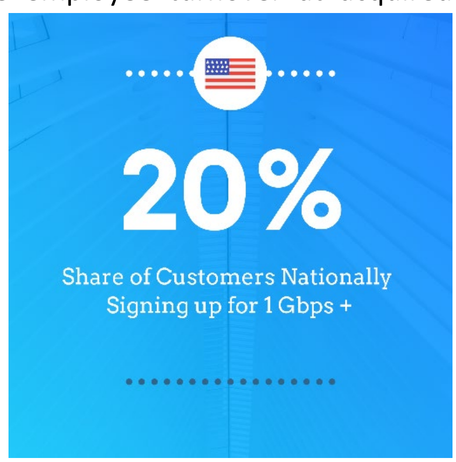
The COVID-19 years impacted the telecommunication industry in many ways. Moser (2020) states that as factories and offices closed, the bandwidth needed to support remote workers increased substantially. This significantly increased the demand for services provided by companies in the telecommunications industry. The industry's challenge of finding qualified and experienced help happened at a time when, because of the COVID-19 outbreak, users heavily increased their dependence on Internet service providers. The requirement for more bandwidth directly resulted from changes in how people worked and attended school during COVID-19 and continued after this period. Workers continue to work remotely, at least part of the week, and now utilize more "big data," what may be referred to as required bandwidth (Pinpoint Advisors, 2023a). The ISPs have struggled to keep up with projects and installations due to their limited ability to rapidly hire and train workers to meet customer demand. The federal government's Broadband Equity Access and Deployment (BEAD) program prioritizes fiber projects in the future to support this cultural need. On June 26, 2023, President Biden announced state-by-state allocations of this funding initiative, and it is expected that nearly as much fiber will be deployed during the next five years as has been deployed throughout history (Fiber Broadband Association, 2023).

Technological

There are several technical issues that are also impacting the telecommunications industry. One major challenge is keeping up with the rapid rise in demand for broadband services, a requirement that has continued for the last several years. For example, Comcast has seen 633,000 net adds for high-speed internet customers versus 534,000 expected for the third quarter of 2020 (Feiner, 2020, para. 1). However, that fact does not tell the whole story. In addition to the increase in high-speed customers, consumers require faster internet bandwidth and speed. From 2019 through 2022, the number of American households with 1 Gbps+ data speeds increased at a compound annual growth rate of 72% (Altman Solon, 2023).



This customer demand for high-speed internet requires equipment, and workers must be ready to install and optimize the equipment. As noted previously, obtaining both can be challenging in the current environment. Companies such as AT&T, Apple, Alphabet, Charter Communications, Comcast, T-Mobile, and Verizon try to hire the same technical talent. There can also be challenging RF interference issues that require highly skilled RF technicians or engineers to resolve. When an ISP in the industry acquires another company, they have an opportunity to increase their technical staff, assuming they can minimize employee turnover at acquired businesses. This demand for higher speeds means a greater bandwidth is required. This has resulted in many providers moving to fiber optics, where fiber optical cables are installed all the way to the home. Typical speeds taken up by customers are on the order of 500 megabits/second (Cowen & Company, 2022). Additionally, in more recent years, there has been a desire by customers to obtain 1000 megabits speed, or what is usually termed gigabits per second. The percentage of customers nationally signing up for gigabits of bandwidth has increased from 4% to 20% over the last four years (Altman Solon, 2023). Growth in generative AI tools is also expected to drive the need for greater bandwidth and speed (Guggenheim Partners, 2023).



Economics

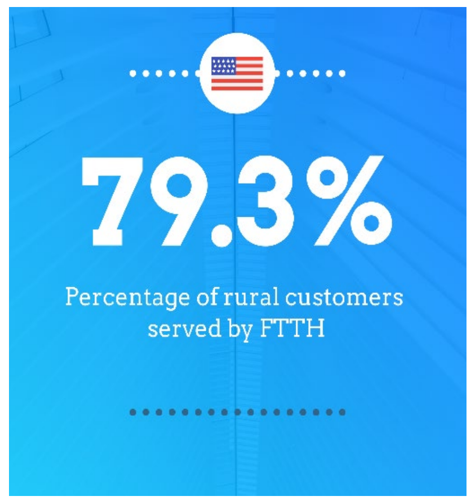
ISPs in the Upper Midwest and other regions continue to accelerate their roll-out of fiber-to-the-home services into underserved areas across the Great Lakes region, states Houlihan Lokey, 2023a). This acceleration requires investors to provide fresh capital and often raise venture capital funds to support their build-out of new systems and acquisitions of similar providers in the Upper Midwest. Markets have adjusted to the historical increase in short-term interest rates and the inversion of the yield curve. Lower volatility and stable credit spreads have attracted borrowers to the market after spending 2022 on the sidelines, leading to strong new issues and

M&A activity across the ISP and infrastructure space. Additionally, Goldman Sachs (2023) has noted a steady increase in M&A activity during the second quarter of 2023 as the macro environment stabilized funding and increased the activity across industries. While the Federal Reserve increased interest rates in 2023, CPI inflation in the United States dropped over the year and continued to be below 4% through the summer (Pinpoint Advisors, 2023b).

Teleforce, a Nashville-based national telecommunications staffing agency, described the current demand for technical talent in the wireless and fiber industry as unprecedented. Virtually every major telecommunications company, including AT&T, Frontier, Verizon, and countless mid-size and small regional players, are all building fiber networks at breakneck speed. This impacts the availability and cost of technical talent in the industry (Pinpoint Advisors, 2023a).

Political

Pinpoint Advisors (2023b) report that the Department of the Treasury approved over $5 billion in allocated capital projects funding in 2022, and the Capital Projects Fund (CPF) will help connect over 1.4 million locations to high-speed Internet (p. 2). This CPF falls under the Biden administration's American Rescue Plan and is expected to connect millions of American households to reliable, affordable Internet (Pinpoint Advisors, 2023a). Interestingly, the Rural Broadband Association found that 79.3% of customers are now served by FTTH connections versus 75.0% the prior year (Pinpoint Advisors, 2023b, p. 2). There is rising adoption of broadband fiber among public entities, including primary and secondary schools, libraries, and hospitals (Pinpoint Advisors, 2023b, p. 2).



According to a report by Broadband USA (2022), another major program is the Broadband Equity, Access, and Deployment Program, funded by the Bipartisan Infrastructure Law. The BEAD program provides $42.45 billion to expand high-speed internet access in all 50 states, Washington D.C., Puerto Rico, and other United States possession locations (Broadband USA (2022, para. 1). Additionally, the BEAD program prioritizes unserved areas with no or slow Internet access; approved broadband deployments will occur between 2024 and 2028.

Legal

Wallace (2023) noted that the broadband roll-out, like many service deployments including wireless, FTTH, 5G, and even Internet-of-Thing's offerings, faces state and local permitting rules for trenching the ground for fiber, attaching fiber cables to telephone poles, and microwave towers. Numerous localities continue to hope they can manage disruption to everyday operations of their cities and towns by taking time to review the various permit requests from service providers. While permitting may serve a purpose, if the rules are too onerous and vary by municipality, this can delay the roll-out and deployment of these valuable broadband networks. The House Energy and Commerce Committee has passed a bill, the American Broadband

Deployment Act of 2023, which would put a 60-day time limit on local review procedures for broadband deployment requests. This bill also says permitting applications will be approved after that deadline if the city or town has not denied the project. Interestingly, many mayors oppose the bill, claiming it preempts their authority.

Ethical ISPs and other organizations that serve the industry can set their ethical standards. They also must consider business law as well as rules and regulations created by the Federal Communications Commission. Indeed, by treating their customers fairly and ethically and following government rules and regulations, companies in the industry are more likely to be successful. According to Husami (2022), ethical concerns must not be neglected. Organizations should also consider legal and social issues that are important to their customers, who are key stakeholders. Additionally, employees must maintain standards of truth, accuracy, and professionalism. Ethics is not an option as the industry continues to expand and grow.

Industry Analysis At-A-Glance

Overview

With so many workers working remotely, organizations using big data, students taking classes online, and families wanting to stay in touch or just be entertained, capacity demands are higher than ever for ISPs. This need for bandwidth has resulted in more significant deployment of fiber versus wireless due to the higher capacity capability of fiber. Despite the continued supply chain challenges, the Fiber Broadband Association (2023) Fiber Provider Survey showed 2022 as a record year for fiber deployment. Total United States fiber broadband passings reached 68 million versus 63 million in the prior year, a 13% increase (Pinpoint Advisors, 2023a). This rate of building broadband fiber networks has continued. The North American Industry Classification System (NAICS) code and description for fiber networks is 517919--all other telecommunications. This includes establishments providing Internet services, such as Surf Internet and other specific telecommunications establishments.

Porter's Five Forces

Barriers to Entry. Barriers to entry are high due to how capital-intensive the business is. The average cost to build fiber is about $15/foot (Kim, 2022, Fiber Construction Costs section). Notably, the main population areas are already well covered, and the rural areas, where more expensive deployment is required, are costly. There are also regulatory issues where permission is needed to run cables underground or attach them to poles (Altman Solon, 2023). Brand recognition likewise impedes new entrants, as they must compete with companies like AT&T and Comcast. National incumbents are known, and consumers can easily find them. There is also federal oversight of broadband providers through the Federal Communications Commission (FCC), and state and federal regulation of ISPs, creating added barriers to entry (Sturgis, 2023).

Supplier Power. As a service, telecommunications is a commodity; however, the number of suppliers is currently limited by the previously mentioned barriers to entry (Altman Solon, 2023; Sturgis, 2023). This careful balance results in a sort of neutral situation when it comes to supplier power in this industry. Both consumers and commercial customers are showing a preference for fiber, as fiber provides the highest speeds due to the inherent bandwidth (Fiber Broadband Association, 2023).

Competitors. Altman Solon (2023) has noted that because internet service is somewhat of a commodity, providers seek product differentiation by service, price, and value. There is also competition for contractors who complete the underground construction of these systems. By taking good care of the contractors, relationships can be favorable. Furthermore, there is a first-mover advantage for the company that is the first to offer fiber high-speed Internet access in an area. The first mover benefits from a 25% higher sub count versus the second mover, achieving 35% versus 28% share. Modeling suggests that the first fiber provider in a market may maintain an advantage for years.

Buying Power. On the Surf Internet buying power side, the volume of usage/deployment gives them an advantage over competitors moving more slowly, which provides better pricing and terms. On the consumer side, buying power can vary greatly depending on the geographic area, the number of competitors in a geographic, and the specific bandwidth needs of each consumer (Altman Solon, 2023). Thus, some locations offer choices in providers with more competitive pricing and others, particularly more rural areas, where consumers are price takers. As crucial as broadband is today, it is expected to continue to increase in importance in the future. Performance requirements are also expected to grow. This will result in more users requiring higher speed (bandwidth). The level of consumer support for fiber broadband is compelling and will result in strong demand, with total revenue increasing for successful players in the industry (Fiber Broadband Association, 2023).

Substitutes. Altman Solon (2023) has shown there are existing substitutes. However, they tend to be viewed less favorably as they have limited bandwidth and may have capped usage, such as using a cell phone as a wireless router, hotspot, or DSL provided by an incumbent local exchange carrier (ILEC). Cellular operators also provide service via 5G hotspots, where this service is available. The overall economic conditions may impact these consumer choices**.**

Other Industry Benchmarks

Revenue. The average revenue per user (ARPU) per month in the broadband telecommunications industry is expected to increase by 2% to 4% per year, driven mainly by the increase in Gigabit service (Altman Solon, 2023). Surf Internet's current ARPU is $70, and this ARPU is expected to increase at the industry rate. The total addressable market in Surf Internet's current and planned expansion areas is $337 million (Altman Solon, 2023)**.**

First Mover Advantage. According to Houlihan Lokey (2023b), there are several benefits to being the first fiber player in a market, including the fact that consumers will be motivated to switch to the first fiber provider and, once they change, find switching again a hassle to obtain a similar product. Thus, churn is reduced. This first-mover advantage may last years.

Organizational Analysis At-A-Glance

Mission and Values

Surf Internet's mission explains what the company is focused on. Their mission is posted on their website and discussed in board presentations (Surf Internet, 2023b). The company believes high-speed, reliable internet service is the great equalizer. The leaders are on a mission to "transform the future of [their] region by building an unparalleled network and providing unsurpassed customer experience for the communities where [they] live, work, and serve" (Surf Internet, 2023b). Surf Internet's values are reliability, integrity, innovation, and illumination (Surf Internet, 2022). See Figure 5.

They believe integrity is the way to do business. They live in the communities they serve, so they put their principles into action and deliver on their promises. As an organization that believes God and Christ should be at the center of decision-making, improvements to help them expand more effectively and efficiently will help them serve their communities and benefit society in general.

The infusion of cash by Bain Capital has allowed Surf Internet to invest heavily in fiber optic systems and run fiber-to-the-home. At that time, Surf Broadband Solutions changed its name to Surf Internet. This name change simplifies their brand in the mind of the consumer (Surf Internet, 2022). They constructed around 30,000 passings in the first half of 2023 and plan to add another 20,000 in Michigan, Illinois, and Indiana by the second half of 2023 (Houlihan Lokey, 2023a, p. 11). Interestingly, 41% of Surf Internet customers take Gigabit speeds, 2x the overall U.S. market rate (Altman Solon, 2023).

Figure 5. *Surf Core Values and Mission* (Surf Internet, 2023a).

SWOT Analysis

Modern organizations such as Surf Internet operate in an environment that is changing faster than ever. Analyzing the potential impacts of these changes and optimizing how the organization reacts to them is known as developing a business strategy.

SWOT analysis is a valuable business analysis tool that is performed when deciding on the best way to achieve future growth. The process involves identifying the strengths and weaknesses of the organization and the current or anticipated opportunities and threats in the market in which the business operates. The SWOT analysis shown in Figure 6 was developed with the assistance of Surf Internet senior staff at the start of 2023. The Surf Internet senior staff has a combined industry experience of over 120 years (Houlihan Lokey, 2023b).

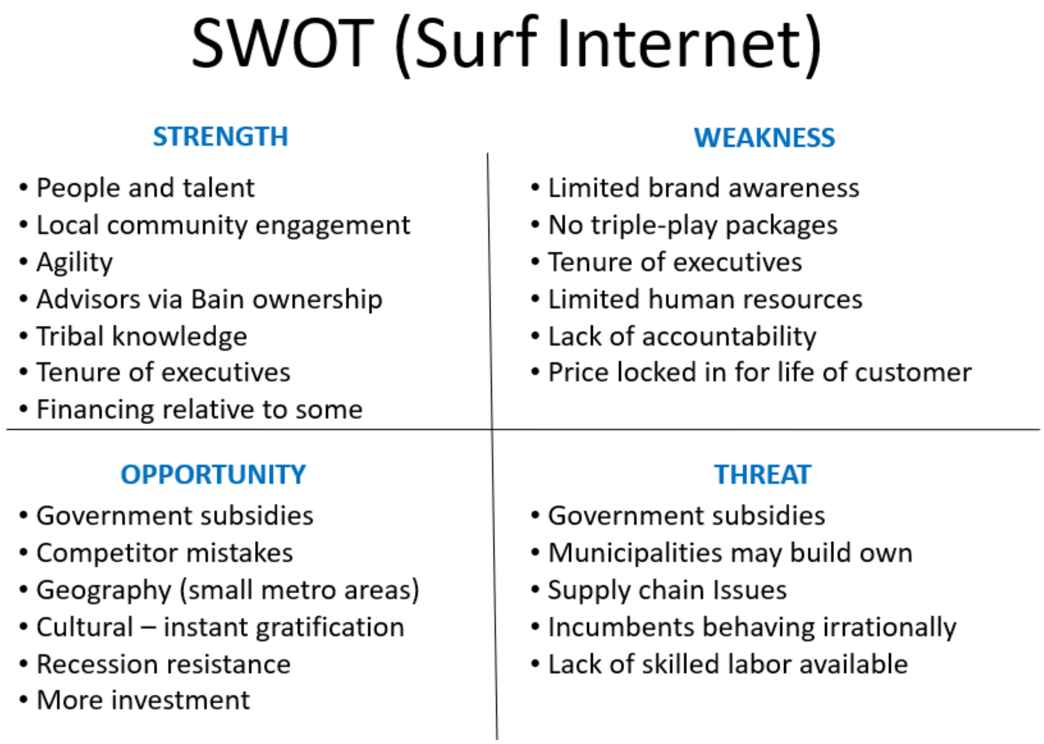


Figure 6. *Surf SWOT* (Surf Internet, 2023a).

***Strengths*.** Houlihan Lokey (2023b) noted that Surf Internet has a strong leadership team, solid skills, and experience with community engagement. This is important as Surf often competes with large, well-known consumer brands. Its size makes it agile compared to the competition, and this agility may be one of its most powerful competitive weapons. In particular, Surf's senior executives have been in the industry since the early days of Internet service providers, giving them an excellent understanding of the industry and technology. They are also vital from a capital aspect and have the finances to continue their expansion.

Weaknesses. According to Surf Internet (2023), the organization has limited brand awareness compared to its major competitors and lacks the ability to provide triple-play packages. Due to their smaller size, they also have a limited number of employees to complete the daily required work. Another potential weakness is that in the industry, it is common to provide pricing that is locked in for the life of the customer. While the cost of providing service has generally come down over time, continued high inflation levels could become a challenge in future years.

Opportunities. There are numerous trending opportunities for Surf Internet to further invest, as shared by Altman Solon (2023). Government subsidies, grants, and programs are now plentiful and a key target for Surf. The consumer culture of instant gratification and current technology trends means that the need for speed and bandwidth by consumers and businesses continues to increase.

Threats. Due to the previously mentioned government subsidies and grants, municipalities may decide to build their own systems (Hollister, 2023). Additionally, over the past few years, mainly since COVID-19 emerged, there have been numerous potential threats from incumbents or other providers behaving irrationally and offering artificially low prices in addition to supply chain issues and associated challenges (Daws, 2023). Lastly, the industry lacks skilled labor, and some technical positions can take a long time to fill (Pinpoint Advisors, 2023a).

Key Performance Measures

The following key performance indicators (KPIs) are used by Surf Internet and other firms in the industry. These measures are collected and tracked to determine the performance of the organization. Unless otherwise noted, where specific data is provided, it is sourced from Surf Internet (2023a):

Revenue. Revenue is the same as sales. Surf tracks this on a weekly basis in their "flash report."

EBITDA. EBITA is the earnings before interest, taxes, and amortization, and it is a measure of a company's overall financial performance. EBITA shows how much a business made before factoring in interest, taxes, and amortization. This gives a more accurate view of a company's financial operating performance over time.

TAM. TAM is the total addressable market. Surf has a TAM of $337M (Surf Internet, 2023a). There is a $287 million residential market and a $50 million commercial market (Altman Solon, 2023).

ARPU. ARPU is the average revenue per user and is a key industry metric. Surf Internet's ARPU is $70, while the industry average is $65 (Houlihan Lokey, 2023b).

Passings. The number of houses or dwellings that fiber goes by that can be signed up as a customer within a certain distance. Some organizations might state this as signing up within several days instead of a distance away. Surf is targeting over 50,000 new passings this year (Surf Internet, 2023a).

Cost per passing. The total cost to achieve a passing. Surf Internet's cost per passing is $1,310 (Houlihan Lokey, 2023b). The competition's cost per passing is slightly lower at about $1,250, which Surf plans to meet next year (Surf Internet, 2023a). These costs can vary depending upon several factors, including labor, population density, terrain, depth or height of cable, and permitting costs (Kim, 2022).

Cost per connection. The organization's cost to connect a new customer to the network. A third-party contractor is often paid to do the work. The industry average is $610 (Surf Internet, 2023a).

Churn. The industry average is 1.4%. Surf runs well below the industry average levels at 0.7% most of the time (Houlihan Lokey, 2023b). Churn will never be zero due to certain activities, such as customers moving out of a house or non-payment of their invoices. The lower-than-average churn may be related to the organization's solid Net Promotor Score. However, churn does rise during integration, increasing significantly from Surf's average churn (G. Crusie, personal communication, May 24, 2022).

Cash balance. Cash balance refers to what was available at the end of the previous week. Cash is like oxygen for a business.

Cost per gross add. CPGA is the sales and marketing cost incurred to add each new customer and is typically utilized for subscription-based services (Liberto, 2021).

Net Promotor Score. According to Surf Internet (2023a), the net promotor score (NPS) measures the customer experience of the company's brand. Surf's NPS of 65 continues to be well above the industry average of 30. This may indicate a potential for a future higher level of brand equity and brand power than the average competitor.

Organization Structure

The organizational structure for Surf Internet is shown in Figure 7. Surf Internet is a privately held company, with the majority owned by private equity firm Bain Capital Credit LP. The company continues to operate under its existing leadership team. It is directed and controlled by a Board of Directors, and the Executive Team reports to the board. CEO Gene Crusie leads the Executive Team (G. Cruise, personal communication, June 8, 2023).

Surf Internet continues to expand its human resources. In the 2023 strategic plan, leadership budgeted 51 new roles (Surf Internet, 2023a). Surf hired 31 of the total budgeted staff by August 2023, including a vice president of customer operations, a grants manager, a director of business development, and a director of construction management (G. Cruise, personal communication, June 8, 2023).

Organization Structure

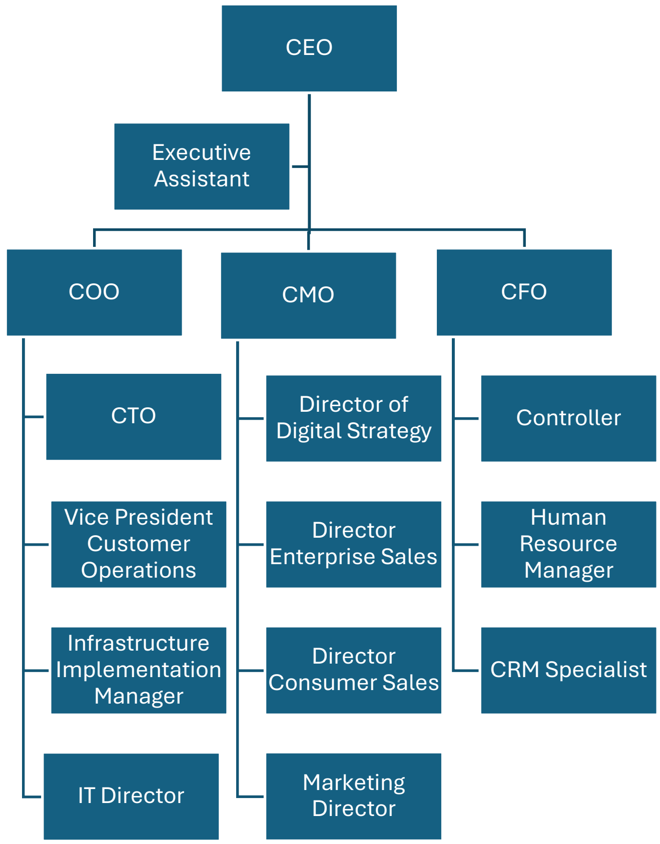


Figure 7. *Surf Org Chart* (G. Crusie, personal communication, June 8, 2023).

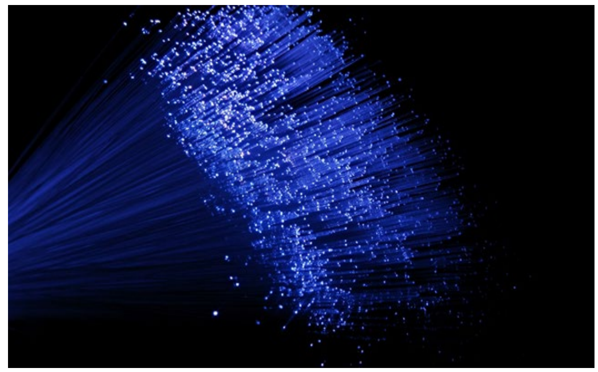
Diagnosing the Problem

Inorganic growth, such as the M&A roll-ups being done by Surf Internet, is a cost-effective way to drive overall growth and optimize the valuation of the business when done at a proper valuation. Assuming a successful M&A strategy, this helps society in that jobs are generated and an essential service, broadband communications, is being provided. This includes areas that might otherwise not achieve the desired level of speed and bandwidth.

Analysis of the environment, industry, and organization indicates that Surf Internet operates at similar, or in some cases, better metrics than their average competitor in the broadband ISP industry. However, there clearly is a reduction in performance during the integration phase of any M&A activity. A solution to improve performance and results during and after the integration phase is needed. It is anticipated that most organizations in the industry, and organizations outside of the industry, could utilize the solution for more efficient and effective M&A activity.

These organizations would potentially achieve better operations metrics, improve employee morale, improve investor return, and better serve their customers and communities, thus benefiting all stakeholders. More importantly, in Surf Internet's case, they are hoping to drive value as part of their exit strategy. Surf's senior management recognizes the potential benefits a solution would provide for improving performance during the integration phase of M&A and the positive impact a solution would have on its exit strategy.

Known Facts About the Problem



There are two known facts that have been demonstrated with company data in Figure 4. It was shown that EBITDA for the organization goes down after each acquisition. This is not only associated with the financial consequences but also morale issues. The second known fact is that churn is higher during the integration phase after Surf Internet makes an acquisition. This higher churn is demonstrated in Figure 3 and indicates that paying customers are lost due to this higher churn. G. Crusie suspects the higher churn during integration is due to lower employee morale and confusion (personal communication, May 24, 2022). This type of issue is especially related to M&As that are not well planned. For example, the combination of United Airlines and Continental led to months of passenger disruptions from a poorly executed combination of reservation systems and a lack of employee engagement (Svante et al., 2021).

Assumptions About the Problem

There are several assumptions associated with the problem. The first assumption is that employee turnover increases during the integration phase. There is a belief that cultural issues are part of the reason for this, and research has shown a correlation (Samo et al., 2022). Another reason is that employee morale appears to suffer during the integration phase, which can also increase employee turnover (Lau, 2015). A second assumption is that management becomes distracted during the integration phase as they address urgent unforeseen issues after an acquisition closes. The third assumption is that Surf Internet will execute and complete more M&A activity, such as the acquisition of MiSignal in July of 2023. According to Houlihan Lokey (2023b), it can be cheaper for Surf Internet to buy subscribers and passings than to build. MiSignal was acquired for $955 per passing, but the cost for Surf Internet to build is $1,310 per passing G. Crusie, personal communication, April 25, 2022). Surf's exit strategy requires them to build their network, rapidly grow broadband customers, and continue rolling up other ISPs via M&A. For these reasons, M&A activity will likely continue at Surf. The last assumption is that Surf Internet leadership and employees will utilize integration phase solutions that are recommended in this study to improve future results (e.g., an M&A playbook with detailed plans for integration phase execution).

Identification of Knowledge Gaps

Incorporating and developing best practices, particularly in the telecommunications industry, is essential for success in any future activity. At the start of the study, areas of knowledge gap included M&A best practices, what strategies and tactics were needed to optimize performance during the critical integration phase, and identification of the metrics that should be monitored. Other unknown information included what drives organizational performance and optimizes performance during the integration phase. A third area included the knowledge gap that exists in developing an M&A playbook. The primary and secondary research were designed to fill in those knowledge gaps.

Ideation of Solutions Associated With the Problem

An initial hypothesis was that the issue at Surf Internet was human capital management involving culture, communications, morale, and alignment, including core values, during and after the integration process. Solutions can best be found in case studies and examples for driving culture and cultural alignment during M&A activity. A comprehensive review of best practices and incorporating them into the Surf Internet M&A integration playbook was deemed necessary to result in improved organizational performance during and after the integration phase of any future M&A activity. Playbooks are an essential tool in driving successful integration. A well-developed playbook helps keep the integration team focused and provides a map or how-to guide for the tactical implementation of best-in-class integration actions. A good playbook can help set the standards for speed, consistency, repeatability, and accountability during the integration phase (PwC, 2017). By providing a systematic approach, an M&A integration playbook dramatically improves the odds that good results will be delivered repeatedly (PwC, 2017).

Problem Statement

The telecommunications industry is facing the challenge of keeping up with the rapid rise in demand for broadband services, which is a need that has continued for the last several years (Altman Solon, 2023). In addition to increased high-speed connections, consumers require faster internet bandwidth and speed. From 2019 through 2022, the number of American households with 1 Gbps+ data speeds has increased at a compound annual growth rate of 72% (Altman Solon, 2023). This demand for high-speed Internet requires equipment and workers to be ready to install and optimize the equipment. Obtaining technical talent for these deployments can be challenging (Harrington, 2021; Pinpoint Advisors, 2023a).

The broadband wireless industry is highly competitive and growing rapidly, with substantial participation by venture capital and private equity firms that provide capital and expertise for M&As. Quarterly broadband private investment deal value grew over 41% in the first quarter of 2023 (Sturgis, 2023, Q1 2023 Overview section). Comparatively, Goldman Sachs' (2023) research indicated telecommunications growth during the second quarter of 2023. The telecom industry's success contrasts with reporting that states global deals across other key industries fell 40% in the first three quarters of 2023, even as telecommunication sectors experienced double-digit growth globally compared to the prior year (Flynn, 2023, para. 1). Moreover, while the private equity (PE) value for telecommunications was down, the number of transactions occurring increased significantly (Flynn, 2023). This suggests that there is either more activity focused on smaller and mid-markets or dollar valuations have dropped. The larger the organization, the higher the potential deal valuation in the global market.

The current business environment has driven competitors in the telecommunications industry to seek growth, with some organizations utilizing M&A as a growth strategy. However, M&As in the telecommunications industry, and all other industries, often face considerable risk and reap less-than-optimal rewards and outcomes. One study revealed that 50% to 70% of M&A deals ultimately fail to realize expected synergies and value, and many of them dilute shareholder value (Lau, 2015, para. 1). Mergers and acquisitions have consequences, which are especially subject to the nature and behavior of individuals (Samo et al., 2022). The result can be poor employee morale, lower productivity, and customer dissatisfaction, leading to lower profits during the integration phase. According to a report by Deloitte France (2020), 60% of all M&As failed in the merger process, and there was a 50% loss of productivity during the first four to eight months (p. 2). Additionally, the lower-than-anticipated results included cost reduction targets of just 70% achievement and earning a return on investment with only a 25% success rate (p. 2). Furthermore, the myriad of significant changes that occur subsequent to M&As, organizationally, strategically, financially, and culturally (Deloitte France, 2020), also increase stress, resulting in high turnover and decreased job satisfaction (Samo et al., 2022). The example combination of United Airlines and Continental resulted in significant customer churn due to poor integration of reservation systems and a lack of employee engagement (Svante et al., 2021). M&A activity is not without risk, as further attested in the list of eight of the largest M&A failures compiled by Patel (2021), indicating a total loss in value of almost $200 billion:

- American Online and Time Warner (2001): $65B
- Daimler-Benz and Chrysler (1998): $36B
- Google and Motorola (2012): $12.5B
- Microsoft and Nokia (2013): $7B
- Kmart and Sears (2005): $2.6B
- Bank of America and Countrywide (2008): $2B
- Mattel and The Learning Company (1998): $3.8B

The general problem is that with M&As, there is an expectation of accreditive financial performance. However, as research attests, many companies—even large, resourceful, well-branded organizations—often do not get it right. History shows that the results of mergers and acquisitions have not always been as expected due to a lack of cultural integration. Existing literature suggests there are far more failures than successes (Deloitte France, 2020; Lau, 2015; Samo et al., 2022). A contributing factor is that while generally accepted practices for integrating processes and systems during the M&A implementation phase exist, there are limited publicly documented practices for addressing interpersonal relationships and cultural factors, which is likely due to the proprietary nature and confidentiality considerations that inhibit such disclosure The complicated nature of merger and acquisition issues is further compounded when an organization has an exit strategy to increase company valuation by optimizing growth and profitability through a series of M&As.

The specific problem is that Surf Internet has not been able to successfully achieve consistent targeted M&A results or deliver exceptional deal value for all stakeholders as the leaders actively pursue an opportunistic exit strategy in the near term. While recognizing the need for a well-developed plan to achieve consistent M&A results, Surf Internet is uncertain how to develop an M&A playbook to ensure they will obtain expected financial performance standards for speed, consistency, repeatability, and accountability (PwC, 2017). Despite the organization's massive investments, prior M&As have failed to achieve Surf Internet's desired or expected results (G. Crusie, personal communication, April 10, 2022). Data clearly shows Surf Internet experienced a reduction in their EBITDA immediately following each of three acquisitions in 2017–2020: Cyber Broadcasting (down 39% at ~$150k), FreedomNet (down over 45% at $260k), and Hyper Wave (down 40% at $298k from a $500k high; G. Crusie, personal communication, May 24, 2022). Subscriber churn also peaked during the implementation period of all three acquisitions, topping at 1.8% from a low of .6% over the same period (G. Crusie, personal communication, May 24, 2022). These issues, coupled with limited culture integration and lower employee engagement and productivity during M&A implementation, heighten Surf's leadership concern, given their plans for an exit strategy. Surf Internet has an exit strategy that requires them to build out their network and grow broadband customers rapidly. The plan includes promoting their conceivable acquisition pipeline and active market builds to potential investors (Houlihan Lokey, 2023b). An M&A integration plan or "playbook" for cultural integration and monitoring the integration phase of future mergers could optimize the experience and outcomes for all stakeholders and position Surf Internet to meet profit objectives to garner a lucrative buyout).

Overarching Research Question

The aim of this study was to identify best practices when combining two organizational cultures with a primary focus on the integration phase of M&A. Specifically, the focus was on developing an M&A playbook to enhance the performance of Surf Internet and possibly other organizations seeking to grow by strategically engaging in M&A activity, especially as the performance enhancement may be advantageous for a planned exit strategy. The following research question guided the study:

Based on best practices and prior merger and acquisition lessons learned, what content elements should be included in the customized design of an M&A integration playbook to help Surf Internet consistently achieve targeted M&A results and deliver exceptional deal value for stakeholders through standards set for speed, consistency, repeatability, and accountability in light of their planned exit strategy?

Guiding Questions for the Literature Review

The following questions were used to develop a better understanding of the problem and guide the exploration of potential solutions to improve Surf Internet's M&A results.

1. What are the different types of M&A?

2. What are the phases and the activities within each phase for mergers and acquisitions?

3. What are the roles, responsibilities, and implications for various stakeholders in the M&A process?

4. Why do many M&As fail or have limited success meeting expectations?

5. What lessons can be learned from the most consistently successful organizations engaging in M&As?

6. How have other organizations identified standards of practice for speed, consistency, repeatability, and accountability in M&A activity, especially in the telecommunications industry?

7. How are M&A playbooks designed, developed, communicated, and implemented to help ensure an organization's consistent, timely, and successful merger and acquisition results?

8. How do other companies optimize performance in preparation for their exit strategies?

9. What metrics do organizations, internal and external to the telecommunications industry, use to plan and assess activities and outcomes in each phase of M&As and exit strategies?

10. What methods have scholars and practitioners used to identify lessons learned from an organization's prior merger and acquisition activities that could benefit the entity's M&A playbook and exit strategy?

Scope

Limitations and internally imposed delimitations were established to address Surf Internet's specific problem statement while keeping the study within scope. The research focused on the overarching question regarding how Surf Internet could achieve targeted M&A results and deliver exceptional deal value through standards set for speed, consistency, repeatability, and accountability in light of their planned exit strategy. The review of scope includes the assumptions, limitations, and delimitations.

Assumptions

Assumptions are reasonable ideas that are most likely true, but no empirical data is available to confirm them. One assumption is that all Surf participants honestly answered the survey and were open and transparent during the focus group sessions. A second assumption is that the two interview candidates were forthright in their responses but may have withheld some details due to the proprietary nature of responses dependent on the M&A experience in their organizations. Based on communications with the CEO and other senior staff members at Surf Internet, there is an assumption that the recommended M&A integration phase playbook will be put into practice.

Limitations

Limitations are items that were beyond the scope of the study but possibly impacted the accuracy and validity of the study's findings. There is a risk of bias or inaccuracies in the data provided by Surf Internet. While not likely, this could impact the validity of the study. Limitations also include the maximum time and effort the researcher utilized to complete the study, due to limitations for both when researching an organization. M&A activity inherently incorporates proprietary information, which means the research was encumbered to some degree because most organizations limit what is shared to retain their competitive advantage and avoid non-compliance with non-disclosure agreements. Limitations were considered throughout the study and noted when found to exist.

Delimitations

Delimitations set the boundaries or limits of the study and are imposed by the researcher. The scope of the data gathering was limited to one organization, Surf Internet. This kept the study manageable while providing valuable information that can be compared to other studies found in the literature review and outside of this study. Additionally, this inquiry was limited by time and resource constraints.

Summary

This section identifies what was known and unknown about the partner organization's problem at the start of the project. Also considered are the assumptions, hunches, ideas, and hypotheses, as well as the potential solutions and resources to gain further insight. Mergers and acquisitions are common strategies among firms looking for a competitive advantage in a changing world. Surf Internet has executed several acquisitions over the last five years. The results of these acquisitions have often not been as expected. One thought is that the critical nature of cultural integration is not fully understood. It is thought that these challenges can be lessened through a more careful and well-designed integration change management process. This process could result in a more virtuous business environment that would benefit owners, employees, and customers. Also considered was the exit strategy that Surf Internet is planning, and how to strategize best practices during M&A integration to support the exit. The overarching questions and guiding questions in this section lay the foundation for completing the literature review in Section 3 and the primary research in Section 4. The scope of the study was also detailed to include the assumptions, limitations, and delimitations as a means to establish the research boundaries.

Section 3: Exploring Potential Solutions

Mergers and acquisitions represent strategic initiatives that have profoundly shaped the corporate landscape, influencing industries worldwide. The dynamic nature of M&A transactions, marked by their strategic significance and potential economic impact, has captured the attention of scholars, practitioners, and policymakers alike. As markets continue to evolve, understanding the factors that drive M&A activities, their impact on corporate performance, the challenges inherent in these transactions, and how to optimize these factors have become a focal point of academics and practitioners. Section 2 introduced the problem statement, overarching research question, and 10 guiding questions required to research and investigate potential solutions to M&A integration issues and the need for an M&A playbook at Surf Internet. This section provides an extensive literature review to aid understanding of the problem and provide insight into potential solutions.

Comprehensive Review

This literature review provides a comprehensive synthesis of the existing research on merger and acquisition failures and success, as well as M&A playbooks, delving into the multifaceted dimensions that characterize these strategic endeavors. The critical analysis of empirical studies, theoretical frameworks, and practical insights in this review also shed light on the complexities inherent in M&A transactions and their implications for corporate strategy, financial performance, and organizational behavior. Best practices and benchmarking are identified to assist with a deeper understanding of the challenges and guidance with developing metrics. Acquiring organizations appear to face a significant dilemma when reviewing potential solutions. Experience has shown that the best-developed unification plans for mergers often provide indifferent returns for stakeholders (Angwin et al., 2022). The central focus is identification of more optimal integration strategies and tactics for Surf's future M&A ventures and eventual exit.

Key themes within the existing literature, the factors influencing the success or failure of M&A, the financial implications for involved firms, and the organizational and cultural dynamics that shape and impact the integration process are explored. By synthesizing and critically evaluating a diverse range of studies, including a few seminal works, this literature review contributes to the ongoing dialogue on mergers and acquisitions, offering insights that inform theory and practice in this dynamic field (Vaara et al., 2014). It is worth noting that M&A motives, types of mergers, and dynamics differ; however, most deals share the same desired result of generating value from the transaction. Post-deal challenges can relate to optimal integration speed, the degree of integration, integration management, communications, resource allocation, employee motivation, and cultural integration (Junni & Teerikangas, 2019), all of which are explored.

Surf Internet is utilizing roll-ups to grow its footprint and profit, in addition to driving more value in an eventual exit strategy. The broadband Internet service they provide is valuable to the communities they serve, and, in more rural areas, the service can offer better economic opportunities to the residents. Thus, stakeholders across a broad spectrum, including employees and the communities they operate in, receive positive effects from their service. By focusing on the communities they operate in and helping to raise the standard of living in those communities, all stakeholders are served. This is an excellent example of free enterprise capitalism supporting a social and spiritual component for the benefit of all stakeholders (Hein & Wilkinson, 2015). To keep making these virtuous investments, Surf Internet must stay profitable and keep employees and investors engaged. Employees and employers benefit from virtuous organizational practices that drive employee well-being, enhancing organizational and financial performance (Aubouin-Bonnaventure et al., 2021). Improved financial performance is essential for Surf Internet, but its current integration process is not yielding the results they expect from its acquisition strategy. Surf is seeking help designing an M&A playbook to ensure they achieve the expected financial performance.

The overarching question focuses on the need to identify best practices when combining two organizational cultures with a primary emphasis on the need to develop an M&A integration phase playbook to enhance the performance of Surf Internet and possibly other organizations seeking to grow by strategically engaging in M&A activity, especially as the performance enhancement may be advantageous for a planned exit strategy. The following research question guided the study:

Based on best practices and prior merger and acquisition lessons learned, what content elements should be included in the customized design of an M&A integration playbook to help Surf Internet consistently achieve targeted M&A results and deliver exceptional deal value for stakeholders through standards set for speed, consistency, repeatability, and accountability in light of their planned exit strategy?

Types of M&As

According to Srivastav (2024), mergers and acquisitions are strategies where companies are consolidated together, either as a merger of equals or a more prominent firm acquiring another. Exploring the diverse landscape of M&A unveils several types of strategies and structures, each tailored to fit specific organizational goals and market dynamics. In this section, the various types of M&A, ranging from horizontal and vertical integrations to conglomerate mergers and other forms of mergers, are discussed. Understanding these distinctions is crucial for executives, owners, and investors as they navigate the complexities of strategic corporate consolidation and expansion in an ever-evolving business environment.

Horizontal Mergers

Patel (2023) stated that horizontal acquisitions (also known as ‘horizontal mergers’) attempt to increase market share by driving consolidation. The buyer and the seller should be running in the same or similar industry and providing similar products and services. The combined and now larger company’s increased scale will theoretically give it significantly more bargaining power for cost reductions and an improved competitive position than the two companies had before the merger. In most industries, the prominent players either attain or maintain a leadership position through horizontal M&A. A horizontal merger leads to more significant economies of scale in the market(s) where the company operates and possibly reduces competition. Horizontal mergers will likely lead to lower operating costs, as the companies can share production facilities, distribution channels, and human capital. However, Carroll and Mui (2013) noted that some horizontal mergers are better called illusions of synergy. Issues with horizontal mergers include the fact that about 70% of these mergers fail to provide the expected value (Carroll & Mui, 2013, p. 35). Many expected synergies are unlikely or even impossible, yet synergies can be seductive for CEOs. Often, the theoretical maximum for benefits is considered possible, but the odds are that problems will arise, especially during integration, that negatively impact these expected results.

Patel (2023) identified the merger of Exxon and Mobil to create ExxonMobil as a prime example of a horizontal merger that targeted synergies and was successful. The ExxonMobil merger took place in 1999. These two companies had the same output (which is unusual, given that all consumer products are at least somewhat different). The merger of Exxon and Mobile was the largest in the world at the time, creating an undisputed oil and gas industry leader and driving hundreds of millions of dollars in cost and revenue synergies that were realized. An example of the many failures was the merger of Daimler-Benz and Chrysler, which aimed for targeted synergies but failed to successfully realize them due to cultural differences and strategic misalignment (Carroll & Mui, 2013).

Market Extension

According to Patel (2023), a market extension acquisition is a modification of a horizontal merger whereby the two companies involved are in different geographic locations but offer the same type of products. Ultimately, the aim is still consolidation, but within a broader geography. Cross-border acquisitions are also a form of market extension acquisition and are particularly common in industries like food retail and retail banking. The market extension merger creates value primarily by giving the newly merged organization a broader market reach to drive revenue synergies and possibly cost synergies if some aspect of operations can be centralized, or economies of scale are found. There may also be some technology synergies that can be shared. Carroll and Mui (2013) stated that this type of merger is a deflated rollup due to their often-strong start but eventual failure. While on the surface, it makes sense that many industries are fragmented, and synergies and efficiencies could be created by combining these smaller firms into one larger entity, the record of success is not stellar. Rollups might be a great concept on paper and seem strategic, but these types of mergers are occurring in the real world and not on paper.

Issues with rollups include that two-thirds fail to create value for investors (Carrol & Mui, 2013, p. 61). One study found that almost half of all rollups had lost more than 50% of their market value between 1998 and 2000, even with the excellent market performance at that time (Carroll & Mui, 2013, p. 61). According to Carrol & Mui (2013), there are some success stories, including SYSCO, the food distribution company, but success is hard to find. Rollups often have flawed strategies, such as assuming the benefits of both integration and centralization, which is highly unlikely. While initial success may be found, they, more often than not, end up not delivering value. As Sherman (2023) noted, the term “closing” for mergers and acquisitions is misleading in that it appears to indicate the completion of a process when, in reality, the hard work of integrating the firm being rolled up is just beginning.

Vertical Merger

Patel emphasized (2023) that if a horizontal acquisition designates a business acquiring a competitor operating in the same part of the production chain, a vertical acquisition describes what happens when one company purchases another and assumes control of a different part of the production chain. These are often called vertical integration. A vertical acquisition, states (Carroll and Mui, 2013), occurs when a company concentrating on any area of the production chain acquires another business focusing on different parts of the chain, either farther back or farther ahead in the value chain, such as a distributor. These types of mergers are less common. A vertical merger theoretically drives value by lowering costs (thereby creating value) in the value chain, which can then be shared with consumers, creating a more competitive value proposition for shareholders and enhancing shareholder returns (Patel, 2023). Carrol and Mui (2013) called vertical integration one example of misguided adjacency and discussed Xerox's failed move into financial services as an example. These adjacency strategies attempt to build on core organizational strengths by expanding into new markets or vertically in the value chain. While these moves may seem sensible on the surface, research shows that adjacency moves typically fail. Often, a lack of expertise is not considered when making these critical decisions, in addition to not understanding changing market conditions (Sherman, 2023).

Congeneric Acquisition

A congeneric acquisition, sometimes stated as a product extension merger, is just a different version of a horizontal acquisition, according to Patel (2023). Rather than involving the same products or service lines, it occurs when the two organizations involved in the transaction have different product lines or services in the same or related industries, even if they generally serve equivalent markets. This overlap between the businesses creates synergies, whereby the two companies create more value than the sum of their parts, such that two plus two equals five. The product extension merger primarily creates value through revenue synergies, although cost synergies are a secondary benefit. The principle idea for value generation is that both companies can quickly create significant cross-selling opportunities through the merger. However, another view is that exploration and exploitation are the two most common motives. Exploration can be utilized to develop new competencies and sources of competitive advantage. Exploitation reinforces existing operations and competencies intending to increase efficiencies or reduce variation in income streams (Angwin et al., 2022). Kenny (2020) referred to this category as diversification or moving into an adjacency, where challenges have been shown to be more common than might be expected. In particular, if customers do not see the value in the expanded product range, the expected synergies will quickly fade. Patel (2023) noted the America West acquisition of US Airways as an example of a congeneric acquisition.

In the most basic terms, an acquisition is simply a transaction wherein one company buys another company. However, that transaction can have many different forms and underlying motivations. Understanding these will enable the strategist to consider whether the corporate development strategy adequately addresses the company's long-term goals (Patel, 2023). Perhaps because of so many issues with some M&A forms, such as congeneric acquisitions, considering what value is provided from the customer's view may offer improvement. Appendix B lists the types of mergers and acquisitions.

Phases and Activities Within an M&A Process

To better understand the M&A process and mergers and acquisitions in general, it is essential to know the different phases that take place. Mergers and acquisitions are significant events in the corporate world involving the consolidation of companies or assets. This complex and multifaceted process typically involves several stages with unique activities and challenges. The typical stages in M&A are complicated processes that require careful planning and execution to achieve success. Each stage, from pre-merger planning to post-merger evaluation, plays a critical role in determining the endeavor's success and potential future M&A success. The five stages are pre-merger planning, due diligence, purchase agreement, integration, and post-merger evaluation. Understanding these phases and the activities involved is essential for companies looking to grow and succeed through M&A strategies and tactics.

Pre-Merger Planning

The pre-merger phase is crucial for laying the groundwork for a successful merger or acquisition. It involves strategic planning, where companies identify their objectives and potential targets that align with these goals (Gaughan, 2018). Calipha et al. (2010) highlighted that this stage includes assessing the market, understanding the target company's financial health, and evaluating potential synergies, as well as acknowledging the philosophies and strategies of both firms. Companies must also consider the cultural fit between the organizations, as this can significantly impact the merger's success. This has also been called the "courtship" phase, where the target company management team is wooed, and advantages are discussed (Calipha et al., 2010). Lautier and Vella (2022) called this stage "assessment and preliminary review." They add that activities include an information memorandum created by the seller to provide basic information to potential buyers. Once a potential buyer(s) shows interest, a non-disclosure agreement (NDA) is executed to help secure the confidentiality of sensitive business information (Lautier & Velia, 2022). Sherman (2023) emphasized that risks include misunderstanding the market, ignoring cultural differences, inadequate planning, rushing this critical phase, and overvaluing expected synergies.

Due Diligence

Due diligence is a critical phase where the acquiring company comprehensively appraises the target company. This process requires thoroughly examining the target's financial records, legal obligations, customer contracts, intellectual property, and other critical aspects (Bruner, 2004). The purpose of due diligence is to assess the value of the target and identify any potential risks or liabilities. It is a fact-finding mission that informs the decision-making process and negotiation strategies. Calipha et al. (2010) called both the due diligence and pre-merger phase the courtship phase. This phase is a time for the acquirer to sell the target on the virtues of the marriage and to conduct a final review of the management philosophies, objectives, and strategies of both organizations before and during the due diligence process (Bruner, 2004). According to Sherman (2023), due diligence is both an art and a science, requiring a strategic approach that involves astute preparation and planning. Lautier and Velia (2022) highlighted that the due diligence phase includes reviewing legal and contractual agreements, financial records, intellectual property, commercial obligations, employment data, insurance, and any regulatory and compliance matters. Sherman (2023) added that risks during this phase include the seller being uncooperative; egos clashing; a deal-breaker being discovered, such as a significant liability; the seller changing their mind before closing; a market or strategic shift; and the seller refusing to negotiate price based on findings during the due diligence process. Kayombo (2019) warned that the due diligence phase should never be rushed or glossed over in an attempt to close quickly.

Purchase Agreement

Once approvals are obtained, including any government antitrust concerns being addressed, the agreement is signed, and funds are transferred (Srivastav, 2024). Calipha et al. (2010) called this phase the “marriage ceremony” and described it as mainly a legal step. The news is announced to the media, employees, and other stakeholders. Economic conditions will significantly impact the terms of the purchase agreement at the time and the negotiating skills of each party’s legal counsel (Sherman, 2023). Lautier and Velia (2022) called this phase “negotiations and closing.” Activities include agreeing to the final deal terms, including price, warranties, and indemnifications, and executing the purchase agreement. Sherman (2023) noted that risks during this phase include egos clashing, the seller getting cold feet, and an overall inability to conclude final negotiations.

Integration

Once the deal is finalized, the integration phase begins. Calipha et al. (2010) suggested that this phase is initially called the “honeymoon” stage. This stage is often considered the most challenging part of M&A. It involves merging the two companies’ operations, cultures, systems, and personnel (Srivasta, 2024).' Successful integration requires careful planning, clear communication, and effective change management strategies. The goal is to realize the synergies identified in the pre-merger phase while minimizing disruption to the business operations (Gaughan, 2018). Tarba et al. (2019) emphasized a strong relationship between effectiveness during this stage and M&A success in driving expected value. Calipha et al. (2010) highlighted that human resource managers should be involved in this phase as early as possible, as human factors often do not get enough attention. This includes cultural alignment, training, performance appraisal, compensation, and employee motivation. If cultural integration issues are ignored, this stage can be hindered, and costs can increase (Calipha et al., 2010). Sixty percent of all M&A deals do not have an effective integration plan (Seherman, 2023, p. 289). Moreover, they do not always provide the expected results, even if a plan exists. Mariappan (2003) also noted that top executives feel cultural incompatibility is often the most significant barrier to success during this stage. Patel (2019) stressed that the two organizations' overriding challenges during integration can be culture and cultural differences. Sherman (2023) pointed out that this stage includes conducting a kick-off meeting, assuring senior management involvement, assigning teams to handle different aspects of the merger, having an integration plan, and establishing clear communication channels. Patel (2019) also noted the importance of a well-executed kick-off meeting at the beginning of this phase, as well as establishing solid communication channels and including senior human resource managers. Risks during this stage include lack of communication, weak or uninvolved leadership, rapid shifts in the market, culture clashes, unmotivated employees, unexpected claims or liabilities, over-estimated synergies, stakeholder resistance underestimated, technology costs above budget, and customer loyalty overestimated (Sherman, 2023).

Post-Merger Evaluation

The final stage is the post-merger evaluation, where the success of the merger or acquisition is assessed. Calipha et al. (2010) call this stage the "after-the-honeymoon" stage. This phase involves analyzing whether the anticipated benefits, such as cost savings, increased market share, or enhanced capabilities, have been achieved (Calipha et al., 2010). Activities during this phase also include identifying lessons learned and best practices for future consolidation activities (Gaughan, 2018). Patel (2019) noted that synergies should be reviewed and confirmed in this phase, and a list of best practices should be developed. Patel (2019) added that the most significant risk during this phase is not conducting a complete review and documenting best practices for future acquisitions.

To summarize this section, Figure 8 shows the named phases of M&A and their order. Mergers and acquisitions are complex activities requiring careful planning and execution. Ultimately, the acquirers may assign different teams of specialists, such as negotiators, finance experts, human resource management, legal experts, and senior executives, who communicate well to deal with the different phases. That being said, it is also essential to see the big picture and understand the overall strategic mission and goals for M&A activity. Comprehending these phases is vital to supporting the development of a successful M&A model. See Appendix C, which maps the phases of M&A, the associated activities, and risks.

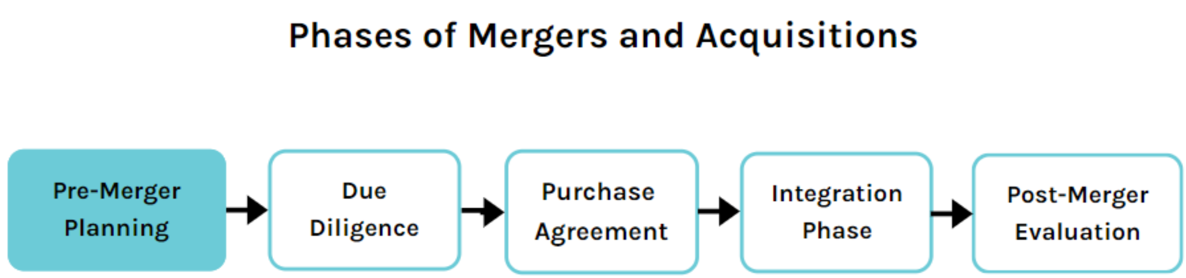


Figure 8. *Phases of Mergers and Acquisitions* (Lautier & Velia, 2022; Patel, 2019).

Roles, Responsibilities, and Implications for Various Stakeholders in the M&A Process

Mergers and acquisitions offer opportunities to drive growth, market expansion, and other potential synergies. They also typically involve substantial changes affecting various stakeholders: purchaser, seller, employees, shareholders, competitors, advisors, lenders, suppliers, and others external to the operations. Understanding the roles and responsibilities of these stakeholders is essential for those researching M&A and seeking to optimize M&A strategic and tactical performance.

Purchaser

Junni and Teerikangas (2019) noted that the role of senior executives is pivotal in driving M&A towards success. They are responsible for strategic planning, due diligence, negotiating terms, and managing the integration process. The CEO and other senior executives' compensation plans, personal bias, and management hubris can also be significant issues due to the role and control these senior executives employ and the impact they exert on M&A decisions. Over time, with shareholders demanding greater returns and PE firms pushing for greater returns on leveraged investments, the financial focus of firms has become more robust. This has only increased the pressure on CEOs to drive more robust financial performance through M&A and take greater risks in the quest to purchase other assets (Anderson et al., 2013). Junni and Teerikangas (2019) highlighted that overpaying during bidding and underestimating post-deal operating costs are often due to over-confidence by the senior executives who execute the deal. CEO compensation is frequently linked to driving desired financial results. Sherman (2023) emphasized that the buyer's Board of Directors should play a key role in overseeing M&A deals by helping C-level executives ensure the valuations are reasonable, due diligence is completed accurately, expected synergies are realistic, and the integration phase is well executed.

Seller

The seller is the person or entity that owns the assets targeted by the purchaser or potential purchaser(s). In a private transaction, the owner is involved in the deal. The target organization's board of directors and senior management usually assume this role for a publicly traded entity. In private M&A transactions, the owner or owners typically act as the sellers (Sherman, 2023). Sellers will be involved in negotiations, signing the deal, and receiving the agreed funds in the appropriate accounts or assets subject to the deal (Lopez, 2021).

Lopez (2021) stipulated that the board of directors of a corporation being targeted in the transaction owes fiduciary duties to the company's stockholders. This means directors must act in the interest of the stockholders while subduing their interests. These fiduciary duties may require the target board of directors to actively participate or manage the process on behalf of the target company. They may do so by using independent legal and financial advisers and relying upon target company management to discharge their duties (Lopez, 2021). Sherman (2023) believes that regardless of the seller's reasons for selling, an exit strategy should be developed to increase the value and attractiveness of the business. Chirico et al. (2019) highlighted that an exit strategy is possibly the most critical action a firm's owners take.

Employees

King and Tayler (2021) highlighted that employees are the workers involved in the targeted acquisition, which can be significantly impacted by merger and acquisition activity. These employees will have little tolerance for delays in communication and updates about the strategy and plans, especially for what the acquisition means for their well-being in the organization. A lack of information about the activity will lead to rumors and employee anxiety. Immediately after a merger is announced, employee commitment is lowest, which can lead to employee turnover if not handled correctly. According to Sherman (2023), one of the more challenging issues that sellers face is deciding when and how to communicate news of the transaction to their employees. Sellers typically want the news of the transaction to remain confidential as long as possible due to the impact of the news on their employees. Poor communication can lead to workers departing and low morale among the employees. Samo et al. (2022) similarly determined that after the merger announcement, employees can feel an emotional shock due to stress caused by the unknown impact on their jobs and careers. Communication with employees should be carefully planned and considered. King and Taylor (2012) noted that successful acquirers focus on retaining employees, particularly the best and brightest. Sherman (2023) stated that the primary reasons for employee turnover and disappointing results are often poor communication and cultural differences. Employee concerns should be addressed as rapidly as possible.

Shareholders

Shareholders are individuals and organizations that own shares in an organization, either publicly or privately. They are primarily concerned with how M&A impacts the value of their investments (Sherman, 2023). Their primary goal is to see more value created by achieving synergies. M&A can be considered successful when increased shareholder value is achieved (Gaughan, 2018).

Competitors

Competitors are those organizations that compete with the acquirer. King and Taylor (2012) observed that success can be hurt by failing to consider the potential actions of the competition. Competitors may attempt to use the distraction of combining firms as an opportunity to gain market share. Unethical competitors may try to plant doubts about the ability of the merged firms to deliver quality products or services in the minds of customers and employees (King & Taylor, 2012). According to Junni and Teerikangas (2019), this may also lead to competitors actively recruiting from organizations involved in mergers. Sherman (2023) warned that competitors would attempt to market aggressively to the merged organizations' customers with the opportunity due to typical concerns about capabilities that can arise with a company being acquired.

Competitive necessity can also sometimes drive merger and acquisition behavior in other ways. In any given industry, once a business is up for sale, senior executives of any competitor in that industry must decide if they prefer to be the new owner rather than allow a competitor to purchase the business and impact what price they are willing to bid (Sherman, 2023).

Customers

Customers are the people and organizations that purchase the target organization's products and services. According to King and Taylor (2012), merging organizations can lose market share, and this often occurs when they do not continue to focus on their customers. A strong emphasis on the customer communication plan can reduce customer uncertainty and decrease the probability of customer deflection (Sherman, 2023). King and Taylor (2012) also stated that organizations can drive improved success by communicating a solid commitment to their customers.

Advisors (M&A Lawyers)

Each of the two sides to the deal engages their attorneys. These attorneys provide several essential services, such as transaction structure, legal due diligence, negotiation support, and making regulatory filings as necessary (Lopez, 2021). M&A lawyers often act as the hub of the wheel during typical transactions. Having a team of seasoned advisors can help ensure smooth deal flow and proper valuation during and after due diligence is completed (King & Taylor, 2012). Sherman (2023) advised that the expected attorney-client privilege may not exist in cross-border transactions, and this needs to be considered when deciding on strategy.

Lenders (Investment Bankers)

Investment banks provide financial and strategic advice to both sides of the transaction during M&A. For the sellers, lenders may be the first advisors contacted to prepare for the sale. They may provide guidance on areas such as suggested deal terms, timing of the transaction, and even possible buyers (Lopez, 2021). These lenders can also offer loans, as many acquirers include debt in the transaction. Investment banks often promote other services that, at times, may cause conflicts of interest (King & Taylor, 2012).

Suppliers

King and Taylor (2012) maintained that suppliers, also called vendors, provide goods and services to the targeted organization and possibly the newly merged entity. These suppliers have a vested interest in the success and outcome of any deal due to their apparent interest in continuing to supply their products and services. That being said, the merged organization may want to consolidate vendors and utilize the increased bargaining power of the larger entity (King & Taylor, 2012). The newly merged firm also needs to ensure that the supplier provides a constant supply of materials. A firm that has gone through M&A activity may be doomed without specific supplier support, such as when there is a single supplier or key service provider (Sherman, 2023). Communication with suppliers, particularly crucial suppliers, is critical to M&A success and should be part of the deal's communication strategy.

External Stakeholders

Limited attention has been given to specific external stakeholders, such as escrow agents, insurance companies, and government regulators. Approval from government regulators can delay M&A deals as organizations wait for antitrust and similar decisions (Junni & Teerikangas, 2019). Other than government regulators, other external stakeholders tend to have tangential roles that, while important, have little impact on M&A results (Lopez, 2021). Once all the different stakeholders have been identified in an M&A transaction, their interests should be considered and balanced tactically to support improved merger and acquisition outcomes.

Why Most M&As Fail

Mergers and acquisitions are strategic tools used by organizations to gain competitive advantages. A significant percentage of these deals fail to deliver the expected value. There are some common reasons for underperformance or even complete failure in M&A. Some of the classic mistakes noted include a lack of complete analysis of all the salient aspects of the merger during the due diligence phase, projecting synergies that are an illusion at best, ignoring or minimizing cultural and organizational differences, and poor planning and execution of the integration phase (Sherman, 2023).

Poor Due Diligence

According to Carroll and Mui (2013), 50% of executives stated that their due diligence processes had failed to prevent a lousy merger deal (p. 15). Frequently, the fast speed of mergers and acquisitions means there is not enough time to adequately perform due diligence, mainly because the sellers can be less than ethical about hiding problems. Inadequate due diligence can significantly contribute to M&A failures (Carroll & Mui, 2013). Interestingly, Sherman (2023) added that senior executives, advisors, or the marketplace can often directly or indirectly pressure the due diligence team to move forward and get the deal closed. While deal momentum is essential, not dealing with identified issues before closure can result in failure to drive the expected deal value over time. Key issues that should have been found and resolved before closing can become a source of tension and poor performance during the integration phase. King and Taylor (2012) noted the importance of utilizing a team of experienced advisors during the due diligence phase. This can help to avoid surprises at the last minute and keep the process moving forward. Anderson et al. (2013) highlighted that taking into consideration the responsibility towards stakeholders assures all parties involved are more likely to be supportive during the due diligence process and also inspires virtuous business. Mariappan (2003) added that cultural differences should be reviewed during the due diligence process, as this is often not an area of focus during the process but has a significant impact on long-term success. Sherman (2023) proffered that poor communication can be an issue during due diligence. Communication channels must be open and transparent between the buyer and seller. Additionally, a process should be followed during the due diligence process that assures financial, legal, intellectual property, contracts, liabilities, and human resource data are all reviewed (Sherman,2023).

Synergy Overestimation

According to Sherman (2023), an essential aspect of synergy is that the whole will be greater than the sum of the parts. While this is the expectation for synergy, Kenny (2020) notes that most studies indicate that 70 percent or more of acquisitions fail to deliver on their expected value (para. 1). Synergy overestimation and integration challenges are often identified as reasons for this poor performance. According to Carroll and Mui (2013), synergies are seductive as they promise something for nothing, allowing the CEO to make a bold move and appear to be a leader who takes action or drives their desire to leave a legacy. According to Anderson et al. (2013), the main reason for the break-up of the Daimler-Chrysler merger was that there was too little overlap of product lines to permit the expected economies of scale and cultural differences between the two manufacturers that were magnified by inadequate communication. The tendency is to try and maximize the theoretical benefits of merging and assume these synergies can be achieved. However, unless the organization has a long record of success, these synergies often fail to materialize. Carroll and Mui (2013) recommended that a last-chance deal review meeting be part of the pre-merger phase. This should be a part of a process that institutionalizes dissent. The process should include open communications to escalate vital information to senior executives. By holding a last-chance meeting where tough questions can be asked and risky aspects of the deal discussed openly, failure is less likely (Carroll & Mui, 2013). Sherman (2023) highlighted that meeting synergy goals is unlikely if human capital assets are disengaged and unmotivated. Buyers should develop due diligence skills associated with reviewing human resources. Thus, including human resource managers in the process is essential to success.

Cultural Differences

Fondrevay (2018) highlighted that cultural differences between the two organizations involved in an M&A can be a silent killer of long-term value. One of the ironies of these deals is that trust often quickly dissolves once a deal is closed. M&A activity is usually kept confidential, with most employees not knowing about the agreement until the official announcement. Once trust is gone, a mindset of "us versus them" can set in with cultural incompatibility, leading to conflicts, low employee morale, and high employee turnover, which impact performance and destroy expected synergies (Fondrevay, 2018). Calipha et al. (2010) pointed out that too much attention to financial factors at the expense of human elements is a common problem in merger failure. M&A success depends on people staying engaged, which is often not the situation due to a lack of focus and communication. A strong employee communication plan is essential. As noted, Mariappan (2003) advised that cultural differences should also be reviewed during the due diligence process, not after, as this is often not an area of focus during the process. However, it has a significant impact on long-term success. Moeller et al. (2016) emphasized the importance of involving human resource management early during due diligence to assess culture and determine how to manage culture during the integration phase.

Integration Challenges

According to Kenny (2020), integration is one of the more common reasons cited for failed M&A, with between 70 and 90 percent of acquisitions failing to provide the expected increase in value (para. 1). King and Taylor (2012) noted that employee morale is at its lowest after a merger announcement due to the unknown aspects of how the merger will impact them personally. This often leads to increased employee turnover; unfortunately, the best and brightest are the first to leave. Samo et al. (2022) also discussed employee moral issues during integration. Acquisitions can be dramatic events for employees, and their perception of the merger can impact the success or failure of the firm. Sherman (2023) stated that approximately three of every five M&A deals have an inadequate integration plan (p. 289).

Clearly, a successful integration phase and integration plan are essential for merger and acquisition success. Tarba et al. (2019) made a similar point that the integration phase is the most decisive for long-term merger and acquisition performance. Junni and Teerikangas (2019) also indicated that implementing interactions between employees on both sides of the M&A during integration is critical to synergy realization, along with frequent communication from the managers. All the evidence suggests that prioritizing the proper execution of the merger integration process is considerably more crucial than rushing through it. King and Taylor (2012) highlighted successful outcomes focusing on employee retention. If employees are not motivated and engaged, the best employees may leave, and competitors will recruit from the merged firm.

Despite best intentions, merger and acquisition deals often fail due to poor due diligence, overestimating synergies, cultural clashes, and integration challenges. Understanding these factors is crucial for organizations to navigate the complexities of M&A and increase their chances of success with these investments. Appendix D shows M&A failure modes and possible ways to prevent these failures.

Lessons From Consistently Successful Organizations Engaged in M&A

Navigating the intricate landscape of mergers and acquisitions is similar to embarking on a journey through uncharted waters. Each deal presents unique challenges, successes, and, most importantly, invaluable lessons. Whether it is the fusion of corporate cultures, the alignment of strategic objectives, or the meticulous handling of cultural considerations, every M&A venture offers a wealth of insights waiting to be discovered. The lessons gleaned from these endeavors serve as guiding beacons for future activity, shaping strategies and refining approaches in the ever-evolving realm of business. Roh et al. (2021) concluded that organizations can learn to increase their merger and acquisition success by leveraging prior experience and lessons learned from prior successful deals.

Strategic Alignment Lesson

An M&A should not be a tactical event but a strategic capability that drives value. Like any capability, this will require attention to detail, experience through practice, and an optimized process (Daume, 2021). Lafley and Martin (2013) made a similar point about strategic alignment in that P&G was able to add value to Gillette by transferring critical P&G core capabilities. With P&G’s volume and expertise, they were able to reduce Gillette’s advertising budget by 30% (Lafley & Martin, 2013, p. 126). As the largest advertiser in the world, P&G strategically drove cost savings at Gillette. P&G has a process that has been successfully used multiple times to drive its M&A strategy. Haller and Johnson (2022) found that the most successful technology acquirers perform deep customer and product investigations to better understand the possible strategic value of the acquisition. This pre-closing work assures that they understand potential synergy and the associated revenue and profit they can derive from their chosen strategy. Hodgson (2023) added that Disney was able to leverage Pixar's technical animation expertise and drive this expertise across the Disney landscape. Daume (2021) stated that Disney’s M&A strategy and process have become a full-fledged capability. Successful M&A is more likely when the acquiring and target organizations have identified a clear strategic fit. This allows the acquisition to be driven by a well-defined vision and purpose.

Rigorous Due Diligence Lesson

Due diligence is both an art and a science. Notably, it is also a process, not an event, even though it is often viewed as an event. Sherman (2023) emphasized that successful due diligence requires a deep dive into financials, contracts, intellectual property, mission, culture, values, strategy, and business metrics. The due diligence process can be frustrating, time-consuming, expensive, and challenging, but it is essential to understand what is being purchased (Sherman, 2023). Carroll and Mui (2013) noted that rollups, such as DaVita Incorporated, which is a rollup of dialysis centers, were moving through acquisitions so rapidly that they did not have enough time to do sufficient due diligence. Since sellers can be misleading about problems, this results in hidden financial challenges. Roh et al. (2021) added that Samsung is an excellent example of a technology firm that learned from prior activity to successfully move through the take-over process. Samsung acquired LoopPay in only four months, learning from their depth of experience and process developed from prior experience. Alternatively, Patel (2021b) highlighted that when Caterpillar acquired ERA Mining Machinery Limited, they rushed the due diligence process and unfortunately missed the accounting issues, which led to a $580 million write-down. Conducting rigorous due diligence assists in understanding the target company’s values, risk, culture, and synergies. The due diligence process is tactical, strategic, and crucial for making informed decisions and correctly calculating deal value. It should never be rushed, but a firm can learn from experience to execute due diligence with speed and accuracy (Sherman, 2023).

Communication Lesson

Communication is crucial for a successful M&A. All stakeholders must be communicated with as early as possible in the process and frequently. Clear communication should always be the goal with employees to ensure no significant employee turnover post-merger. Change is stressful for employees and can result in uncertainty. Communication can help reassure employees of their role in the merged organization (Fang, 2022; Hodgson, 2023). Sherman (2023) advised that the supervisors should be briefed first, and all their questions answered so they can then inform the rest of the employees. Sherman (2023) also noted that senior executives should be part of the communication plan and the visit with acquired organizations to discuss employees' post-closing roles, with continued visits beyond the initial post-deal kick-off meeting. A lack of communication will lead to nasty rumors and disengagement, ultimately leading to survival syndrome, where employees focus on in-fighting and finding a new job instead of successful integration. Frequent and clear communication is essential to successful M&As. Fondrevay (2018) asserted that nothing undermines change more than behavior by senior executives that is inconsistent with the message. Senior executives must 'walk the talk' during the integration phase. Lofgren et al. (2018) found that Office Depot and Office Max initiated integration planning six months before the close and, as part of this plan, assured solid communications by creating an integration management office that addressed human capital issues and communicated to employees. The initiative included a communication plan for the overall effort. Gelfand (2018) emphasized a lesson from Amazon's acquisition of Whole Foods, noting that everyone in both firms needed to be informed about the integration. Open communication and seeking buy-in for changes help employees feel less threatened and stay focused on the mission required for success (Gelfand, 2018).

Careful Cultural Consideration Lessons

Sherman (2023) highlighted a critical but often forgotten element—the human element—along with the associated cultural considerations. Marippan (2003) studied numerous mergers and found that cultural challenges are one of the main reasons M&A deals fail. Ultimately, the culture at both organizations needs to be carefully built around the same values and vision if the marriage of the organizations is to be successful. Lafley and Martin (2013) also noted that P&G took the time to determine how the two organizations could combine their practices successfully. P&G retained Gilette's employees and utilized both organizations' expertise to enhance the processes and performance of the merged company.

Many mergers focus on financial and business system integration, with little attention given to culture and other human factors. Similarly, Patel (2021a) and Gelfand (2018) warned that underestimating culture during a merger harms success. When Amazon, whose culture is rigid and based on efficiency and top-down direction, acquired Whole Foods, which has a looser culture, resulting in culture clashes between the two organizations (Patel, 2021a). Gelfand (2018) described two ways merging firms can increase the chances of a smooth cultural transition:

- Investigate and understand culture early in the process, with human resource management involved in reviewing culture during due diligence.
- Ensure that cultural considerations are part of the integration plan.

When Disney acquired Pixar, the CEO of Disney agreed to ground rules that protected the culture at Pixar, which included not being required to sign a Disney employment contract and retaining their freedom to choose their business card title (Gelfand, 2018). Employees on both sides of the deal will be more motivated and aligned when informed about the integration plan and understand the why of coming changes. This should be done with open communications and working to get employee buy-in to reduce the threat employees feel during mergers and acquisitions (Gelfand, 2018). Fang (2022) explained the importance of the acquiring firm not attempting to dominate the new culture of the merger organization. An example is Alibaba's acquisition of Yahoo China. During the first month after the close, Alibaba created an integration team that included employees from all departments reviewing Yahoo China's culture. Additionally, a large party was held for employees of both Alibaba and Yahoo Canada to enhance the building of personal relationships (Fang, 2022).

Integration Planning Lessons

Acquirers with superior management create value in M&As by transferring management skills and possibly experience to target firms. A critical method for this transfer is developing and executing a solid integration plan. This impact can be even more noticeable when a well-managed firm transfers this knowledge to a weaker firm, which can significantly lower costs and increase the efficiencies of the merged entity (Delis et al., 2022). Hodgson (2023) maintained that an essential aspect of success is pacing. Instead of rushing the integration, a known successful process of using project planning that is repeatable will significantly increase the odds of delivering the expected deal value. This process includes integrating cultures, systems, and processes. Lofgren et al. (2018) examined the merger between Charter and Time Warner and found that expansive integration planning successfully drove operational synergies and economies of scale. In the case of the Office Depot merger with OfficeMax, senior management carefully defined targets as part of an integration plan developed early in the merger process (Lofgren et al., 2018). The integration plan included communication, talent management, and change management details. Fang (2022) added that Nordea, which acquired several other banks, sent letters to all employees on the day the deal was announced, informing them about the details of the integration plans.

Dao and Bauer (2021) highlighted that one key aspect of poor outcomes for mergers and acquisitions may be due to poor human integration. Management actions are required during the integration phase to realign two merged businesses culturally to optimize potential synergy. This realignment requires frequent communication during the integration phase which will help to alleviate employee stress and motivate employees to perform at high levels (Fang, 2022). As each employee is different, it is best to consider using different forms of communication, including team meetings, emails, written communication, and one-on-one meetings with key team members (Fang, 2022). Alibaba's acquisition of Yahoo China was an excellent example of how sociocultural integration can help to develop a shared culture during the integration phase. While cultural differences are expected, integration can be improved by having team members cross-visit locations, using frequent communication as noted, having shared celebrations, and assuring management treat the acquired employees as partners in the business (Fang, 2022).

The success of merger and acquisition activities is not a matter of chance but the result of strategic planning, rigorous due diligence, clear communication, careful cultural consideration, and effective integration with well-developed and well-executed project planning for the integration process. Organizations that want to drive better M&A results should utilize lessons created through the experience and practices of others and their own previous M&A experience. Appendix E reviews lessons learned from successful mergers and acquisitions.

Identifying Standards of Practice

In the dynamic landscape of mergers and acquisitions, establishing and adhering to standards of practice is paramount for organizations seeking success. Among these standards, achieving optimal speed, consistency, repeatability, and accountability stand as cornerstones. Ignoring standards of practice can lead to deal failure with devastating impacts on long-term value, senior executive tenure, and employee morale (Angwin et al., 2022). In this section, methods and strategies employed by organizations are explored to identify and uphold these crucial standards, ensuring efficiency, reliability, and transparency throughout the M&A process. When appropriately executed, mergers and acquisitions are valuable strategic tools for driving growth and innovation. Firms can learn to increase their success by leveraging their own and other firm's prior experience and building this knowledge into their integration model. This includes the technology and telecommunication industries (Roh et al., 2021).

Speed

Angwin (2004) emphasized the belief of practitioners and consultants that speed is beneficial to mergers and acquisitions, especially during the integration phase. Haller and Johnson (2022) stressed that there should be a strong connection between the acquired business and the corporate strategy team to monitor progress and ensure both are moving in tandem and meeting project milestones. Regular meetings that include progress reviews and a discussion of lessons learned during this process are essential to feedback into the integration model to drive speed and success for future deals. Angwin (2004) added that the speed of integration is attractive as this may reduce the period available for competitors to respond by stealing employees or customers and provide a barrier to entry. However, moving too fast can have negative consequences, especially if done with hubris. Zollo and Meier (2008) suggested that when monitoring the speed of the process, completion managers should not be concerned with market signals in the form of initial stock price movement, as the market fails to predict the ultimate success of mergers. Lofgren et al. (2018) emphasized that successful acquirers move as quickly as possible through the steps outlined in the integration plan. As Roh et al. (2021) underscore, deal success is developed through organizational learning, which comes from experience and documenting the lessons learned through this experience. The result is an ability to drive the integration process with greater speed to completion. PwC (2017) highlighted that an M&A playbook can help drive speed during integration by aligning resources, tasks, and information.

Consistency

Many successful mergers have been well-known for more significant valuation deals. However, other studies have shown that large technology companies have found ways to generate value from small acquisitions costing less than $500 million. These acquisitions represent 96% of all technology M&As (Haller & Johnson, 2022, para. 1). Haller and Johnson (2022) emphasized that the most successful acquirers execute thorough customer and product diligence during the pre-merger phase to better understand the potential deal value and potential synergies with the acquiring firm. Delis et al. (2022) championed the need for experienced and superior management to ensure consistency and success with mergers and acquisitions. In this case, good management is one of the most important determinants of outcome and value creation. Lofgren et al. (2018) affirmed that successful acquirers execute a plan thoroughly and with precision. These acquirers have plans developed well before the deal closes that provide a process that drives consistency with clear milestones and objectives. Midaxo (2023) noted that software tools may be able to help with driving consistency, repeatability, and speed. More on technology is discussed under M&A playbook design and development.

Repeatability

Haller and Johnson (2022) described how a thorough understanding of customers and product synergy helps to assure alignment with the deal strategy and keep the focus on retaining essential employees. Building these objectives into an overall plan supports the development of a repeatable model. Earn-outs,[5] stock and bonus programs are also recommended to keep senior executives and key employees in place, particularly for deals in the tech industry. Top talent needs to be motivated, rewarded, and retained. As noted by Haller and Johnson (2022), methods to retain top talent include cash bonuses, earn-outs, stock, and good leadership to keep critical employees engaged and motivated. Haller and Johnson (2022) and Hencke (2023) highlighted that the model should include templates for due diligence, integration, and training to ensure a repeatable process and define repeatable processes and talent models. Haller and Johnson (2022) noted that the model should include performance tracking through the integration phase. They also suggest monthly review sessions for critical priorities and metrics. Patel (2024) added that assigning metrics and responsibilities so ownership is clear and understanding risks before they arrive can help drive repeatability. Each transaction is different, but successful mergers follow a repeatable process, which a solid M&A playbook can guide. Hodgson (2023) reviewed the 11 most successful mergers and acquisitions of all time and found that careful planning and time spent on due diligence helps to drive repeatability. Shah and Hermoye (2020) observed that organizations that develop a repeatable, consistent model for M&A integration consistently deliver better shareholder returns and expected deal value. They also noted that 70% of integrations fail initially during the early part of the integration, not at the end (Shah & Hermoye, 2020, para. 2). A well-developed and repeatable M&A integration capability, including planning, developed over time contributes to a higher value provided by future M&A deals.

Accountability

Haller and Johnson (2022) emphasized that regular deal reviews that discuss integration success and challenges and transfer this information to a model for future M&A increase deal success

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[5] *Earn-outs* are a clause in a merger or acquisition contract that allows the buyer to make additional payments to the seller's shareholders based on the future performance of the acquired company. These extra payments are usually contingent upon the company meeting specific financial targets or other agreed-upon goals after the deal is finalized (Harroch, 2022).

rates. The authors also noted that these successful acquirers build an integration model they can use to streamline the integration process that outlines roles and responsibilities. This model, or integration chassis, can also be called an integration playbook (Haller & Johnson, 2022). Delis et al. (2022) added that success is accelerated when, in addition to a solid integration plan, good management targets organizations with poor management. Their research shows that good management impacts deal performance and, in particular, return on equity (ROE) for a period of three years post-merger. Essentially, capital is reallocated to better projects, allowing suitable acquirers to drive value from synergistic gains during the M&A by transferring exceptional management practices to the target organizations. Vaara et al. (2014) upheld that there has been an increasing interest in middle managers and that their impact on strategy processes can enhance the quality of strategies and the effectiveness of strategic implementation and accountability. Roh et al. (2021) noted that in the technology or telecommunications field, when the two firms operate in the same industry and the acquirer has the experience, information challenges are reduced, leading to the transaction being completed with accountability. Organizations learn by doing and then apply that knowledge to future M&A deals. Snow (2016) highlighted that organizations ought not to forget where their revenue comes from and ensure customers' needs are a priority. Tying employee compensation to customer retention can help align the organization with its customers.

Speed, consistency, repeatability, and accountability can be achieved by following these guidelines and having a solid integration plan. Hodgson (2023) noted the importance of a solid post-merger integration plan. The reason given for the success of the Time Warner Cable and Charter Communications merger was mainly the integration plan and team member involvement in driving deal synergies. Haller and Johnson (2022) determined that several factors like these are required for success in technology M&As. These standards of practice include detailed customer and product due diligence, an aligned strategic focus, retainment of critical talent, and building a repeatable M&A integration model combined with performance tracking. Regular deal reviews that investigate what is working and what is not working can help optimize the M&A process for speed, consistency, repeatability, and accountability (Haller & Johnson, 2022).

How M&A Playbooks are Designed, Developed, Communicated, and Implemented

Many acquisitions fail to meet expectations because senior management overpays due to rushed due diligence or poor integration (Christensen et al., 2011). An M&A integration playbook serves as a detailed guide for managing the M&A integration process. It outlines best practices, lists tasks, and specifies roles for team members and stakeholders. The primary goals of an M&A playbook are to establish a structured framework for integrating companies, provide valuable expertise and tools for the transaction, allocate resources effectively, and ensure that integration leaders clearly understand their responsibilities (M&A Community Portal, 2023). M&A playbooks are essential tools for organizations to navigate the complexities of these strategic transactions and reduce failure rates. According to Dever (2023), effective M&A playbooks provide a roadmap for successful integration and contain best practices. They can also help establish roles and responsibilities. Through a structured approach involving stakeholder engagement, the documentation of best practices, effective communication strategies, and continuous improvement templates, organizations can leverage M&A playbooks to stay aligned. A well-developed playbook operates as both a business plan and a step-by-step how-to guide, helping to keep the team focused on creating deal value (M&A Community Portal, 2023). These playbooks ensure consistency, timeliness, and success throughout the M&A process and provide a valuable tool to ensure optimal integration results (M&A Community Portal, 2023). PwC (2017) highlighted that a playbook can help drive the speed of execution, consistency of approach, and accountability for performance by providing a template for each acquisition. An integration playbook improves the probability of repeating success for each deal. This review explores the steps involved with designing, developing, communicating, and implementing M&A playbooks.

Define Objective and Scope

The first step in designing an M&A playbook is clearly defining the organization's objectives and scope. This involves understanding the organization's strategic goals, target market, and the types of transactions the playbook covers. The goals and advantages of a merger or acquisition are diverse: they include addressing the weaknesses of the businesses involved while enhancing their combined strengths, eliminating a competitor or industry threat, and achieving rapid growth in a short period (Hendy, 2019). The target organization should also be defined as a business model that understands how it delivers value and how the deal will allow the combined strategy to drive additional value as the integration advances (Christensen et al., 2011). Christensen et al. (2021) noted that this can be thought of in three parts: (a) what value the change brings to the customer, (b) what the profit formula is, and (c) what resources could be plugged into the business. In other words, it is about how the changes improve business performance or help reinvent the business model. Ultimately, the price paid for an acquisition should not be set by the seller or the investment banker, who has much to gain from the sale. The right price should be determined only by the buyer, and the objectives and scope will impact price determination, which is part of the objective and scope (Sherman, 2023). Carroll and Mui (2013) stated that due diligence should be conducted carefully and with a defined process so that human emotion does not drive poor purchases at high prices. Additionally, PwC (2014) pointed out that due to limited resources, priorities must be considered with shareholder value driving the allocation of resources during integration.

Dever (2023) and M&A Community Portal (2023) agreed that the design process should involve key stakeholders from various departments such as finance, legal, human resources, operations, and strategy to establish an integration team or task force. These employee insights ensure that the playbook addresses all relevant aspects of the M&A process. By understanding which team members and employees should be involved during the different phases of M&A, the process can stay organized, and each team member can understand who is responsible for each milestone. This also helps to ensure solid communication throughout the organization Sherman (2023) added that carefully selecting a post-merger task force with members from both sides of the deal can provide advantages. The role of the task force should be communicated clearly across the organization. The task force should be the conduit to resolve problems that arise during the integration. M&A Community Portal (2023) also noted the importance of this during the integration phase and that the members of the task force may change depending on the specific needs of each integration. Development of the frameworks and templates for M&A playbooks requires input from stakeholders.

Suggested Items for Inclusion in an M&A Playbook

Developing frameworks, checklists, and templates helps to standardize procedures, ensure consistency, and reduce the risk of oversight or error during transactions. This includes tools and techniques to determine the target's worth by calculating the impact on profit (Christensen et al., 2011). Gilligan and Galpin (2022) noticed that private equity firms utilize a repeatable M&A playbook to drive value creation with acquisitions. PwC (2017) added that no two firms' playbooks will be the same, as they will vary depending on strategy, culture, and experience. M&A Community Portal (2023) also maintained that the software and tools the team will utilize for change management and the required communications should be documented and included in a toolkit. PwC (2014) highlights the importance of driving action early in the integration process and using an integration plan to drive initiatives developed by the task force.

M&A Community Portal (2023) suggested items to include in an M&A playbook:

- M&A strategy outline
- Due diligence guidelines
- Negotiation suggestions
- NDA template
- Letter of intent template
- Integration suggestions

Gilligan and Galpin (2022) identified the following activities that ought to be considered for an M&A playbook:

- Define the M&A strategy
- Identify key talent and roles across functions for M&A
- Research and hire required M&A service providers
- Conduct financial, operational, legal, technical, and employee due diligence
- Draft an operational and cultural due diligence plan
- Draft a communications plan
- Draft a key talent employee retention plan
- Draft a key customer retention plan
- Complete draft of the overall integration plan
- Develop a negotiation plan
- Discuss and submit an offer with a draft agreement
- Execute the final agreement
- Gain regulatory approvals
- Transfer funds
- Begin execution of integration plans
- Implement a communications plan
- Implement employee and customer retention plans
- Implement cultural integration plan
- Transfer knowledge between organizations

- Track and report operational integration activities and milestones
- Track and report on cultural integration activities and milestones
- Track and report key talent retention activities and milestones
- Track and report synergy capture
- Conduct an M&A performance assessment
- Analyze current and potential M&A service providers
- Identify and review M&A tools, overlaps and gaps
- Catalog lessons learned by developing an M&A knowledge repository
- Review and identify M&A training needs and develop training content
- Conduct cross-functional M&A training for future acquisitions
- Establish an M&A knowledge repository, including tools and templates
- Update the tools and templates after each deal to optimize the M&A playbook

PwC (2017) listed the following activities for consideration when developing an M&A playbook:

- Identify leaders by role and define functional authority
- Ensure objectives and timelines are clear
- Develop a communication plan for all stakeholders
- Develop messaging for customers and suppliers
- Establish a day-one plan that is ready to execute after close
- Asses cultural differences and develop a change program
- Provide regular updates to key stakeholders
- Develop a plan to ensure alignment of sales teams
- Prioritization of integration projects
- Develop metrics for tracking and monitoring integration projects
- Establish an audit plan to review performance and KPIs
- Identify lessons learned and codify these lessons

Midaxo (2023) shared the following activities that should be considered for an M&A playbook:

- Welcome meetings when the deal is announced
- Schedule monthly or weekly communications meetings with employees
- Review cultural integration issues
- Merge HR benefit and insurance programs when appropriate
- Assess talent at the acquired organization
- Develop retention plans
- Finalize NDA, intellectual property, and employment contracts
- Define management roles and responsibilities
- Develop employee training (sales, service, leadership, etc.)
- Develop and execute a communication program
- Communicate the strategy and vision
- Develop cross-selling training for sales teams

- Develop and execute an IT integration plan
- Inform customers and suppliers
- Review customer agreements
- Review supplier agreements

Avoiding Integration Mistakes

Failing to understand where the value comes from during integration has caused some of the biggest failures in acquisition history. The merger of Daimler and Chrysler was a prime example of a failed integration and offered a lesson in avoiding incompatible strategies. Chrysler's speedy processes disappeared along with Chrysler's associated profit (Christensen et al., 2011). Hodgson (2023) added that cultural issues are a silent killer of deal value. Careful consideration of methods for merging cultures during the integration phase should be considered. Dever (2023) suggested that surveys may help drive change management when combining cultures and should be part of the playbook. The human element must be carefully considered during the integration phase. Moeller et al. (2016) added that the playbook should include training for critical human resource people on communicating and getting the right employees in the right roles. Christensen et al. (2011) noted that if the acquirer purchases a company for a business model, the acquiring organization should probably operate it separately to keep it intact. However, suppose the acquirer is buying another company to improve their current business model, which is often the case. In that case, the acquirer should generally dissolve the acquired business model and fold the resources and any best practices into their operations.

Establish Clear Communication

The importance of communication cannot be over-emphasized during the merger and acquisition process. Establishing clear communication information and updates about the playbook helps ensure its widespread adoption and utilization across the organization. For example, PwC (2014) suggests that customers, employees, investors, suppliers, and the general media should be part of the communication plan with information covering their particular concerns. The plan should note the reasons behind the deal and how the merger will impact each stakeholder group. Strong leadership support is crucial for driving the implementation of M&A playbooks and fostering a culture that values their use in strategic decision-making. Conducting training sessions to familiarize stakeholders with the playbook's contents and usage ensures its effective implementation. M&A Community Patel (2023) added that careful consideration should be given to selecting communication tools. Consider the best practices and lessons learned for continuous improvement.

Identify and Compile Lessons Learned

Dever (2023) noted the importance of completing a list of lessons learned from past deals. Documenting best practices and lessons learned from past M&A transactions provides valuable insights into common challenges, risks, and pitfalls encountered during the process. Feedback about past deals should be collected from employees and other stakeholders. Moeller et al. (2016) identified that the learning potential of being a serial acquirer provides more advantages than the negatives of the associated constant change. M&A Community Portal (2023) affirmed that an essential aspect of best practice is documenting what was learned from previous integration activities and who will be the best-fit integration leaders based on past experience. The playbook should be constantly reviewed and updated. More specifically, new operational and financial information, due diligence best practices, and tools utilized for bringing two companies together during the integration phase should be added. Moeller et al. (2016) described that successful acquirers ensure that lessons learned are well documented and transferred to integration team members to optimize knowledge management practices in the playbook. Encouraging ongoing feedback and refinement of the playbook based on lessons learned and emerging trends in the M&A landscape ensures its relevance and effectiveness over time (M&A Community Portal, 2023).

Technology for M&A Playbooks

Artificial intelligence increasingly influences various aspects of business operations, with mergers and acquisitions being no exception. Technology is available to help organize and potentially speed up the M&A integration process. These tools include generative AI and software like Midaxo. Completing transactions and successfully driving deal value is an intensive and complex process with many moving parts. New technologies can help and are currently being applied (Ellencweig et al., 2024).

One example of the use of AI in mergers and acquisitions is a McKinsey-developed AI software tool called DealScan that organizations can use to search and evaluate potential targets based on prompts. This generative AI tool can also present the results visually, highlighting keyword results (Ellencweig et al., 2024). Midaxo (2023) highlighted that software tools such as Midaxo Cloud can be utilized for integration management and may accelerate the process. AI tools can also assist with developing M&A playbooks (OpenAI, 2024). A particularly intriguing generative AI tool is McKinsey’s myIMO, which is trained in M&A best practices. This tool can deliver fast answers to questions that can help drive speed during the integration phase (Ellencweig et al., 2024). The integration team can ask myIMO questions such as how to integrate the merged company's brands and draft memos to employees or other stakeholders, in addition to requesting suggestions on implementing change management activities and identifying lessons learned. Generative AI tools will not, however, fix a broken process. However, these tools may help streamline and accelerate the integration process and help assure repeatability (Ellencweig et al., 2024) or offer organizations an opportunity to understand M&A performance at a deeper level (Brahm et al., 2023).

Noghrehkar (2023) provided a comprehensive overview of how AI is reshaping the M&A process. The authors highlighted machine learning and natural language processing to enhance deal sourcing, streamline due diligence, and optimize valuation models. Noghrehkar further emphasized the dual nature of AI’s impact—while AI technologies offer substantial efficiency gains and enhanced analytical capabilities, they also introduce challenges such as data privacy issues and the need for careful human oversight. In contrast, Kilpi (2023) focused specifically on ChatGPT and its practical applications in the M&A sector. ChatGPT, an advanced AI language model, can aid in drafting strategic documents, automating routine tasks, and providing insights. Kilpi (2023) showcased how ChatGPT can be used to create an M&A playbook, thereby improving knowledge management and decision support. However, Kilpi (2023) noted that while ChatGPT can handle many tasks efficiently, it cannot replace the nuanced judgment and strategic thinking required in complex M&A scenarios. There are other AI tools similar to ChatGPT, such as CoPilot and Gemini.

Ellencweig et al. (2024) shifted the focus to generative AI (GenAI), representing a more advanced form of AI technology. GenAI's capabilities include generating predictive models, simulating various M&A scenarios, and delivering deeper analytics. They argue that GenAI can significantly enhance strategic planning and integration processes such as the McKinsey tool and DealScan. Nonetheless, the authors cautioned against overestimating AI's capabilities, stressing the significance of a balanced approach that integrates human expertise to avoid potential pitfalls. Notably, AI can increase certain risks, such as security breaches, intellectual property infringement, and the chance of poor results if the user does not understand the subject.

A comparative analysis reveals several common themes and differences among the articles. All the sources acknowledge AI's transformative potential in M&A, but they approach the topic from distinct perspectives. Noghrehkar (2023) provided a broad view of AI's current and future roles, offering a balanced discussion of benefits and challenges. Kilpi (2023) shared a practical look at ChatGPT's role in developing M&A playbooks, focusing on immediate applications and benefits. Ellencweig et al. (2024) presented a forward-looking view of GenAI, highlighting its advanced capabilities and potential future impact. The consensus reflects a broader recognition and caution that human expertise remains crucial for successful M&A processes despite AI's growing capabilities.

As AI continues to move forward, its role in M&A will likely become more sophisticated, offering opportunities and challenges that organizations must navigate carefully. M&A playbooks are a key beneficiary of these AI tools and are vital in facilitating consistent, timely, and successful outcomes in M&A transactions. By following a structured approach involving stakeholder engagement, documentation of best practices, effective communication strategies, technology, and continuous improvement, organizations can leverage M&A playbooks to enhance the efficiency and effectiveness of their M&A activities. Organizations do not have to go it alone, nor do they necessarily always need paid consultants. M&A playbooks utilizing the available technology can be implemented to help direct the team through all phases of mergers and acquisitions. Having an M&A integration playbook is a worthwhile tool that helps ensure a successful merger that ultimately drives deal value. By utilizing a playbook, integration teams can better coordinate their efforts and respond more quickly to issues that arise during the integration phase, allowing them to drive speed, consistency, repeatability, and accountability. Appendix F provides a table of M&A playbook content suggestions by phase and includes descriptions for each suggested content item. Appendix G provides two examples of M&A playbook outlines.

Optimizing Performance in Preparation for an Exit Strategy

Preparing an exit strategy can help owners increase the valuation they receive for their business and attract more potential buyers. By considering the best practices of other companies and learning from their experience, valuation can be increased, buyers can be attracted, risk can be reduced, and a smooth transaction can be ensured (Silva, 2023). An exit strategy is the method chosen by the company's ownership to step away from ownership and decision-making for the firm (Hohen & Schweizer, 2021). Green et al. (2018) noted that a poorly executed exit strategy can turn a successful deal into one with mediocre or poor results.

Clean Up Financials

Lusco (2023) stated that before engaging potential buyers, management must ensure the business has clean books to maximize potential deal value and avoid having potential buyers walk away. Silva (2023) added that a process for preparing and distributing financial statements and reports should be developed and a standard accounting software package utilized. Another area to focus on is cash management. Consider monitoring and optimizing cash flow and working capital. Standard financial controls such as regular audits, segregation of duties, and strong financial policies should be in place (Silva, 2023). Not only will these actions make the company more attractive to buyers, but they will also improve the business's financial health.

Streamline Operations

When preparing for sale, any operational inefficiencies are best cleaned up. Efficient operations can increase the value of the company. Processes should be improved, and any debt should be reduced as much as possible. A system that can provide any requested data will also ensure a smooth transaction (Lusco, 2023). Silva (2023) added that a lean organization minimizes waste, excess inventory, and unnecessary expenses. This helps maximize the profit margin and increase the firm's valuation. Buyers will also pay a premium for a company perceived to have lower risk. Green et al. (2018) noted that buyers have become more sophisticated and methodical, with a deep understanding of the specific markets in which they operate. This means that the due diligence process is more detailed than ever. The buyer and seller must be ready and prepared for the due diligence phase. Green et al. (2018) further upheld that successful exit sellers execute a readiness scan of their business 18 months before the expected exit. This period gives management time to address any concerns and weaknesses in performance and metrics, including the work of streamlining operations.

Strengthen the Management Team

Silva (2023) emphasized that a strong management team is crucial for the success of any business. Potential buyers also want to feel comfortable that the management team can lead the company after the owners depart. A good management team will provide experience, leadership, and an ability to drive performance. Hiring the right managers can be challenging, so starting the process early and considering succession planning is also essential. A strong management team can support the M&A process, helping to ensure the deal closes and has a smooth integration process (Silva, 2023). Tarba et al. (2019) highlighted that mergers and acquisitions mainly fail because of incompetent or ineffective execution of integration processes. Since this is a common cause of M&A failure, leaders should ensure they understand how to drive value during the integration phase. Lusco (2023) agreed that a strong management team is critical and added that the next step is to consider how responsibilities can be transferred to the team in preparation for the transition post-deal. Stakeholder agreement is also essential, particularly for major shareholders, senior managers, and board members. The level of stakeholder commitment will determine the organization’s exit strategy’s success. Meetings with all the stakeholders should begin early in the process to ensure these groups are all in agreement with the exit strategy and have a chance to provide input (Wimer, 2022). Green et al. (2018) added that with deal multiples getting higher and higher, sellers are expecting better terms, and stakeholders need to recognize these changes. Hohen and Schweizer (2021) contributed that some owners consider a stewardship exit strategy where the business is passed on to the family or a management buyout is implemented, while others, especially those that are investor-backed, consider a financial harvest strategy where the business is sold via M&A, or sold to the public via an initial public offering. Hohen and Schweizer (2021) extended the discussion, stating that in either case, most exits eventually are financial harvest strategies, which are plans for the investors to maximize their profits.

Understanding How Value Is Provided

Lusco (2023) noted that firms should identify their most compelling differentiators and market them to buyers with an engaging elevator pitch and presentation with consideration for the firm’s unique product or service attributes, what drives brand equity, and any unique technology or patents the seller may possess. Orosz (2022) agreed that the seller can maximize price by showing how the business is differentiated or complex to replicate. In other words, either show or develop a competitive advantage.

Compliance and Risk Management

Ensuring compliance with regulations and effectively controlling risks is essential for a business’s long-term success. Lusco (2023) stated the importance of resolving any pending potential legal liabilities. A thorough audit can also help identify and mitigate any compliance or risk issues.

Prepare Documentation

To ensure a smooth and efficient process, consider organizing and preparing all relevant organizational and legal documents, such as financials, audits, contracts, insurance licenses, payroll data, and asset lists. Also, the process will include consulting with a CPA on optimizing the deal’s tax strategy (Lusco, 2023). Silva (2023) added that processes should be in place for necessary documentation that is repeatable and accurate. Important documentation should be stored in a centralized location and kept up to date. Orosz (2022) also noted that documentation should be provided to back up the growth story and forecasted revenue to help maximize the value of the business. Figure 9. Shows these best practices for exit strategies visually.

Ethical considerations are essential to business, including M&A and exit strategies. One term that connotes appropriateness, or doing the right thing, is the concept of virtuousness. For example, the idea is that using a virtuous business model is equated with leadership focused on being and doing good. When implemented correctly, this allows organizations to achieve the highest potential of humans and virtuous teams. Hein and Wilkinson’s (2015) discussion on the virtuous business model, while not directly addressing mergers and acquisitions, can help foster a unique approach to mergers, prioritizing ethical considerations and long-term sustainability over purely financial gains as part of a desired exit strategy. By instilling principles of integrity, social responsibility, and servant leadership into its business practices, an organization shapes a corporate culture that values the well-being of all stakeholders involved. Hein and Wilkinson (2015) emphasized transparency and open communication throughout a process, such as a merger or acquisition process, to help ensure that decisions are made with the utmost consideration for the impact on employees, communities, and the environment. Rather than focusing solely on short-term profitability, this model encourages companies to assess the ethical implications of their actions and strive for win-win outcomes that create value for all parties involved. As a result, M&A and exit strategies under considerations noted in the virtuous business model can be characterized by a commitment to sustainable growth, responsible stewardship for all stakeholders, and the promotion of human flourishing (Hein & Wilkinson, 2015). Hendricks et al. (2020) discussed that managers who exhibit virtuous leadership can directly influence the well-being of their subordinates, with trust in the leaders as a critical driver. Green et al. (2018) added that being prepared to disclose and discuss risk openly is part of virtuous business and assuring deal closure.

By focusing on these areas, organizations can enhance their performance and maximize their value in preparation for an exit strategy. Orosz (2022) suggested that organizations should consider prioritizing profitability as part of the process. Allow enough time to ensure all these best practices can be completed before the business is marketed and the team executes the chosen exit strategy. This will drive a smooth process and a successful outcome for the sale.

Metrics Used in Each Phase of M&A and Exit Strategy

Metrics and measuring performance are utilized to drive business success, and M&A integration calls for achieving defined milestones early. With the widespread usage of analytical tools, organizations might think business performance measurement has dramatically improved (Brahm et al., 2023). This is not always the case. Often, organizations end up measuring the wrong things. When organizations focus on the wrong metrics, there can be severe negative consequences, resulting in management making poor decisions. The most valuable metrics will align with and balance corporate priorities and measure activities that support the desired results. These metrics can also be measured accurately and benchmarked against past performance and competitors (Alvarado, 2016). Good metrics help drive the correct actions and behaviors across the organization. One issue that sometimes occurs is focusing on a single metric, which becomes an obsession-skewing behavior that can cause customer issues. Careful thought should be given to which metrics matter to the organization and how they will impact employee behavior and results (Brahm et al., 2023). Another consideration is whether the organization can measure these metrics with accuracy. There is also the need to determine any weaknesses in measuring a specific metric while also paying attention to how the metric impacts the operating model and balance (Alvarado, 2016; Brahm et al., 2023).

Organizations should employ a range of metrics for M&A and exit strategy (Brahm et al., 2023). The metrics are the same from pre-merger through purchase, but a few specific metrics should be added during the integration phase. Chepul (2020) provides guidance on standard metrics organizations use to plan and assess outcomes. These metrics are discussed in the following areas organized by phase. Alvarado (2016) and Brahm (2023) describe integrating dashboards to update KPIs to help track the successful completion of key initiatives.

Pre-Merger Through Purchase Phase

Sales and sales growth rate relative to the market growth rate to determine if sales growth is at least as good as or better than the market average. These are calculated by comparing sales to the prior year and comparing them to the market. The calculation is ((*current year's sales – prior year's sales*) ÷ *current year's sales*) x 100 (Carnes, 2022; Chepul, 2020).

Revenue per employee indicates how efficiently the business is run. It can also be compared to the industry average. The metric is calculated as *total revenue ÷ number of employees*. A lower-than-average ratio indicates that more investigation should be done to determine where the weakness may be (Carnes, 2022; Chepul, 2020).

New customer growth can easily be calculated by tracking new customers who place orders for the first time per period chosen (Lusco, 2023). New customer growth will indicate how well the sales team is developing new business.

Profit margin should be reviewed over time and compared to competitors. Profit margin is calculated as (*gross profit ÷ total revenue*) x 100 (Carnes, 2022; Chepul, 2020).

To understand any associated risk, *customer concentration risk* indicates strategic success relative to competitors. Concentration risk is calculated as the *revenue from the top 10 customers in the last 12 months ÷ gross revenue in the last 12 months* (Jean, 2022).

EBITDA should be measured over multiple years and compared to competitors if possible. EBITDA is determined as *operating profit* + *depreciation* + *amortization* (Bridges, 2024; Chepul, 2020).

Debt-to-equity should be reviewed and compared to industry averages, which indicates financial risk. Debt-to-equity is calculated as *total liabilities ÷ shareholders' equity* (Carnes, 2022).

Cash flow is an important KPI indicating how well cash is managed. Cash flow can be measured as *net income* + *non-cash expenses – change in working capital* (Jean, 2022).

The *current ratio* is also a useful financial KPI that indicates the ability to pay short-term obligations. The current ratio is determined using *current assets ÷ current liabilities* (Jean, 2022).

Lead time and *on-time delivery* should be reviewed and compared to industry averages, particularly if these are utilized as a differentiator. They are calculated by tracking the completion time (Carnes, 2022).

Inventory turns are good indicators of cash flow management and should be viewed over multiple years. Turns are calculated as *COGS (cost of goods sold) ÷ average inventory value*. If possible, compare turns to the industry average (Carnes, 2022; Jean, 2022).

Deal closure time can help drive efficient processes and reduce market uncertainty. Deal closure time measures the time elapsed from deal initiation to the official deal signing (Bridges, 2024).

Integration Phase

Employee retention after the deal has closed is an important metric to watch. This is particularly true of employees who are "A" players. Employee turnover can be measured as the total number of separated employees for a specific period divided by the mean number of employees working within that period (Alvarado, 2016; Chepul, 2020; Jean, 2022).

Employee net promoter score (NPS) can help to determine employee happiness and engagement. A simple NPS survey can be used to determine the NPS, and the goal should be for this to improve over time. Calculating NPS is the *total % of promoters – total % of detractors* (Brahm et al., 2023; Chepul, 2020).

Customer retention is vital for the clients the firm wants to keep. This metric is to be tracked carefully over time to ensure they are being retained. Customer retention is calculated by looking at three measures: ((*the number of customers at the end of a period – new customers during the period*) ÷ *number of customers when the period began*) x 100 (Bridges, 2024: Carnes, 2023; Chepul, 2020; Jean, 2022).

Another practical sales KPI is the *customer satisfaction score* that can be taken by surveying customers. This is calculated using applicable response rates: (*positive responses ÷ total number of responses*) x 100 (Jean, 2022).

Customer NPS is similar to customer retention but measures how likely a customer is to refer the product or service to others. In the post-merger, it is essential to determine if customers are still referring their business. Calculating NPS is the *total % of promoters – total % of detractors* (Brahm et al., 2023; Chepul, 2020).

System conversion and adaptation are essential to track against plan and address if any delays appear. The calculation is simply a matter of tracking completion time. Time is money, and this metric can help drive efficiency (Chepul, 2020).

Sales and sales growth rate relative to the market growth rate to determine if sales growth is at least as good as or better than the market average. These are calculated by comparing the change in sales between the current year and the prior year. The calculation is ((*current year's sales – prior year's sales*) ÷ *current year's sales*) x 100 (Carnes, 2022; Chepul, 2020).

Profit margins ought to be compared to competitors.' The short-term costs that may impact margins immediately after a merger should also be accounted for. This is calculated as (*gross profit ÷ total revenue*) x 100 (Carnes, 2022; Chepul, 2020).

A useful sales KPI is the *sales-to-equity ratio*, which is calculated by taking *net sales ÷ shareholder equity*. This metric shows the efficiency of sales generation per shareholder equity (Jean, 2022).

Cost synergies realized can help track the cost savings predicted from a deal relative to actual results. Cost savings are generated by combining facilities, reducing headcount, or economies of scale. As synergies are utilized to justify a deal, continuous improvement requires clearly understanding how well the synergies are being projected. The calculation is the difference between the *cost savings forecasted – cost savings realized* (Bridges, 2024).

The *post-merger integration success rate* can help measure and drive future improvements in an M&A playbook. Post-merger integration is the percentage of deals that achieve their defined strategic, financial, and operational objectives within a given period. The calculation involves tracking the defined objectives and if they are met within a defined period (Bridges, 2024).

Exit Strategy Phase

Unsurprisingly, the exact metrics an organization will present or review during the earlier stages of M&A are the same metrics a seller will want to optimize when prepping for their exit strategy phase (Jean, 2022). The metrics may vary depending on the specific industry, company size, and strategic focus of the M&A. Organizations will often customize their metrics based on their unique situation. Still, the metrics noted should all be considered (Chepul, 2020). Exiting the business requires long-term, comprehensive planning to maximize the value received from potential buyers and ensure ongoing financial success (Jean, 2022).

The most useful metrics that drive the most value are those that support the corporate M&A strategy and can be utilized to measure and review against internal goals and external benchmarks (Jean, 2022). Well-chosen metrics also help employees and managers measure cause and effect and quantify what integration teams need to know (Brahm et al., 2023). Alvarado (2016) highlighted that a balanced approach is best, one that includes financial, customer satisfaction, operations, and employee metrics. The specific metrics chosen will vary depending on strategy, phase, industry, and M&A goals. By carefully building and managing a set of key metrics for the integration process, organizations can help drive speed, consistency, repeatability, and accountability (Alvarado, 2016). Appendix G provides a concise table of metrics showing the M&A phase, the metric name, the formula to calculate, and the metric purpose.

Methods Used to Identify Lessons Learned for M&A Playbook Execution

The last step in a merger and acquisition process is often an exit, which requires an exit strategy. An exit strategy that does not involve careful planning and execution can turn a successful exit into a mediocre one (Green et al., 2018). When a business decides to engage in M&A and optimize the chosen exit strategy, an analogy is to think of the process as preparing for a long-term event, such as a marathon or an Iron Man event. A haphazard approach can lead to a less-than-optimal exit and weak results even after years of doing the right things and working hard. An M&A playbook can help the organization drive deal value successfully, and while each firm's playbook will have similar content, they are not all the same (PwC, 2017). Ellencweig et al. (2024) highlighted the use of an AI "coach" trained on M&A best practices that can deliver answers rapidly and assist in developing an organizational-specific M&A playbook. Understanding the various methods utilized to become informed about M&A integration and exit strategies will help lead to more optimal results. Here, the focus is on identifying the methods researchers and practitioners have used to identify lessons learned.

Cefis et al. (2021) examined the literature on exit strategies from various perspectives. Three decades of literature were reviewed systematically. Baynham (2011) suggested that interviews with senior managers can isolate and reveal best practices for successful integration. Experienced managers involved with mergers and acquisitions have seen which practices provide positive results. To capture the maximum value from deals, successful organizations drive employee engagement and understand that culture must be addressed during integration, and employees must be engaged for both successful integration and exit strategies. A method identified for this was culture check employee surveys to identify trends in culture and alignment within the organization (Baynham, 2011). Haller and Johnson (2022) added that technology M&A practitioners use methods to review, capture feedback, and develop best practices to utilize during future deals. This should drive repeatable processes and an improved model.

Tarba et al. (2019) described a cultural difference study that reviewed the impact of cultural differences and integration effectiveness of M&A performance in the high-tech sector. In this study, several companies were drawn from an extensive list of completed mergers and acquisitions in the high-tech industry. Senior executives who were involved in these acquisitions were contacted and interviewed in personal meetings. Questionnaires were developed for a survey, and they were either emailed or administered in person. The quantitative data was then analyzed utilizing a partial least square approach.

Dickinson (2013) took a similar approach and researched the use of best practices for employees during mergers and acquisitions in the private sector. Data from successful transactions was collected from senior managers.

Bansal (2015) reviewed the mechanisms practiced during the integration of organizational change using a flexible approach. The methodology chosen was also to interview managers using inductive qualitative techniques. The difference in this case is that employees were also interviewed. Senior managers, HR managers, and integration managers were spoken with for the managerial interviews. Employees were interviewed to gain an understanding of the attitudes and emotions present during the integration process and feedback on task effectiveness.

PwC (2023) discussed their 2023 M&A integration survey results, and their key findings agreed with the information noted in prior sections. Some of their findings included how experience can improve outcomes and talent retention, the fact that a human element is vital for driving value during integration, and the fact that change management skills are required.

The reviewed methodologies on M&A integration reveal a range of approaches and findings. Cefis et al. (2021) reviewed the literature on exit strategies, emphasizing the importance of cultural alignment and employee engagement for successful integration and exits. Baynham (2011) highlighted the use of senior manager interviews, and culture check surveys to identify best practices, while Haller and Johnson (2022) focused on capturing and applying feedback from technology M&A practitioners, including optimizing processes. Tarb et al. (2010) used quantitative methods, including surveys and interviews with senior executives, to explore cultural impacts on high-tech M&A performance, but lacked employee-level insights. Dickinson

(2013) employed qualitative interviews with senior managers, capturing nuanced best practices but missing broader employee perspectives. Bansal (2015) offered a broader view by including managers and employees and addressing integration attitudes and emotions. PwC (2023) supported prior findings on experience, talent retention, and human elements using executive surveys, aligning with earlier results but focusing mainly on managerial perspectives. WTW (2022) similarly stressed employee experience and recommended various research methods, including surveys and focus groups. A key surprise is the consistent emphasis by several authors on managerial insights over direct employee feedback, highlighting a notable gap in capturing comprehensive employee experiences during integration. Appendix I lists the methods discussed.

Synopsis of the Literature Review

Diverse resources from practitioner and academic journals were utilized in this literature review to help understand the tactical and strategic aspects of the M&A process and exit strategies. This research included academic research, white papers, reports, practitioner and trade journals, popular journals, such as the *Harvard Business Review,* and websites to ensure various relevant, timely, and enlightening sources were considered. This review has shown that the best-developed deals typically provide indifferent returns for stakeholders (Angwin et al., 2022; Carroll & Mui, 2013; Sherman, 2023). Post-deal challenges can relate to optimal integration speed, the level of integration, integration management, communications, employee motivation, or especially the lack of motivation, and cultural integration challenges (Junni & Teerikangas, 2019). Additionally, organizations considering an M&A should consider the cultural fit and integration of the two cultures (Calipha et al., 2010). Notably, assuming synergies that are only an illusion is a common M&A mistake, along with poor execution during the integration phase, minimizing cultural differences between the organizations, and lack of a critical and deep enough analysis during due diligence (Carroll & Mui, 2013; Sherman, 2023). Sherman (2023) added that specific stakeholders may pressure the due diligence team to get the deal closed during the due diligence phase. This rush to close can lead to essential issues remaining hidden until the integration phase.

Several researchers have recognized cultural disparities as a hindrance to enhancing long-term value through mergers and acquisitions (Cefis et al., 2012; Baynham, 2011; Tarb et al., 2010). These disparities may arise from a dearth of trust between senior management and both employees and customers, resulting in conflicts, diminished employee morale, and elevated turnover rates, thereby undermining anticipated synergies from the transaction. This prevalent obstacle to M&A triumph emerges because of the disproportionate emphasis on financial aspects, neglecting the human element and the imperative of sustaining employee engagement (Calipha et al., 2010; Fondrevay, 2018; Hodgson, 2023). Lafley and Martin (2023) added that employees of both organizations should be part of the integration team. Frequent and clear communication is required for M&A deal success (Fondrevay, 2018; Hodgson, 2023; Sherman, 2023). Clear communication is essential, and senior executives should be involved in this process. The literature does not provide significant details on what a post-deal M&A communication plan should look like, but it is clear that frequent communication is best.

Delis et al. (2022), Haller and Johnson (2022), and Shah and Hermoye (2020) highlighted the necessity for a replicable and standardized framework to steer the merger and acquisition process, commonly referred to as an M&A playbook. These researchers also underscored that the integration phase presents the highest risk of failure in a deal; however, a robust and repeatable process can enhance the chances of a successful outcome. Companies that leverage their in-house expertise to formulate a robust M&A integration model tend to achieve superior shareholder returns and deliver increased deal value for stakeholders. Haller and Johnson (2022) added that regular deal reviews can assist with optimizing M&A processes and outcomes. The positive impact on merger and acquisition outcomes from an M&A playbook provides a roadmap and best practices in the form of a step-by-step guide, also noted by several authors (Dever, 2023; M&A Community Portal, 2023).

Successful organizations typically utilize metrics to drive continuous improvement in their processes and employee performance**.** The use of metrics during M&A phases is no different. Several authors noted the importance of key metrics that organizations will find beneficial to plan and assess outcomes during the mergers and acquisitions process. Organizations should employ a range of these metrics for M&A and exit strategy (Carnes, 2022; Chepul, 2020; Jean, 2022). The metrics may vary depending on the specific industry, company size, and strategic focus of the M&A, but metrics are beneficial to consider in all cases.

Lusco (2023), Orosz (2023), and Silva (2023) reviewed and discussed preparing an organization's exit strategy. Suggestions included financial cleanup, strengthening the management team, understanding how value is created, and excellent document preparation. Key methods were also identified to drive organizational readiness for an M&A exit strategy. While the exit period is often challenging, the suggested methods can enhance returns for the seller and allow a smoother and more successful transition for the buyer (Green et al., 2018; Wimer, 2022).

Despite the best intentions for driving value, M&A deals often fail to provide the expected outcome due to poor due diligence, overestimating synergies, cultural clashes, and integration challenges. Understanding these factors is crucial for organizations to successfully navigate the complexities of mergers and acquisitions and increase their chances of success with these investments. M&A success is not by chance but the result of a strategic approach. A guided and repeatable process best supports solid due diligence, good communication, cultural consideration, and effective integration. Organizations that want to develop a successful track record with mergers and acquisitions should utilize a well-designed M&A playbook.

Need for Further Investigation

The detailed literature review in this section supports answering the overarching research question by examining the critical phases of M&A and how organizations can optimize performance in each phase, with particular attention to the integration phase. Both practitioner and academic aspects were reviewed, and exit strategy was also researched as part of this review of the M&A process. Best practices and benchmarks were also analyzed for the M&A process and exit strategies. This review gives an understanding of current practices for M&A, with a particular focus on the technology and telecommunication industries.

Carroll and Mui (2013), Junni and Teerikangas (2019), and Sherman (2023) highlighted that the integration phase is the most challenging. In particular, there is a concern about the impact of M&A on employees. This review supports the need for further investigation into the human aspect of M&A, with a focus on the integration phase. Despite extensive research completed in this stage, knowledge gaps remain, which indicates further research is required. Research is needed to determine how employees feel during the integration phase, what cultural alignment and motivation issues may be present, their impact on employee performance during integration, and how this might be improved. While concerns should be addressed during the pre-merger phase and the due diligence process, the integration phase is the most challenging and the phase where failure is most likely to occur. Critical issues during integration, such as employee communication and motivation, have been identified as challenges to driving value successfully. However, information on identifying and improving this situation is unavailable, specifically at Surf. This means the major gap in the research involves determining how to measure if these issues exist at Surf Internet and to what extent. These issues can only be determined by conducting research at Surf Internet locations. Several methodologies were reviewed to understand what methods other researchers have utilized. The optimum methodology will confirm or disaffirm that human issues, such as culture clashes and lack of motivation, are experienced during the integration phase and if the M&A process has been optimized.

Research in this phase also indicates a lack of detailed M&A playbook outlines. While examples exist, few are available, and they mainly provide limited details. This lack of examples that can be utilized for M&A playbooks indicates another significant gap in the existing literature. AI was utilized to examine how AI tools can enhance the development of an organization-specific M&A playbook, building on the previous work done using ChatGPT to create an M&A playbook (Kilpi, 2023). Then, solutions have been developed and provided to Surf Internet as part of an M&A playbook. This should include the best practices and metrics to help improve their process and ability to drive value through acquisitions.

Research can only go so far in determining the issues at Surf Internet and how to provide an optimal M&A playbook outline. Data from Surf Internet employees, best practices from industry experts, and M&A playbook suggestions from AI application tools will be collected as primary research. Methodologies may consist of interviews, surveys, and focus groups with Surf Internet employees who have experienced their merger process and industry experts involved with multiple mergers. There is a need to learn more about communication, attitudes, perceived impact on motivation, and other human issues that may occur during the integration phase. Any information gathered during the research process should help develop an M&A playbook outline that drives Surf Internet’s consistent, timely, and successful merger and acquisition results, answering how Surf Internet can consistently achieve targeted M&A results and deliver exceptional deal value for stakeholders.

Summary

Previously it was noted that the integration phase is the most challenging. In particular, there is a concern about the impact of mergers and acquisitions on employees. This review supports the need for further investigation into the human aspect of M&A, with a focus on the integration phase. This section reviews and discusses the core problem and delves into each of the guiding questions in Section 2. The research included an examination of the practical and scholarly frameworks developed for M&A activities and exit strategies. Lessons in mergers and acquisitions and the best practices in exit strategies were also discussed to determine what is currently known about these processes. Further research is required to determine more details about practices during the integration phase at Surf Internet to discover gaps in practice and performance at their organization. The target is to undertake research that yields valuable insights to drive improvements in their merger process. As the research in Section 3 indicates, the issues are mainly human behavior and process challenges; an ideal research method involves determining how employees at Surf Internet perceive the impact of M&A on them directly.

The following section includes a review of the planned inquiry, detailing the means for conducting research. Data collection processes, analysis, and identification of process improvements Surf Internet can consider improving its M&A results. The ultimate goal is to close the gap with this research to enable guidance for Surf Internet with an M&A playbook outline that offers a change management plan showing phases, clarifying points, and contingencies to enhance the performance of Surf Internet and other organizations during M&A and exit strategies.

Section 4: Multiple Perspective Inquiry and Test Solution

The previous section included a comprehensive review of the guiding questions. Best practices in mergers and acquisitions, key performance metrics, and benchmarks were also reviewed. The best practices identified through secondary research were triangulated with the primary research to identify a solution for Surf Internet. This additional research is required to understand what is happening during the integration phase at Surf Internet and to learn more from M&A experts with extensive merger experience.

This section presents the multiple perspectives framework and outlines the proposed inquiry design, methodology, data collection methods, and analysis techniques. The inquiry aims to create a tailored solution for Surf Internet using the multiple perspectives framework, the research conducted in the previous section, and the primary research detailed in Section 4. Also included is a discussion of the study's limitations and applicability to broader contexts. This section concludes by providing an evidence-based recommendation for the proposed solution.

Multiple Perspective Framework

Taking a multi-frame perspective approach involves examining issues from more than one perspective. Only considering one perspective can be limiting and result in less-than-ideal solutions. Rethinking this approach implies reflecting on frameworks and potentially addressing the limitations inherent in simplified approaches (Meglio, 2022). Two frames are utilized to develop the lens through which to conduct the analysis: the IWU virtuous business model and Horsager's (2021) eight pillars of trust. These frames provide a well-developed and multiple-perspective approach to developing an optimal and virtuous solution for Surf Internet.

The VBM

The VBM framework developed at Indiana Wesleyan University (IWU) integrates Christian ethics with business practices. It emphasizes how businesses can operate profitably while upholding virtuous values like integrity, justice, compassion, and humility to operate as virtuous organizations. The VBM is designed to help companies align their operational goals with higher ethical and spiritual principles, often inspired by Christian teachings. There are several Key components of the VBM:

- Virtuous leadership emphasizes leading with integrity, humility, and compassion. Leaders are encouraged to serve others and make ethical decisions for the benefit of all stakeholders, not just shareholders. Virtuous leadership is the foundation of a virtuous organization. Leadership must set an example and demonstrate a commitment to developing social and spiritual capital, not just financial ones (Hein & Wilkinson, 2015).
- Purpose beyond profit states that although profit is essential for sustainability, the model promotes the idea that businesses should have a purpose beyond financial gain, such as contributing to the common good or advancing a moral mission. This drives social capital.
- Stakeholder value creation through VBM advocates for creating value for all stakeholders, including employees, customers, suppliers, communities, and the

environment, rather than prioritizing shareholder profits alone. This helps drive spiritual capital (Hein & Wilkinson, 2015)
- Virtuous organizations are principled, proficient, and profound in value creation. This helps drive economic capital (Indian Wesleyan University, 2023).
- Ethical culture promotes a workplace where ethical behavior is modeled and encouraged. This might involve fair treatment of employees, transparency in communications, and building trust within and outside the organization.
- Faith integration in VBM for Christian-based organizations also emphasizes integrating faith into the workplace, encouraging a supportive environment for spiritual growth, and recognizing the influence of Christian values in shaping business ethics, further driving social, economic, and spiritual capital at an organization (Hein & Wilkinson, 2015).

The VBM is a tool that helps virtuous organizations to align all organizational activities and decision-making with a set of core values, ensuring that the organization consistently acts in an ethical and socially responsible manner, which is a key tenet of a virtuous organization; essentially, it creates a framework to operationalize the organization's ethical principles and promote long-term sustainable value creation for all stakeholders. Hein and Wilkinson (2015) noted that business leaders sometimes fail because they define their organization by financial performance rather than a higher purpose. Virtuous organizations encourage open dialogue and communication, engage in improved decision-making through logic and discernment, and ethics are considered. Following these principles, the VBM framework is useful for guiding organizations in achieving sustainable success while fostering a positive social impact and adhering to Christian ethical standards.

Eight Pillars of Trust

The concept of the eight pillars of trust, based on the book *Trusted Leader* by Horsager (2021), was also integrated as a complimentary multi-frame way of thinking because of the high incidence of M&A failure (~70%) and that "loss of trust is at the root of most of these failures." (Whipple, n.d., para. 1). Horsager's (2021) eight pillars—clarity, compassion, character, competency, commitment, connection, contribution, and consistency—can help increase organizational trust (Horsager, 2021), which is essential to M&A success. Figure 10 shows the eight pillars.

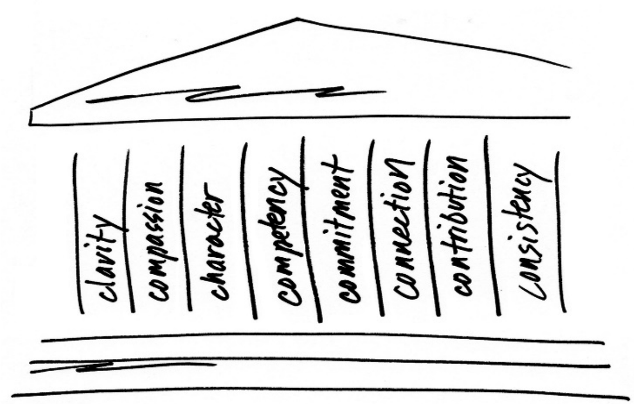

Figure 10. *The Eight Pillars of Trust* (Horsager, 2021). Used with permission.

Horsager (2021) defined each of the pillars. *Clarity* emphasizes the need for clear communication and transparent expectations, while *compassion* builds trust by demonstrating genuine care for others. *Character* is rooted in ethical behavior and integrity, ensuring actions are aligned with stated values, while *competency* involves staying skilled and relevant to meet expectations effectively. *Commitment* reflects loyalty and resilience, showing dedication even when times are tough, while *connection* strengthens trust through meaningful relationships. *Contribution* highlights the importance of delivering results and proving reliability and value. Finally, *consistency* is about being dependable over time, reinforcing stability and reliability. Together, these pillars create a comprehensive framework that builds trust through authenticity, competence, and positive relationship-building. This perspective was ideal for viewing the issues at Surf during M&A integration.

For this study, four pillars were focused on and used explicitly: clarity, character, connection, and consistency. A chain of command structure falls apart without trust, and trust requires clarity. The clarity pillar is the assurance that crystal-clear communications are always maintained. The higher the level of clarity, the more trust a leader builds (Horsager, 2021). Clarity increases morale and employee engagement. The character pillar is strongly associated with leadership, which is also aligned with virtuous leadership. Horsager (2021) observed that character is a crucial ingredient of trust in an organization. Leaders of high character have integrity and are driven by a solid moral compass. Building an organization of character requires leadership that actively communicates this message with words and deeds (Horsager, 2021). This aligns with the VBM discussed below in that virtuous leaders engage with the world across personal, spiritual, and professional spheres that require an ethical and virtuous approach (Hein & Wilkinson, 2015). The third pillar is connection, which is the idea that issues can be solved quickly when employees have strong relationships. When employees feel a connection with their leaders, communication becomes more efficient, allowing for faster resolution of challenges and quicker implementation of solutions. Trust plays a crucial role in this dynamic; it fosters relationships that contribute to a culture of collaboration. As a result, communication is not only faster but also more accurate (Horsager, 2021). The fourth pillar is consistency. Consistency builds strength and belief in leadership and others over time, especially with consistent and frequent communication because trust—which is fragile—increases or decreases with each interaction (Horsager, 2021). Hendriks et al. (2020) pointed out that a leader's consistently virtuous behavior signals to employees that their leadership will behave virtuously in the future. Consistency is vital to virtuous leadership.

Frameworks Integrated

Hein and Wilkinson (2015) highlighted that the VBM is essential for business so that a market benefits from honesty in business dealings, noting that virtuous leadership is the foundation of a virtuous corporation. Virtuous leadership requires that ethical considerations be part of significant business decisions, including decisions made before, during, and after merger and acquisition activity at an organization. Leadership can fail when they solely define their performance utilizing financial metrics. When leadership strives for virtue, it can positively frame a problem or decision, optimizing impact on all stakeholders. This includes leadership encouraging open dialogue and the exchange of information (Hein & Wilkinson, 2015). Hendriks et al. (2020) suggested that virtuous leaders can influence employees' morale with trust at the center of this influence. Virtuous leadership increases morale and improves trust in the leader and the organization; this trust helps improve the employees' well-being, which helps drive improved business performance (Hein & Wilkinson, 2015; Hendricks et al., 2020). Hein and Wilkinson (2015) stated that a firm that can be trusted has more excellent value. Horsager (2021) added that trust is essential, and a business must be built to be trustworthy.

Merging the virtuous business model and Horsager's eight pillars establishes a comprehensive ethical, sustainable, and trust-based organizational leadership approach. This framework, designed for companies aiming to uphold virtuous values while driving trust and performance, emphasizes alignment between ethical principles, operational practices, and trust-building elements essential for fostering stakeholder loyalty and engagement. Integrating economic capital, a component of the VBM, and the eight pillars of trust creates a framework for sustainable growth that is both ethical and financially sound. In the VBM context, economic capital goes beyond financial stability; it aligns with the principles of being principled, proficient, and profound (Indiana Wesleyan University, 2023), which guide organizations toward responsible and resilient value creation. Here is how economic capital fits into each of these three principles:

Principled

Being principled means upholding ethics and values that resonate with stakeholders (OCEG, n.d.). Economic capital translates to transparent and responsible capital allocation decisions. Rather than solely maximizing shareholder profit, principled economic capital management prioritizes stability, fair stakeholder treatment, meeting regulatory standards, and long-term trust for an organization. The pillars of *Trusted Leader* help guide this principle.

Proficient

Proficiency in managing economic capital means effectively quantifying and allocating it to manage risks across various operational functions (Kenton, 2020). This includes accurately assessing operational and reputational risks, making informed decisions, and aiming for a high standard of capital efficiency that supports financial stability and the company's ethical goals (McKinsey & Company, 2023). PwC's (2014) seven tenets will also help guide this principle during the development of the solution.

Profound

The profound aspect of economic capital in the VBM means using capital for profit and meaningful, impactful investments that contribute to a larger purpose (Koller, 1994). Capital is allocated to projects that benefit communities, promote environmental sustainability, and foster innovations that align with the company's values and enhance the organization's reputation. The M&A playbook, which provides knowledge and insight, will drive the wisdom to be profound.

Organizations can foster a resilient and trusted business environment by aligning economic capital management with the VBM's principled, proficient, and profound framework and the eight pillars of trust. This approach ensures that financial health is maintained without sacrificing ethical commitments, thus creating a competitive advantage rooted in long-term stability, stakeholder trust, and meaningful impact. It allows a company to fulfill its economic and ethical obligations, reinforcing a cycle of sustainable value creation that benefits all stakeholders. Figure 11 shows the virtuous organization aspect of the VBM for economic capital.

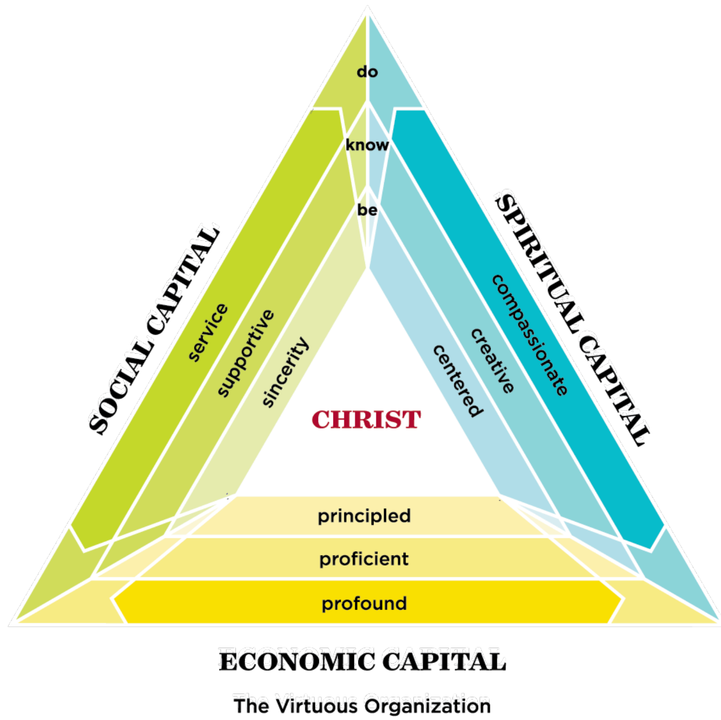

Figure 11. The Virtuous Organization. From *Virtuous Business Model* (Indiana Wesleyan University, 2024). Copyright 2016. Reprinted with permission.

These frameworks are combined based on the theory of triangulation that utilizes different lenses to analyze and interpret the study findings and test the validity through the convergence of multiple frames (Carter et al., 2014). Triangulation is discussed later in Research Methodology. A multiple-perspective framework incorporating the VBM and trusted leadership provides a comprehensive approach to organizational effectiveness and creating value. The VBM promotes ethical practices and social responsibility, aligning organizations with positive societal impact. This model encourages organizations to prioritize values contributing to long-term sustainability and stakeholder trust (Indiana Wesleyan University, 2024). Trusted leadership promotes trust through key pillars organizations can utilize to create a culture where trust thrives (Horsager, 2021). This combination is illustrated in the multiple-perspective framework in Figure 12.

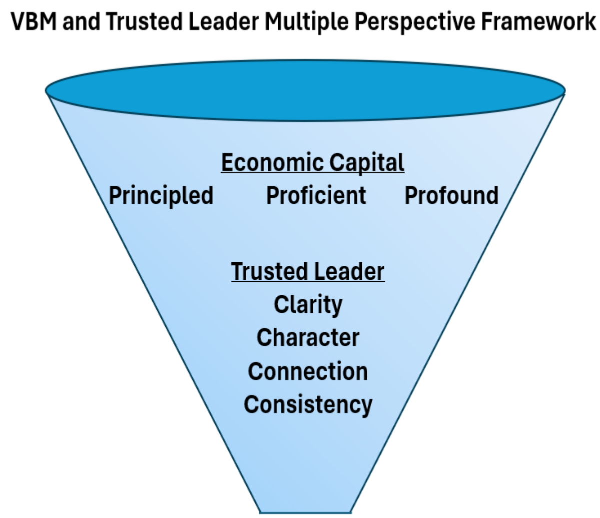

Figure 12. *VBM and Trusted Leader Multiple Perspective Framework*.

By integrating these elements, the framework provides a holistic approach to building trust and achieving successful organizational integration, ultimately enhancing speed, performance, and resilience in a competitive landscape.

Planned Inquiry

Further investigation and analysis were required to identify effective strategies for integrating two organizational cultures during merger and acquisition processes. There was a need to learn more about communication, attitudes, perceived impact on motivation, and other human issues that may occur during the integration phase of mergers and acquisitions, particularly at the partner organization, which was the identified gap in information following the literature review. This included performance enhancement that may be advantageous for a planned exit strategy. The partner organization has an exit strategy that requires them to build out their network and rapidly grow broadband customers. The plan included promoting their conceivable acquisition pipeline and active market builds to potential investors (Houlihan Lokey, 2023b).

The research in this section was designed to answer the overarching question: Based on best practices and prior merger and acquisition lessons learned, what content elements should be included in the customized design of an M&A integration playbook to help Surf Internet consistently achieve targeted M&A results and deliver exceptional deal value for stakeholders through standards set for speed, consistency, repeatability, and accountability in light of their planned exit strategy?

One possible method of research was a quantitative-only approach. That approach would have focused on surveys and other quantitative instruments. Surveys could have been taken from a broader data set. For example, survey samples could have been taken across all Surf Internet locations. This method may have provided more quantitative data but may have lacked depth in understanding nuances or contextual factors. Another method was a qualitative-only research approach. The researcher could have conducted in-depth interviews and focus groups without a quantitative survey component. This approach could have included more extensive qualitative techniques, such as case studies. These qualitative-only methods would likely have lacked generalizability due to smaller sample sizes and would not have provided the benefits and triangulation of mixed methods.

Creswell and Creswell (2024) suggested that collecting various types of data results in a more complete understanding of the issue than qualitative or qualitative data alone and that the combination, termed mixed method, overcomes the limitations of either method alone. Merriam and Tisdell (2017) added that a survey might indicate how someone feels. However, additional insights can be gained by adding a qualitative component, such as a focus group. The mixed methods approach in this inquiry provided triangulation when combined with the literature review due to the multiple sources and methods. The overall aim was to increase validity and credibility. The planned methods selected for this doctoral study included surveys, focus groups, and interviews. IRB approval was required due to the planned inclusion of human subject research.

The mixed methods applied research was purposefully designed to gain prior M&A experience insight from each participant. The plan included traveling to three Surf Internet locations. The survey instrument, a quantitative tool, was utilized at all three Surf locations. This was followed by a focus group meeting at each site with the same participants, which added a qualitative component. The survey and focus group were completed on the same day at each location. The next step in the plan was interviews with two M&A experts, which added another qualitative component. Merriam and Tisdell (2017) noted that collecting additional qualitative data can explain the findings in more depth. The quantitative data can provide information on beliefs about issues, such as culture, but the qualitative interviews provide cultural stories and specific examples of these beliefs (Merriam & Tisdell, 2017). Information on M&A best practices currently in use at the interviewees' organizations was the focal design for the planned interviews. Seidman (2019) highlighted that interviews are a powerful method to gain an understanding and insights into the experiences of individuals.

Intellectus was pre-selected for use to conduct the quantitative and qualitative analysis. Artificial intelligence was also incorporated into the planned inquiry in two significant ways: (a) to facilitate qualitative analysis of the data from the focus groups and interviews and (b) to aid in the development of the M&A playbook based on the work of Kilpi (2023) in "Creating an M&A Playbook with ChatGPT as Your Consultant." The preplanned use of AI included measures to assess all of the output for logic, completeness, and correctness. Moreover, the research design included broadening the precedent set by Kilpi (2023) to include the secondary and primary research findings, allowing for the output of an M&A integration playbook that would be uniquely designed for Surf Internet in response to the overarching research question. See Appendix J for the flowchart depicting the planned inquiry. Appendix K includes the IWU IRB approval letter. The investigator's and the research advisor's CITI certificates are depicted in Appendix L. A detailed account of the research process follows.

Research Methodology

Crewell and Creswell (2024) commented that case studies are a design of inquiry where the researcher develops an in-depth analysis of a situation. With case studies, researchers gather detailed information using various data collection methods. This primary research was conducted to assist with answering the guiding question by providing information on what has been occurring at Surf Internet. As noted previously, the research plan utilized mixed methods. Importantly, developing trust was considered a high priority for the qualitative portion of the research. Creswell and Creswell (2024) mention that with qualitative studies, a process should be utilized that allows the researcher to build trust with the participants. This need for trust is essential to the proposed research and drives some of the process decisions.

Research Method

Due to the human-subject nature of the research, the planned methods of surveys, focus groups, and interviews required IRB approval. Creswell and Creswell (2024) suggested that collecting various types of data results in a more complete understanding of the issue than quantitative or qualitative data alone and that the combination, what is termed *mixed methods*, overcomes the limitations of either method alone. This results in obtaining a more complete understanding of insights from the primary research. This mixed methods approach provided triangulation.

Doyle et al. (2016) reported that the popularity of mixed methods continues to increase due to the triangulation of quantitative and qualitative methods' ability to collaborate analytical results and the convergence this provides. Mixed methods, with quantitative data collected first and then the collection of qualitative data to help explain the results in more depth, also offer a more complete account of the information being reviewed. Creswell and Crewell (2024) referred to this as a convergent design or triangulation. This convergence results in a more complete understanding of the observed phenomena. With convergent methods, quantitative and qualitative data are collected, and the results are merged during the interpretation phase (Doyle et al., 2016). Heesen et al. (2016) added that method triangulation is more likely to yield correct information for a researcher. Merriam and Tisdell (2017) remarked that qualitative interviews could provide cultural stories and examples of specific situations, providing more context and understanding of quantitative results. An outline of the steps to complete the primary research follows.

Data Sources and Collection Procedures

Data Collection Techniques—Employee Surveys and Focus Groups

Surf Internet has three locations: Elkhart, IN; Howell, MI; and Byron Center, MI. The Elkhart location is the original organization site and operates as the company headquarters. The Byron Center and Howell locations were acquired in 2018 and 2023, respectively. The following steps outline the procedures and details of the implemented research method at those three locations, including the steps to complete the primary research—survey and focus groups:

Step 1

Surf Internet notified the employees regarding the date and time at their location for the survey and focus groups. The Surf Internet chief human resources officer was present at all three locations and assisted with organizing employees and creating a comfortable environment for the research. Employees were also provided with drinks and snacks at each location to help put them at ease.

Initially, the planned inquiry included a question inquiring about the employees' length of service to ensure the participants were present during the merger. However, the question was unnecessary as the chief human resource officer filtered the participants so that only employees employed during the merger were invited to participate. A demographic question was also posed to determine the employee's role during the previous M&A event. The survey and focus group session occurred on different dates/times at each location. Both methods were completed at each location on the same day, with the survey being administered to participants first.

Step 2

The chief human resource officer initiated the session at each location with introductions. The researcher then discussed the process and provided the consent form (Appendix M) and the paper survey (Appendix N). Each participant was then asked to complete the consent form and the survey. The survey forms were color-coded by location to aid the analysis.

Step 3

Once the voluntary participants completed the survey, they placed it in a large manila envelope. This was done to help them trust that the process was anonymous. Following the completion of the surveys, and out of sight of the participants, the researcher reviewed the survey results before reconvening to begin the focus group session.

Step 4

The focus group meeting began with an informal gathering to put employees at ease. A set of questions was crafted beforehand to ensure that the topics most pertinent to the study were discussed (see Appendix O). However, due to the nature of the focus group method and the people gathered for the discussion, the conversations went beyond the questions asked. The researcher, the focus group leader, worked to keep the conversations on point and allowed all attendees to respond. Each focus group session was scheduled to last one hour. The meetings were recorded with the individual consent of each participant. The conversations were also transcribed using Word. As a failsafe, copious notes were also taken during the event.

Step 5

Steps 1–4 were completed on the same day at the three Surf Internet locations, and the primary research was completed within two weeks.

Participants

All employees who were employed during the studied mergers were invited to voluntarily participate in the survey and the focus group session at their location. This included employees at all levels, including executives in the C-suite and managers, directors, and team members. There was one exception to this. While the chief executive officer, located in Elkhart, was invited to complete a survey, the chief human resource officer felt the other employees would be more open in the focus group without the chief executive's presence. The researcher agreed, and the chief executive did not attend the focus group.

The researcher also reminded the participating employees that what happens in the focus group stays in the focus group. Although there may have been informal exchanges of names in the room among the coworkers, the survey form did not request that information be provided. During the focus group meetings, names may have been informally shared, but there was no collection of names associated with their responses during the focus group.

The researcher conducted member checking during the focus group. At various times during the focus group meetings, inquiries were made to clarify what participants were saying, such as: “So what I am hearing you say is . . .” or “So what you said is . . .”

Data Collection Techniques—Subject Matter Expert Interviews

The following steps outline the procedures and details of the implemented research method, including the steps to complete the primary research for the interviews with the M&A experts.

Step 1

An email was sent to the two M&A experts to invite them to participate and ask them to consent to being interviewed. See Appendix P. Suggested dates and times were provided in the email. Participants were informed of the plan to record the session and that the recordings will remain private. Each candidate was given the option to interview and also not be recorded. The interview questions were attached to the email invitations, so the participants had time to review them in advance. See Appendices Q and R. The interviews were conducted after the first survey and focus group and before the other two were completed. One executive is a general manager at a Fortune 500 company, and the other is Darryl Schimeck, an Executive Partner for a private equity firm, Emerald Lake Capital Management. Both executives are active in mergers and acquisitions. The interview questions are listed in Appendix R.

Step 2

One interview was completed in person, and the other was conducted over Teams. Both interviews were recorded and transcribed in MS Word. Before starting the interviews, each candidate was informed of the voluntary nature of the interview and their ability to withdraw from the interview at any time without any negative repercussions.

Data Organization Techniques (Quantitative)

The quantitative data, including employee surveys, has been stored in MS Word. The researcher obtained a license for Intellectus Statistics. The Intellectus Statistics analysis tool was used to conduct a descriptive statistics analysis and summarize the data in table form.

All research data is stored on a password-protected laptop, which only the researcher can access. Consent forms were collected and filed in a locked cabinet in the investigator’s office. Following the primary research, electronic copies of all signed consent forms were sent to the Indiana Wesleyan University IRB in one electronic file, and their receipt was confirmed. All other study documents (hard copy or electronic) will be retained for a minimum of three years after the close of the study by the researcher. After three years, all these materials will be appropriately destroyed.

Data Organization Techniques (Qualitative)
The qualitative data, including the focus groups and the subject matter expert interviews, have all been transcribed and stored in MS Word files. The researcher used AI as a qualitative analysis tool to conduct a thematic analysis and summarize the responses in a table. Although Intellectus had been planned for use to conduct the qualitative analysis, it was later discovered that the program's ability to conduct qualitative analysis is limited.

The researcher has stored all the research data on a password-protected laptop that only he can access. Consent forms were collected and filed in a locked cabinet in the researcher's office. After completing the study, electronic copies of all signed consent forms were sent to the Indiana Wesleyan University IRB in one electronic file, and the receipt was confirmed. All other study documents (hard copy or electronic) will be retained by the researcher for three years after the close of the study. After three years, all these materials will be appropriately destroyed.

Instrumentation (Quantitative)
The quantitative instrument is the survey utilized during the sessions at the three Surf locations (see Appendix N). The survey was designed to get initial insights into how various employees perceived the impact of the merger on them during the integration phase of the merger or mergers they were involved with. Questions focused on how they felt the merger went overall, what they thought about communication during the merger, how it impacted their job, and whether they felt motivated and engaged. Surveys were printed on three different colors of paper, which helped to codify the surveys by location. The approach enabled additional analyses by location: comparing and contrasting the perceived responses about the merger from the employees at Surf's headquarters with those from employees at the two acquired locations.

Data Collection Instruments (Qualitative)
The two qualitative instruments are the focus group questions utilized during the sessions at the three Surf locations and the subject matter interview questions (see Appendices O and R). The researcher developed both tools with the support of his research chair. The focus group questions were designed to measure Surf's employees' perceptions about the integration phase of the merger, mainly what went well, what could have been done differently, and how these employees think the process could be improved. The subject matter expert questions were designed to understand what challenges have been faced by those experienced with M&A and what methods and tools they utilize to improve the M&A integration process and overall results.

Participants and Stakeholders
Surf Internet is a relatively small organization with three locations. The following information shares the details about participant recruitment for each method used: survey, focus group, and interviews. Clarifying information is shared to show the added assurances given to all employees regarding their voluntary participation.

Survey Participants
The Surf Internet senior management team informed employees employed during the mergers at the three locations about the study before the researcher arrived at their location. All employees were informed that their participation was voluntary.

On the day of the researcher's arrival, those who wished to participate gathered in a designated room. After a few minutes, the researcher informed those in attendance about the purpose of the study and reminded them that their participation was entirely voluntary and that there would be no repercussions if they decided not to participate at any time before or during the survey. Anyone not interested in participating was given the option of returning to their desks or staying in the room. No participant exited the room.

Survey forms and ink pens were distributed to all in attendance. The instructions were read out loud. Employees had 30 minutes to complete their surveys. They were instructed to place the survey in a large manila envelope. This process allowed employees who may have planned to "save face" to place the survey in the envelope if they wished not to participate after hearing the instructions and reading the survey questions.

The above process provided ample opportunity for employees to decide whether to participate voluntarily, openly, or privately.

Focus Group Session Participants
Those employees who completed the survey, which included all those attending, were invited to participate in a voluntary focus group session held on the same day. The consent to participate in the focus group was in the survey consent form. As noted, the CEO was the one exception to the focus group invitation.

At the start of the focus group, attendees were reminded that their participation was voluntary. Instructions and engagement etiquette (e.g., one person may speak at a time) were shared. After sharing the instructions and preliminary information, the session was expected to last one hour. Participants were welcome to exit the room at any time while being mindful not to disrupt the flow of the event. Food and drink were provided during the focus group sessions.

Interview Participants
The participants included two senior managers at two different companies: a Fortune 500 company and Emerald Lake Capital Management. They were identified based on their substantial and successful M&A experience. The two managers preliminarily agreed to be interviewed. Once the IRB approved the research, the researcher set up a day and time for each individual interview session and provided the managers with a copy of the interview questions in advance. The managers could elect not to participate at any time up to and including during the interview session. Both managers completed the interview in their entirety.

Ethical Factors Related to Participants and the Organization
Ethical factors are essential to consider for the participants and the organization. Creswell and

Creswell (2024) noted that while there are risks with surveys, they are generally economical to execute, and data collection is quick, which provides inherent benefits. Seidman (2019) adds that while some researchers might think there is little risk in social science research, the risks may not be inconsequential, particularly to the participants.

There was no cost to participants in the research as Surf supported the effort and provided time for the employees. Significant risks were unlikely, but there were identifiable risks. Sim and Waterfield (2019) suggested that the risk to survey participants is that they may feel uncomfortable answering the questions and/or have conflicting views about their decision to take the survey. During the focus group, employees were expected to respond honestly. However, there is a risk that untruths may have been shared, impacting employees' perceptions of the company, management, and/or one another. If an employee said something that incriminated the company, that could be a risk. Employees may also have felt intimidated by the presence of the various levels of management and executives. There may also have been a risk of peer pressure to either speak up or remain quiet on specific topics. Depending on how employees answered the survey and focus group questions, they could have exposed bad feelings towards the company or made negative statements (Sim & Waterfield, 2019).

To protect employees, any information provided has been kept anonymous in the final study. Surf will not be given any raw data, and the identities of any specific statements will be unknown to Surf except those shared among participants, including management and executives within each focus group. In summary, efforts to minimize risks and discomfort included:

- Confidentiality protocols were implemented to the extent possible for each type of methodology: surveys, focus groups, and interviews.
- Data for the surveys and focus groups will remain anonymous. (The interviewee who allowed his name to be used did not face the same risks as the Surf Internet employees.)
- A contact for the primary researcher and IWU were provided to all participants.
- Efforts were made to keep the focus groups and interviews focused.
- There were no financial costs for any of the participants.
- The consent form was clearly written, stating that participants could withdraw anytime.
- The researcher constantly monitored the participants and adjusted to minimize any noted discomfort.
- Food and drinks were provided during the focus groups, which helped to ease participants' fears.

Population and Sampling

At all three Surf locations, all employees present during the merger of FreedomNet or MI Signal were invited to participate. All participants who volunteered answered the surveys and participated in the focus groups, except the CEO, who only answered the survey.

Personal demographic information was not collected to protect the confidentiality of the survey and focus group participants and ensure they remained anonymous. That being stated, the role of each participant at Surf was collected as part of the survey data. Of the 16 surveys completed, three (19%) were senior executives, five (31%) were managers or directors, and eight (50%) were team members. This provided for an excellent cross-section of the organizational levels at Surf. For the acquired locations, six employees remain at Byron Center from the acquisition that took place in 2018. Five remain at the Howell location from the acquisition that took place in 2023. Thus, 100% of the Surf employees who have been there since the acquisition at the two locations participated.

Role of the Researcher

The investigator is a passive owner of a small number of shares in the company, which is negligible, and he is not involved in managing the business. He has no relationship with the employees other than the CEO, with whom a friendship has developed. The CEO clearly wants an honest view of what is happening during the integrations, and he did not attend the survey sessions and focus groups at the two acquired locations. The CEO is a strong Christian leader who believes in virtuous business. The researcher has partnered with the CEO to conduct the primary research and, in combination with the literature review and multiple perspective framework, develop a solution for Surf Internet.

Research Analysis

The aim of the primary research was to further aid in developing a custom solution for Surf Internet. This included learning about how the integration phase was perceived by Surf Internet employees and obtaining input and best practices from M&A experts. This segment focuses solely on presenting and analyzing the research findings, using the data collected to address each part of the research. While the methodology and data analysis plan were discussed in depth earlier, the aim of this segment is to interpret the results by examining patterns, relationships, and statistical significance. The findings are presented systematically, starting with descriptive statistics to summarize the data results from Intellectus Statistics. Then, the qualitative data is presented using AI prompts to perform a thematic analysis. Any observed trends, outliers, or notable variations in the data were highlighted and discussed within the context of the study's framework and previous research. This approach allows for a clear understanding of how the results contribute to the study's objectives, providing a foundation for the discussions and implications presented in subsequent sections.

Data Analysis (Quantitative)

The quantitative data consisted of the surveys taken by Surf Internet at the three previously mentioned locations. A total of 16 surveys were received, with three surveys from senior executives, five from managers, and eight from team members. These locations were coded as A, B, and C to keep the results confidential. The surveys from these locations were input into Intellectus Statistics to complete the analysis using descriptive statistics. Intellectus Statistics is an online statistical software platform designed to simplify data analysis for students, researchers, and professionals. Unlike traditional statistical software, it focuses on a user-friendly, intuitive interface that automates complex statistical processes, making it accessible to those who may not have a strong background in statistics (Intellectus, 2024). Intellectus Statistics supports a range of statistical analyses, including descriptive statistics, correlations, regressions, ANOVA, and more, along with options to easily format and interpret results (Intellectus, 2024). The survey data was entered into Intellectus, and descriptive statistics were chosen using the analysis menu. Then, an output in Word was created with the results.

The inferential results were interpreted by examining summary statistics such as standard deviations, skewness, kurtosis, and effect sizes to assess statistical significance and the strength of relationships within the data. For non-significant results, factors like the sample size or measurement variability were considered possible influences, situating each finding within the study's broader framework. This approach ensured a balanced interpretation of both significant and non-significant outcomes. I also decided to identify Location A as the Surf Internet headquarters in Elkhart due to the importance of understanding the difference in results between Elkhart and the two acquired locations.

Data Analysis (Qualitative)
The qualitative data analysis involved two main data sets: focus groups and expert interviews, both of which were analyzed using thematic analysis facilitated by ChatGPT (OpenAI, 2024). The first data set included focus groups conducted at three distinct Surf Internet locations, anonymized as Locations A, B, and C, to protect confidentiality. A total of 16 surveys were completed: five at Location A, six at Location B, and five at Location C. These employees who participated in the surveys at each location were the same employees who participated in the focus group sessions, except at Location A, where the CEO did not participate in the focus group. A separate thematic analysis was conducted for each location to identify key themes specific to each site's experiences, challenges, and insights. Following this, a comprehensive thematic analysis was performed on the combined data from all three locations to identify broader, cross-location themes that reflect shared experiences and organizational patterns. This approach allowed for an in-depth understanding of location-specific and company-wide perspectives, capturing unique site dynamics alongside overarching themes.

The second data set comprised two interviews with subject matter experts, who provided insights based on their specialized knowledge and experience. I attempted to utilize Intellectus Qualitative for thematic analysis, but this tool is not as sophisticated as their quantitative tool. ChatGPT was used to conduct a thematic analysis of these interviews, focusing on extracting expert perspectives that could inform the best practices, strategic direction, and contextual understanding of the focus group findings relative to the multiple perspective framework.

Research Findings

Presentation of the Quantitative Findings
The survey data uncovered six main variables pre-identified to be part of the survey related to employee experiences and perceptions during the integration phase at Surf Internet:

- Never threatened: Feeling of security or safety within the workplace
- Motivated engaged: Level of motivation and engagement
- Communication: Quality of communication within the organization

- Opportunity for feedback: Opportunities for providing feedback with two-way communication
- Went well: General positive experiences or smooth operations
- Understood impact: Understanding the impact of one's role on the organization (Intellectus, 2024)

The survey responses were also analyzed by role (senior executive, manager, and team member) and anonymized as Locations A, B, and C. Appendix S contains a table showing the results by location and role, with a summary across all locations and roles at the bottom of the table.

Descriptive statistics across all participants showed an overall neutral-to-slightly-positive sentiment during the integration phase. For example, the average score for never_threatened was 3.50, indicating moderate feelings of safety, while the score for motivated_engaged was 3.25, suggesting relatively moderate levels of motivation and engagement. Communication scored lower, with a score of 2.69, highlighting a potential area for improvement. The variables went_well and understood_impact evidenced scores of 3.25, indicating a general sense of understanding regarding one's role and its impact within the organization when viewed across all locations (Intellectus, 2024). Figure 13 is a summary table of the descriptive statistics produced by Intellectus Statistics.

Summary Statistics for Interval and Ratio Variables

Variable	M	SD	n	SE_M	Min	Max	Skewness	Kurtosis
Never_threatened	3.50	1.37	16	0.34	1.00	5.00	-0.32	-1.27
Motivated_engaged	3.25	1.24	16	0.31	1.00	5.00	-0.27	-0.50
Communication	2.69	0.95	16	0.24	1.00	4.00	0.17	-1.09
Opp_for_feedback	3.25	1.29	16	0.32	1.00	5.00	-0.10	-1.27
Went_well	3.25	0.86	16	0.21	1.00	4.00	-1.15	1.01
Understood_impact	3.25	1.13	16	0.28	2.00	5.00	0.36	-1.17

Figure 13. *Summary of Descriptive Statistics* (Intellectus, 2024).

Comparing responses by role, senior executives reported the highest levels of feeling secure and engaged as indicated by the results: never_threatened (5.00) and motivated_engaged (4.00), which are relatively high scores indicating engagement, while team members scored lower in both areas as never_threatened (2.62) and motivated_engaged (2.50), showing less engagement and lower feelings of support. Team members also reported the lowest scores in communication at (2.12), suggesting that frontline or junior staff may be experiencing communication challenges during the integration phase. Conversely, senior executives felt more supported regarding opp_for_feedback (4.00) and role clarity (understood_impact) 4.67, further indicating a need to extend similar support to all levels of the organization during integration.

Analysis results by location revealed that the Location A employees reported the most positive experience based on high scores for three variables: never_threatened (5.00), motivated_engaged (4.40), and opp_for_feedback (4.20). In contrast, Location B showed lower averages, particularly in motivated_engaged (2.50) and communication (2.50), while Location C reported mid-range scores, indicating a more balanced M&A implementation experience. The results denote the potential for improvement in two areas: communication and engagement.

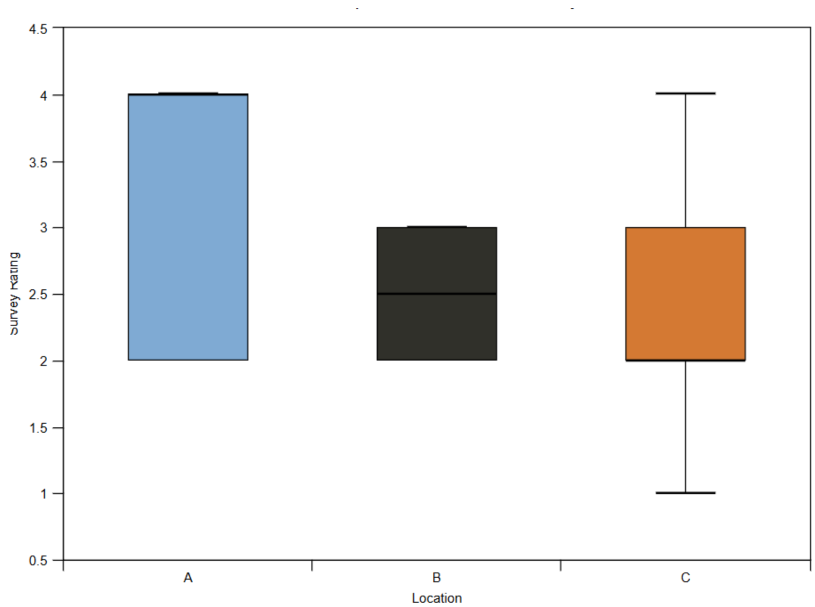

Figure 14. *Boxplot of Communication by Location. Note.* The graphic was created using Intellectus (2024) software.

Figure 14 is a boxplot showing the significant differences between the headquarters and two acquired locations for communication experienced during the integration phase. The need for better communication was identified during the literature review as an area typically needing improvement during integration (Fondrevay, 2018; Hodgson, 2023; Sherman, 2023). The literature review and the primary research indicate that lack of communication is a challenge for the integration phase and an area for improvement. The differences across roles and locations suggest that targeted improvements in communication, security, and engagement, particularly for team members at the lower levels of the organization and at the acquired locations, could enhance the overall employee experience during the integration phase.

Presentation of the Qualitative Findings Focus Groups and Interviews

As previously noted, the CEO participated in the survey at Location A but not the focus group. During the focus group, the employees spoke much less at Location C than at the other two. There are two hypotheses to support this. One explanation is that the direct supervisor for the employees in this focus group was present, which may have resulted in this employee not wanting to speak up as frequently about negative perceptions. Another explanation is that compared to the other two locations, most of the participants in this focus group were lower-level employees. There is a pattern that lower-level employees show less engagement from the surveys, which helps triangulate those perceptions.

Location A Thematic Analysis

The following prompt was used for all three locations; only the location name and data were changed.

I am a doctoral student in a Doctor of Business Administration program completing an applied doctoral project (a consulting report with similar research content as a dissertation). The doctoral study research will result in creating a customized design of an M&A (merger and acquisition) integration playbook to help the company engage in speedy, consistent, repeatable, and accountable mergers and acquisitions in the future. I conducted a focus group at Location A, as part of my primary research on M&As. Now, the focus group data needs to be thematically analyzed. In the role of a doctoral research student, thematically analyze the content.

Clarity in Role Expectations and Responsibilities.

Theme Description. A recurring theme in the focus group was the lack of clarity surrounding role expectations and responsibilities during integration. Participants indicated that unclear or inconsistent communication about job roles led to confusion, particularly among employees of acquired companies who were uncertain about their future within the new organizational structure. (OpenAI, 2024)

Key Insight. Clear, upfront communication on roles, backed by detailed job descriptions and an established reporting structure, is essential to reduce uneasiness and retain talent post-integration. The literature also noted this, where all stakeholders must be communicated with as early as possible and frequently (Fang. 2022; Hodgson, 2023; Sherman, 2023).

Leadership Presence and Support.

Theme Description. Many participants emphasized the importance of consistent leadership presence, particularly in newly acquired locations. The absence of on-site leaders contributed to feelings of isolation among employees from the acquired companies, who felt disconnected from the central organization. (OpenAI, 2024)

Key Insight. Establishing a regular leadership presence through on-site visits and consistent, face-to-face check-ins can foster connection and trust, especially during the early integration phases. Sherman (2023) suggested that senior executives should visit with acquired with continued visits beyond the post-deal kick-off meeting.

Training and Preparation for Remote Management.

Theme Description. The need for practical training and preparedness for remote management emerged as another key theme. Supervisors unfamiliar with managing remote or geographically dispersed teams faced challenges, leading to insufficient support for remote employees. (OpenAI, 2024)

Key Insight. Training managers on best practices for remote supervision can aid in better integrating employees from different locations and reduce friction, supporting a smoother transition. Hencke (2023) advised that training should be provided through the integration to ensure a repeatable process and to help with employee motivation.

Customer-Centric Approach.

Theme Description. Focus group participants highlighted the company's success in maintaining a customer-first approach during integration. This approach minimized customer churn and ensured a seamless transition of services, underscoring the importance of customer-focused strategies in M&A. (OpenAI, 2023)

Key Insight. Consistent customer communication, service quality, and continuity in customer relationships are critical in minimizing disruption and preserving brand loyalty during integrations. Snow (2016) highlighted that organizations should prioritize customers' needs. Tying employee compensation to customer retention can drive organizational alignment.

Standardized Communication and Integration Playbook.

Theme Description. The absence of standardized communication protocols or a detailed integration playbook created inconsistencies in how teams shared information. This led to varying expectations and operational misunderstandings. (OpenAI, 2024)

Key Insight. Developing a formal integration playbook with clearly defined procedures, timelines, and responsibilities can enhance consistency, accountability, and speed, facilitating more efficient and repeatable integrations. Participant 2 suggested that “a developed process would support mergers,” and Participant 1 immediately noted that “something like an M&A playbook could provide more process.”

This thematic analysis suggests that incorporating these themes—clarity in roles, leadership presence, remote management training, a customer-centered approach, and standardized communication—would be instrumental in achieving a structured and trust-based integration process and provide part of the solution to the overarching research question. These also show a convergence between the secondary research, the quantitative data, and the qualitative data, providing triangulation through mixed methods,

Location B Thematic Analysis

Refer to Location A thematic analysis for the prompt to obtain an AI-generated thematic analysis using ChatGPT. The only change was to replace Location A with Location B.

Role Clarity and Defined Responsibilities.

Theme Description. A significant theme centered on the lack of clear role definitions and responsibilities. Many participants expressed confusion about their roles and expectations, indicating that they often needed to "find things to do" due to unclear directions. (OpenAI, 2024)

Key Insight. A structured onboarding process with well-defined roles and responsibilities can enhance productivity and morale, ensuring employees understand their contributions to the organization’s goals. Haller and Johnson (2022) stated that you can streamline the integration process when roles and responsibilities are clear.

Leadership Visibility and Engagement.

Theme Description. Participants highlighted the need for consistent leadership presence at location B. While initial meet-and-greet events helped build trust, the lack of ongoing leadership visits led to feelings of isolation. Employees felt disconnected from company headquarters and missed opportunities to relay feedback directly to leadership. (Open AI, 2024)

Key Insight. Regular on-site visits from leadership or team leaders would foster stronger relationships, create a sense of inclusion, and improve two-way communication, especially in newly integrated locations. The literature review also noted the need for leadership to be present at the acquired locations and to be seen walking the talk (Fondrevay, 2018).

Comprehensive Training and Standardized Processes.
Theme Description. Many employees described lacking formal training, often likening their experience to a "sink or swim" approach. Additionally, inconsistencies in operational procedures, such as differing expectations for service calls, led to confusion and underutilization of capabilities. (OpenAI, 2024)

Key Insight. Implementing standardized training programs and documented procedures for everyday tasks and processes would help align teams and establish consistent expectations, supporting a smoother transition. Calipha et al. (2010 highlighted the need for training early in the integration process.

Communication and Expectation Setting.
Theme Description. Effective communication and setting clear expectations emerged as recurring needs. Participants felt a lack of structured communication post-acquisition, leaving them uncertain about priorities and goals. Inconsistent communication between departments and teams led to operational misalignment. (OpenAI, 2024)

Key Insight. Establishing a regular communication framework with clear and realistic expectations can build trust and empower employees to work confidently within the new organizational structure. Samo et al. (2022) similarly determined that after the merger announcement, employees can feel an emotional shock due to stress caused by the unknown impact on their jobs and careers. Communication with employees should be carefully planned and considered.

This thematic analysis suggests prioritizing role clarity, proactive leadership engagement, comprehensive training, and a structured communication plan. These elements will help address the challenges identified by location B and C employees, contributing to a more cohesive and efficient integration process.

Location C Thematic Analysis
Refer to Location A thematic analysis for the prompt to obtain an AI-generated thematic analysis using ChatGPT. The only change was to replace Location A with Location C.

Leadership Presence and Communication.

Theme Description. Participants expressed the need for a more robust and consistent leadership presence at Location C. The lack of senior leadership visits and direct communication left employees feeling disconnected and undervalued, leading to a perception of isolation. (OpenAI, 2024)

Key Insight. Regular in-person visits from senior leaders, with opportunities for open dialogue, could improve employee engagement and trust, helping them feel more integrated into the larger organizational mission.

Clear Communication and Transparency.

Theme Description. The initial phase of the merger was marked by limited communication, causing employees to feel unsure about their roles, the future of the organization, and their job security. Additionally, some critical information appeared to be selectively shared, creating mistrust and confusion. (OpenAI, 2024)

Key Insight. A structured communication framework with transparent and regular updates can help alleviate uncertainty and build trust. Clear and consistent messaging would also reinforce alignment with organizational objectives and expectations.

Role Clarity and Defined Career Paths.

Theme Description. Many participants expressed frustration with unclear or shifting roles, which caused uncertainty about their responsibilities and growth potential. Some employees experienced multiple reassignments, making it challenging to understand their career trajectory. (OpenAI, 2024)

Key Insight. Clearly defined roles, responsibilities, and career development pathways can foster stability and reduce frustration. Providing employees with documented job descriptions and potential advancement opportunities would help them feel more secure and valued within the organization.

Improved Training and Resource Availability.

Theme Description. Training and resource availability were identified as areas for improvement. Employees felt they were often left to navigate tasks independently, mainly due to limited support and access to necessary materials. (OpenAI, 2024)

Key Insight. Implementing a robust training program and ensuring that resources are readily available can empower employees to succeed in their roles. A formal onboarding and training structure with regular check-ins and feedback loops would reinforce competency and productivity during and after integration.

This thematic analysis highlights key elements suggested at Location C: proactive leadership engagement, transparent communication, defined roles, and enhanced training resources. These components would address the primary concerns raised by Location C employees, promoting a smoother and more cohesive integration process.

Thematic Analysis Combined—All Three Locations

The ChatGPT prompt for the combination of all three locations reads as follows:

Combine the thematic analysis for the three locations, the headquarters, Location A, and the two acquired locations, into a single analysis summarizing what was found.

> *Thematic Analysis.* The thematic analysis across the three locations—Location A, the headquarters, and the acquired locations—revealed several overarching themes that are crucial for successful M&A integration. These themes highlight common challenges and provide insight into areas that need targeted improvements to foster a cohesive, engaged, and productive organization post-merger. (OpenAI, 2024)
>
> **Leadership Presence and Direct Engagement.**
> *Summary*. Across all locations, employees expressed the need for a visible and consistent leadership presence. While initial meetings and meet-and-greets were appreciated, the lack of regular follow-up visits and direct engagement from senior leaders left employees feeling disconnected, particularly at the acquired locations. This sense of isolation was more pronounced in Location B and Location C, where employees felt out of sync with the larger organization's mission and values. (OpenAI, 2024)

Key Insight. Frequent, in-person engagement from senior leadership—such as on-site visits and open dialogues—would bridge the connection gap and reinforce alignment with company objectives. This regular presence would build trust and foster a sense of inclusion across the organization.

> **Clear Communication and Transparency.**
> *Summary*. Effective communication emerged as a significant need across all three sites. Employees reported inconsistent communication practices in each location, especially regarding role expectations, company goals, and strategic priorities post-merger. This lack of transparency often resulted in confusion, with employees feeling uncertain about their roles, responsibilities, and future with the organization. (OpenAI, 2024)

Key Insight. Establishing a structured, transparent communication framework would improve clarity and trust across teams. Regular, clear updates about organizational goals, individual roles, and strategic changes would help reduce uncertainty, ensure alignment, and empower employees to contribute more confidently. Sherman (2023) stated that the primary reasons for employee turnover and disappointing results are often poor communication and cultural differences. Junni and Teerikangas (2019) also indicated that implementing interactions between employees on both sides of the M&A during integration is critical to synergy realization, along with frequent communication from the managers.

Role Clarity and Career Path Definition.

Summary. Employees at the acquired Locations B and C particularly felt the impact of undefined roles and career pathways. Multiple reassignments and unclear job descriptions led to uncertainty and frustration, affecting morale and job satisfaction. In Location A, clear role definitions and structured responsibilities were more apparent, suggesting that role clarity varied significantly by location. (OpenAI, 2024)

Key Insight. A standardized role assignment and development approach, with documented job descriptions and defined career paths, would promote stability and security. This clarity would be especially beneficial for the acquired locations, ensuring that employees understand their responsibilities and future opportunities within the company.

Training and Resource Accessibility.

Summary. Training and resource availability were also recurring concerns. In Location B and Location C, employees felt they lacked adequate training and resources to perform their roles effectively. While some received on-the-job guidance, the absence of formal training programs and difficulty in accessing materials limited productivity and job satisfaction. (OpenAI, 2024)

Key Insight. Developing a comprehensive onboarding and training program and easy access to necessary resources would support employees across locations. A structured training framework that includes follow-up support would improve job performance, reinforce competency, and enhance employee confidence during integration.

Customer-Centric Approach as a Strength.

Summary. Despite the challenges noted, one positive theme across locations was the organization’s commitment to maintaining a customer-focused approach. Employees valued this emphasis on client satisfaction, noting that it minimized customer disruption and supported a smooth transition of services, which was seen as a strong point of the integration efforts. (OpenAI, 2024)

Key Insight. Continuing to prioritize customer service and satisfaction throughout the integration is a strength that reinforces brand loyalty and mitigates client churn, which is essential during organizational change.

Specific Notable Comments. There were several comments made by employees in all three Surf Internet locations that are worth highlighting and can help provide an understanding of their experience during the integration phase.

- “Roles not clearly defined for acquired teams” — Location A, Participant 2
- “Expectations not set up early in the process” — Location A, Participant 4
- “Not clear who was doing what” — Location A, Participant 1
- “Lack of clarity and communication” — Location A, Participant 3
- “We need to be at acquired locations”— Location A, participant 2

- “Does not work well when the owner comes with acquisition” — Location A, Participant 4
- “Have an integration Team” — Location A, Participant 1
- “A developed process would support mergers”— Location A, Participant 2
- “Something like an M&A playbook could provide more process” — Location A, Participant 1
- “Uncertain about our roles” — Location B, Participant 2
- “Very little communication” — Location B, Participant 3
- “Did not feel we were part of a team” — Location B, Participant 4
- “There was a lack of training” — Location B, Participant 1
- “Need more communication and team leads to visit” — Location B, Participant 3
- “There was a leadership vacuum” — Location C, Participant 4
- “Our jobs were not clear during integration” — Location C, Participant 2
- “We needed more communication and presence” — Location C, Participant 4

While participants at Location C spoke up less than the other two locations, what stands out is not so much the differences but the significant similarity of what was said across the three locations. The survey responses clearly indicated that the employees at the acquired locations felt less engaged than at the headquarters, and the focus groups indicated a shared understanding of what might be required to improve mergers in the future.

Summary of Focus Groups

A table summarizing the focus group comments about practices by location is located in Appendix T. This combined analysis indicates that due to the strong correlation across locations, an effective M&A integration should prioritize consistent leadership engagement, defined roles, clear and structured communication, frequent communications, comprehensive training, and a sustained customer-first approach. Addressing these core themes would help unify employees across locations, foster engagement, and create a more seamless, efficient integration process aligned with organizational goals. Some other concepts were mentioned at Location A, the headquarters, but they were not mentioned at the acquired locations. Due to the management level of the participants at the headquarters, it is unsurprising that they might discuss more strategic issues. Two locations also identified challenges with previous owners staying with the organization. Additionally, the subject matter experts identified this issue as a significant challenge. Figure 15 is a thematic wheel developed to

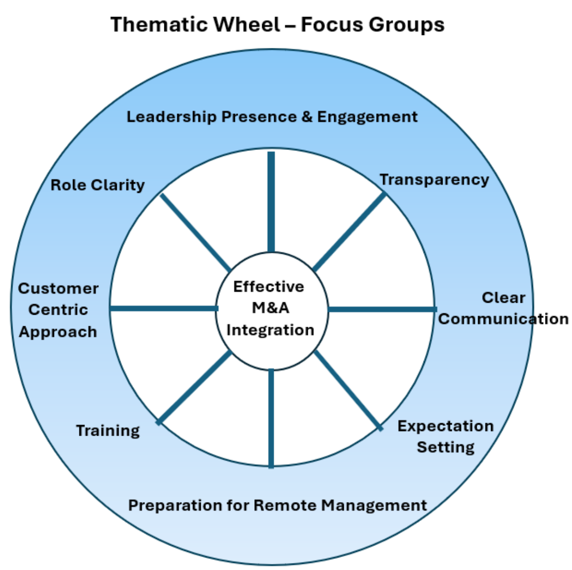

Figure 15. *Thematic Wheel for Focus Groups. Note.* Themes derived from OpenAI (2024) analysis.

show the themes identified by the thematic analysis of the focus groups.

The researcher also found that utilizing AI for thematic analysis provided themes and suggestions that may not have been possible using traditional coding techniques. One example of this was one of the themes identified at Location A. Focus group members had mentioned the need for training and separately mentioned the need to have a presence at the acquired locations. The AI analysis connected the need for training and a more frequent presence at the acquired locations to synthesize the theme of requiring training and preparation for remote management (OpenAI, 2024). This excellent suggestion was a "WOW!" moment regarding the power of using AI for thematic analysis. The secondary research also included identification of the need for training of acquired employees and management presence at these locations as significant drivers of successful M&A, which was noted earlier in this section.

The survey responses and focus group analysis showed a strong correlation and confirmed some main areas for operational M&A improvement, such as communication, role clarity, and management presence. A positive aspect of the analysis is that while employees at the headquarters location rated the survey questions higher in the aggregate, the focus group reveals that the management team at the headquarters is aware of several areas needing improvement. The AI analysis also generated new insights, which will provide useful guidance for the partner organization.

Thematic Analysis—Subject Matter Expert Interviews

Two subject matter experts were interviewed. Expert 1 is a senior executive at a Fortune 500 company, and the other is a senior executive with a PE firm, as noted previously. AI was then utilized to conduct a thematic analysis of the two interviews (OpenAI, 2024). The prompt follows:

I am a doctoral student in a Doctor of Business Administration program completing an applied doctoral project (a consulting report with similar research content as a dissertation). The doctoral study research will result in the development of a customized design of an M&A (merger and acquisition) integration playbook to help the company engage in speedy, consistent, repeatable, and accountable mergers and acquisitions in the future. I conducted two interviews with subject matter experts on M&As as part of my primary research. Now, the interview data needs to be thematically analyzed. In the role of a doctoral research student, thematically analyze the following content.

> **Thematic Analysis**. The thematic analysis of interviews with M&A subject matter experts, Expert 1 and Darryl Schimeck, revealed critical insights on effective M&A integration, emphasizing cultural alignment, structured communication, and strategic planning. These themes provide a foundation for developing a robust M&A integration process that supports smooth, consistent mergers with a focus on minimizing common pitfalls.
>
> **Cultural Fit.**
>
> *Summary.* Both experts highlighted cultural fit as the most significant factor in

successful integration, particularly the challenges that arise when leadership or owners of acquired companies remain involved post-acquisition. The presence of strong personalities often led to cultural clashes, affecting team morale and operational alignment. Expert 1 noted how embedded owners and leaders could undermine the acquirer's culture. At the same time, Schimeck discussed the “big lie” scenario, where acquired leaders are promised minimal changes, only to find that significant transformations are expected. (OpenAI, 2024)

Critical Insight. Ensuring cultural compatibility through rigorous assessments during due diligence and establishing clear expectations with retained leaders can preempt these issues. A strategy to gradually transition ownership and integrate cultures may prevent conflicts and ensure smoother assimilation into the new corporate environment. This agrees with the findings of the literature review. The due diligence process is crucial for making informed decisions, and understanding deal value and culture must be part of this assessment (Sherman, 2023).

Clear and Transparent Communication.
Summary. Both experts emphasized the importance of transparency and direct communication, starting from the initial stages of the acquisition process. Schimeck underscored the need to set realistic expectations for employees and leadership, stressing that early acknowledgment of potential changes reduces resistance and builds trust. Expert 1 mentioned that communication should be standardized and consistent, ensuring all stakeholders understand the strategic rationale and operational changes. (OpenAI, 2024)

Key Insight. Establishing a structured communication framework within the integration playbook, with scheduled updates and accessible contact points, can ease transitions and mitigate employee uncertainty. Clear messaging about organizational goals, role changes, and company expectations supports alignment and builds trust among all parties. Transparent communication was noted in the secondary research findings. Open communications can help employees feel less threatened and stay focused on the mission (Gelfand, 2018).

Role clarity and integration of processes.
Summary. Challenges around role clarity and process integration were recurrent themes. Expert 1 described instances where vague role definitions and unaligned processes led to operational inefficiencies and confusion. Schimeck highlighted the difficulty in integrating personnel policies and compensation structures, noting that misalignment in these areas can demotivate employees and lead to retention issues. (OpenAI, 2024)

Key Insight. Developing clear, standardized role descriptions and aligning processes early in the integration can help eliminate redundancies and provide employees with stability. Integrating personnel practices, such as benefits and incentive programs, is crucial for fostering a unified organizational culture and reducing disparities that could impact morale. This agrees with the literature review findings. Change is stressful for employees and drives uncertainty and a lack of understanding of roles in the merged organization (Fang, 2022; Hodgson, 2023).

Importance of a Structured, Repeatable Integration Process.
Summary. Both experts noted the absence of a formal M&A integration playbook in their organizations, although each reported relying on “tribal knowledge” or piecemeal procedures from various departments. Expert 1 acknowledged that having a consolidated playbook would streamline the integration process, while Schimeck noted that a lack of documented processes could lead to inconsistencies and inefficiencies. (OpenAI, 2024)

Key Insight. Implementing a well-documented, repeatable playbook for M&A integration could provide a standardized approach that enhances accountability and efficiency. Such a playbook would ensure that best practices are consistently applied across acquisitions, promoting better integration outcomes and organizational learning over time. During the literature review, PwC (2017) proposed that an M&A playbook can help drive speed during integration. According to Dever (2023), effective M&A playbooks provide a map for successful integration, note best practices, and establish roles and responsibilities.

Specific Notable Comments
Several comments made by subject matter experts are worth highlighting to provide an understanding of their experiences.

- “Don’t tell the big lie” — Schimeck
- “Culture is the #1 issue” — Expert 1
- “Be transparent” — Schimeck
- “Must have frequent in-person visits”— Expert 1
- “In-person visits should be a minimum of monthly, with video calls in-between” — Expert 1
- “We had issues with strong owners” — Expert 1
- “Don’t keep the owner” — Schimeck
- “If culture is not a match, remove the owner” — Expert 1

Summary of Interview Analysis

The thematic analysis underscored the importance of cultural alignment, having a presence at acquired locations, transparent communication, clear roles, and structured processes in M&A integration–all areas that can increase trust throughout the organization. Training was noted, including training in remote management. A customized playbook incorporating these elements could enable the organization to execute integrations more efficiently, foster a supportive environment of employee trust, and deliver long-term value from acquisitions. Notably, neither subject matter expert's organization utilizes an M&A playbook, but they both felt it would be a good idea. Figure 16 is a thematic wheel developed to show themes that the subject matter experts identified.

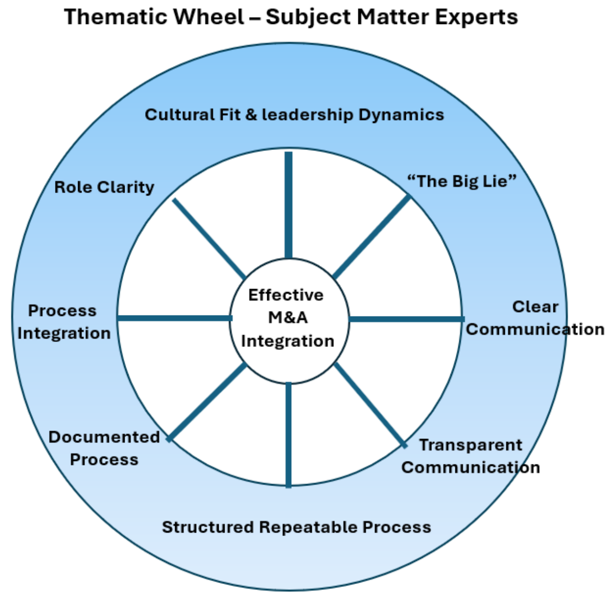

Figure 16. *Thematic Wheel for Subject Matter Experts.* Themes identified by OpenAI (2024).

Hessen (2016) highlighted that triangulation is more likely to provide correct information for the researchers. From a methods standpoint, the survey results, the focus groups, and the information provided by the interviews with the subject matter experts were collaborated. Thematic convergence and a more complete account of the integration experience from different perspectives occurred when combined with the literature review.

Identification of a Multiple Solutions Framework

In today's fast-paced and complex business landscape, leaders often face multifaceted challenges that require innovative and flexible solutions. This is undoubtedly true of M&A and the integration phase of these mergers. *Trusted Leader* presents a compelling framework emphasizing that trust is foundational for driving performance and achieving sustainable results (Horsager, 2021). The VBM provides an additional frame with the concept of economic capital (i.e., principled, profound, and proficient). The VBM helps drive virtuous leadership, combining Christian ethics with business practices. It emphasizes upholding virtuous values in addition to making a profit (Hein & Wilkinson, 2015). By integrating four pillars from *Trusted Leader* clarity, character, connection, and consistency with the VBM as a lens into the decision-making processes, leaders can create an adaptable and resilient organizational culture that addresses immediate challenges and fosters long-term growth and engagement. This lens, or multiple perspective framework, can be utilized to view M&A improvement and consider potential strategies for implementation. This framework empowers leaders to navigate complexity and encourages a collaborative environment where every team member is engaged in driving results. Through this lens, the organization uncovers the transformative power of trust to develop leadership and its role in creating a dynamic, solution-oriented organization.

The literature review of M&A integration best practices completed in Section 3 drew from various practitioner and academic sources, including academic studies, white papers, and industry reports, ensuring a comprehensive view. Findings reveal that even well-structured deals often yield moderate returns, with post-deal challenges such as integration speed, communication, employee engagement, and cultural alignment frequently undermining success (Angwin et al., 2022; Junni & Teerikangas, 2019). The review also highlighted the importance of a well-prepared exit strategy, focusing on financial readiness, strong management, streamlining operations, understanding value, and preparing documentation to enhance seller returns and ensure a smooth transition (Green et al., 2018; Lusco, 2023). These practices emphasize structured planning, a people-centered approach, and consistent metrics to optimize M&A success.

The Seven Tenets

PwC (2014) reported that there is a process with suitable activities, which, when followed, can drive deal value. Buyers can follow this process to increase their odds for optimal M&A results. The steps for this process are described as seven tenets—a framework that allows leaders to focus their efforts. These tenets were utilized for the multiple-perspective framework: The first included tenet is to accelerate the transition as accelerated transitions in a more rapid return on deal investment. The second tenet is to define the integration strategy. Integration has highly tactical steps, and a roadmap should be developed and documented. The third tenet is to focus on priorities. Shareholder value and virtuous business must drive the allocation of resources. Another tenet is to communicate with all stakeholders. PwC highlighted that leaders should communicate early and often with all stakeholders, including employees, customers, investors, suppliers, and the general public. Feedback mechanisms should also be included so that communication can be two-way. Other tenets are preparing for day one and establishing leadership at all levels. Management roles should be determined early in the process to minimize uncertainty and accountability. An integration team must be established to link integration planning, and the leader must ensure ship and action across the organization. The seventh tenet is to manage the integration as a business process. Strategy execution is critical for deal success. Successful integration requires a clearly defined process.

Setting the M&A Standard for Speed, Consistency, Accountability, and Repeatability

In PwC's *Ready, Set, Integrate* (2017), speed, consistency, repeatability, and accountability are highlighted as essential elements for successful M&A integration:

- *Speed* refers to the swift execution of integration activities to capture value quickly and reduce uncertainty. Speed in integration means minimizing delays and ensuring timely decision-making to enhance the overall success of the acquisition. Speed can also result from organizational learning (PwC, 2017).
- *Consistency* involves applying a standardized approach and uniform processes across all stages of integration. It helps create predictable outcomes, ensures team alignment, and reinforces best practices, ultimately supporting smoother transitions. Experienced superior management and a documented process can help with consistency (PwC, 2017).
- *Repeatability* is the ability to apply proven integration processes across multiple deals,

allowing companies to refine their approach over time. By developing repeatable practices and providing training, organizations can create a reliable framework that improves efficiency and effectiveness in future integrations (PwC, 2017).

- *Accountability* refers to clearly defined roles and responsibilities, where team members are held responsible for the specific integration tasks. Accountability promotes ownership and commitment, helping to ensure that each function meets its objectives and contributes to the overall goals of the merger. Metrics can help drive accountability and make an organization virtuous (PwC, 2017).

PwC's (2017) criteria for impact on M&A—speed, consistency, repeatability, and accountability—are utilized to evaluate best practices for the M&A playbook. "A strong playbook will help set timelines and goals, define the guidelines for integration, and plan the communications critical to keeping stakeholders informed" (PwC, 2017, p. 11).

The M&A Integration Playbook

Design of the Surf Internet M&A Integration Playbook

The Surf Internet integration M&A playbook design is an incorporation of the information gained from secondary and primary research. Regarding the types of M&As discussed in Section 3, horizontal mergers, market extensions, vertical mergers, and congeneric acquisitions—all were considered. In the case of Surf Internet, their strategy is to roll up smaller players in the industry, which is horizontal mergers. Patel (2023) described roll-ups as a method to increase market share via consolidation. The other types of mergers are beyond the scope of this study, but the solution may have applications to support them.

The next area to consider is the phases of M&A. Figure 7, in Section 3, shows the phases of mergers are defined as pre-merger planning, due diligence, purchase agreement, the integration phase, and post-merger evaluation. The integration phase is often considered the most challenging part of an M&A (Calipha et al., 2010). The subject matter experts have confirmed this, and indeed, Surf Internet believes they have had the most significant challenge during integration, providing convergence. Thus, the solution will be focused on the integration stage.

Understanding the roles and responsibilities of various stakeholders was also an overarching research question. In particular, the organization should consider employees, customers, suppliers, and stakeholders, and even the actions of competitors during the integration phase of an M&A. King and Taylor (2012) highlighted the importance of considering employees during integration due to the potential for employee anxiety and turnover. The primary research included triangulation of this information with various levels of employees at Surf Internet, noting the importance of communication and engagement, and the subject matter experts also mentioned the need for clear communication and role clarity.

Clarified in the literature review were the significant reasons for M&A failure, including poor due diligence, cultural differences, and integration challenges. Carroll and Mui (2013) stated that 50% of executives noted that their due diligence process failed to prevent a lousy merger deal (p. 15).

This was confirmed by the subject matter experts, with Schimeck stating, “Don’t tell the big lie.” Culture was identified by the Surf Internet employees and the subject matter experts as a challenge during integration. Fondrevay (2018) highlighted that cultural differences can be a” silent killer” of deal value in M&A. Kenny (2020) stated that integration challenges are a common reason for M&A failure. Indeed, both subject matter experts asserted that integration is where most M&A deals fail to provide the expected value.

Considering this from the other direction, the literature review included identifying lessons from successful M&As. Those lessons included rigorous due diligence, clear communication, careful cultural consideration, and integration planning. Dao and Bauer (2021) described that one key aspect of poor mergers and acquisition outcomes may be poor human integration. The realignment of cultures requires frequent communication. Lofgren et al. (2018) affirmed that successful acquirers utilize a plan thoroughly and with precision. Midaxo (2023) suggested software tools may help drive consistency, repeatability, and speed. The subject matter experts interviewed during the primary research noted the need for a documented process.

Speed, consistency, repeatability, and accountability in M&A can be achieved through a solid integration plan and adherence to best practices (PwC, 2017). Hodgson (2023) highlighted that a robust post-merger integration plan was critical to the success of the Time Warner Cable and Charter Communications merger, emphasizing team involvement in driving synergies. Similarly, Haller and Johnson (2022) identified critical factors for success in technology M&As, including thorough due diligence, strategic alignment, retention of key talent, a repeatable integration model, and performance tracking. Regular deal reviews are conducted to assess and optimize processes and enhance these outcomes. While the two experts do not currently utilize M&A playbooks, they each stated that a playbook would greatly benefit the integration process.

The key to driving M&A performance is the use of a repeatable process. The purpose of an M&A playbook is to provide a structured, repeatable framework that guides organizations through each stage of a merger or acquisition. With this study, the focus is on the integration phase. A practical playbook consolidates best practices, sets clear roles and responsibilities, and establishes standardized processes to help ensure speed, consistency, accountability, and reliability in every M&A transaction. The playbook will also incorporate metrics and lessons learned. By defining protocols for essential integration activities such as communication strategies, cultural alignment, roles and tasks, and lessons learned, the playbook helps reduce uncertainty, minimize disruptions, and improve overall efficiency. Additionally, it can serve as a reference that fosters alignment across teams, mitigates risks associated with integration, and ultimately enhances the likelihood of achieving desired synergies and long-term value from the merger or acquisition. According to PwC (2017), an M&A playbook is an ideal solution to drive deal value as it establishes standards for execution, ensures a consistent approach, and reinforces accountability for performance. By formalizing the strategy for each deal, an integration playbook dramatically increases the likelihood of achieving successful, repeatable outcomes time after time.

> *A well-developed playbook functions as both a business plan and a how-to field guide, keeping the integration team focused on creating value while providing step-by-step guidance for tactical implementation.*
>
> *A playbook can help set the standard for speed of execution, consistency of approach, and accountability for performance. And by formalizing the game plan for each deal, an integration playbook makes it far more likely that good results can be repeatedly delivered, again and again.* (PwC, 2017, p. 4)[6]

When developing an M&A playbook, it is essential to consider the characteristics of the specific company. Just as no two organizations are the same, no two playbooks will be the same. "Each company's integration playbook should reflect its particular strategy and goals, appetite for risk, operating structure, corporate culture, IT capabilities, communication capabilities, and relationships with stakeholders" (PwC, 2017, p. 7).

Development of the Surf Internet M&A Integration Playbook

In the case of developing an M&A playbook for Surf Internet, some considerations included the company size and culture. Due to the company's smaller size, resources may sometimes be limited compared to larger organizations. There are also cultural considerations, which may change with time as more M&A activity proceeds. As a company develops its own playbook, there should be options for further additions and changes to build the playbook. Thus, the playbook is a living document, so additional items, such as an updated human resource manual, can be added to the playbook. Although removing all uncertainty from a transaction is impossible, thorough preparation of a robust playbook can support companies throughout the integration phase. A well-crafted integration playbook offers structured guidance for decision-making and a strategic framework for action during critical phases of a deal, helping companies shift M&A activities from reactive responses to a consistent, repeatable business process(PwC, 2017). Appendices F and H in Section 3 present content that can be included in an M&A playbook.

Preparing for an exit strategy can be challenging. Best practices in exit strategies can be seen in Figure 8 in Section 3. Cleaning up financial statements, streamlining operations, strengthening the management team, understanding how value is provided, risk management, and documentation preparation were discussed. Surf Internet strives to create value through M&A by rolling up or acquiring smaller players in the upper Midwest. This should increase the organization's value and enhance a successful existing strategy if value can be created with each

[6] For the purposes of this study, the term *playbook* is used as a matter of convenience since one word encapsulates the litany of best practices recommended as identified in the secondary research (i.e., the literature review) and the primary research (i.e., the surveys, focus groups, and subject matter expert interviews). Use of the term is also in keeping with practitioner use in the field. While not fully detailed to encompass all phases of M&A, as that would be beyond the scope of this study, the playbook content detailed elsewhere in this study is for the *integration* phase—the M&A phase most problematic to Surf Internet. Its purpose is to guide Surf ahead of their next M&A, which is anticipated to be in 2025, with the expectation that they will continue to add to it as a "living document" based on their experiences of successive M&A ventures.

acquisition. A well-designed M&A playbook can help accelerate the transition during the integration phase. “The playbook should help leaders and integration teams determine which projects and actions deserve attention first, based on their ability to capture value, which relates directly to shareholder value” (PwC, 2017, p. 11). In the case of Surf Internet, shareholder value will ultimately result in a successful exit strategy. Thus, added to the M&A playbook was a “workbook” area for goals of the merger to be noted and followed as part of the documented integration process.[7]

Metrics for the Surf Internet M&A Integration Playbook

Metrics are crucial in driving business success, especially in M&A integration, where achieving early milestones is critical. While analytical tools are widely used, they often only improve performance measurement if the right metrics are tracked (Brahm et al., 2023). Misaligned metrics can lead to poor decision-making and negative consequences. Effective metrics should align with corporate priorities, measure relevant activities, and be accurate and benchmarked against past performance and competitors (Alvarado, 2016). Over-focusing on a single metric can distort behavior, causing issues such as poor customer outcomes. Organizations must carefully select metrics that influence desired behaviors, ensure accuracy, and assess their impact on the operating model (Alvarado, 2016; Brahm et al., 2023). Table G in Section 3 lists potential M&A metrics.

Research on M&A integration highlights various methodologies and critical findings. Cefis et al. (2021) emphasized cultural alignment and employee engagement in successful integrations, while Baynham (2011) used manager interviews and culture surveys to identify best practices. Haller and Johnson (2022) focused on process optimization through feedback from technology M&A practitioners. Tarb et al. (2010) analyzed cultural impacts on high-tech M&As using executive surveys but lacked employee perspectives, a gap also seen in Dickinson’s (2013) qualitative interviews with senior managers. In contrast, Bansal (2015) included managers and employees, addressing attitudes and emotions. PwC (2023) and WTW (2022) supported the importance of talent retention and employee experience but prioritized managerial insights over direct employee feedback. This consistent focus on managerial perspectives revealed a gap in capturing comprehensive employee experiences. This study focused on answering this missing information by ensuring that perceptions of employees affected by mergers were researched. Primary research for this study included surveys and focus groups with impacted employees and interviews with subject matter experts.

McKinsey 7-S Model

The McKinsey 7-S Model, as discussed by Lakhanpal (2023), provides a structured framework for navigating the complexities of M&A. By examining seven interconnected elements—strategy, structure, systems, shared values, style, staff, and skills—the model ensures that all critical

[7] Notably, while there is a cornucopia of scholarly and practitioner resources highlighting the importance of having a playbook for use in M&As, no company’s playbook could be found when conducting secondary and primary research (i.e., the interviews). This is likely due to the proprietary nature of the content expected to be found in a tested playbook that not only aided M&A integration but also helped leaders and owners create value in the process. This gap in the literature further supports the value of this study.

components are aligned during the integration process. See Figure 17. Placing shared values at the model's center reflects the crucial nature of changes in the other elements. This approach helps organizations holistically address challenges and optimize the combined performance.

McKinsey 7-S Model

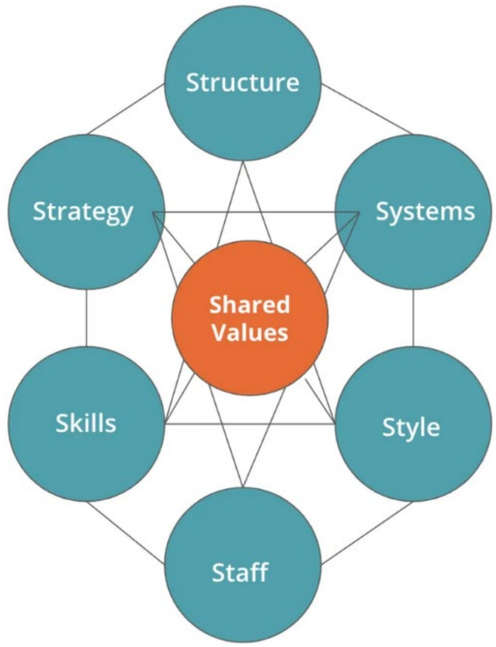

Figure 17. *McKinsey 7-S Model* (Corporate Financial Institute, 2023). Used with Permission.

Strategy plays a central role in M&A by aligning the goals of the merging organizations. Lakhanpal (2023) highlights that a clear strategic vision is essential to define how the merger or acquisition will create value through market expansion, cost efficiencies, or innovation. Integrating strategies ensures that both merged entities work toward shared objectives, minimizing conflicts and maximizing synergy, which will drive deal value.

The *structure* dimension focuses on aligning organizational hierarchies and reporting lines. An M&A often involves restructuring to ensure the combined organization operates efficiently. Lakhanpal (2023) emphasized that defining a new structure to support the strategic goals of the merger is critical to achieving long-term success. This includes integrating key business processes, communicating the strategy, and updating processes across all levels.

Systems, including IT platforms, financial processes, and operational workflows, are another vital area for integration. Standardizing and streamlining these systems enhance consistency and reduce inefficiencies. According to Lakhanpal (2023), addressing system compatibility early in the M&A process is essential for smooth transitions and sustained performance and for establishing clear reporting lines for the newly merged organization.

Shared Values, or the cultural core of the organizations, are often a critical factor in M&A success. Both interviewed subject matter experts noted the importance of cultural alignment when merging two organizations. Aligning the merging entities' values helps prevent cultural clashes and fosters a cohesive work environment. Horsager (2021) and Lakhanpal (2023) stressed the importance of creating a unified set of principles to guide the new organization and build employee trust. The vision for the merged organization must be communicated to all stakeholders. Hein and Wilkinson (2015) suggested that as part of the VBM, leaders must constantly communicate that ethical decision-making is a priority to the firm, which helps to drive shared values. Hendriks et al. (2020) highlighted trust as central to shared values and essential for organizations to flourish and be virtuous.

The s*tyle* element focuses on examining leadership approaches and management practices. Differences in leadership styles can create friction; however, fostering a collaborative and inclusive leadership style can motivate teams and ensure a much smoother integration. Lakhanpal (2023) noted that leadership alignment is crucial in maintaining employee morale during transitions. Horsager (2021) highlighted that clarity unifies employees, boosts morale, and drives motivation higher.

In the *staff* dimension, assessing and integrating talent from both organizations is vital. Retaining critical employees and addressing skill gaps ensures that the combined organization has the human capital to execute its strategic vision. Lakhanpal (2023) emphasizes identifying and leveraging key personnel during M&A and ensuring their engagement. This can be done by developing cross-functional integration teams and providing the information and resources required for success.

The *skills* element focuses on the competencies and capabilities necessary for the merged entity's success. Lakhanpal (2023) suggests the importance of developing or acquiring the skills needed to achieve strategic objectives and address challenges specific to integrating the two organizations. This requires a talent assessment followed by a comprehensive training program to help employee retention and drive success, resulting in more excellent deal value.

Organizations can more effectively navigate the complexities of mergers and acquisitions by systematically applying the McKinsey 7-S Model (Lakhanpal, 2023) and combining it with the VBM (Indiana Wesleyan University, 2024) and pillars from *Trusted Leader* (Horsager, 2021). The organization can determine where values are aligned and drive cultural alignment, virtuous business practices, and trust. This strategic approach ensures that values, culture, operations, and talent are aligned, creating a solid foundation of trust and virtue for long-term merger success and resulting in a stronger exit strategy.

M&A Integration Phase Playbook Design & Optimization Using AI

Artificial intelligence was used to aid sorting, prioritizing, and verifying completeness when matching the secondary and primary research findings according to the seven elements in the 7-S model within each of the five playbook categories: best practices, key questions, metrics and measures, lessons learned, and failure modes. AI was also used to help ensure the completeness of the potential solutions and classification/categorization of the contents, as well as to suggest descriptors for the integration playbook contents in support of the four PwC (2017) categories (i.e., speed, consistency, accountability, and reliability), and sorted by the McKinsey 7-S frames of structure, strategy, skills, system, shared values, style, and staff Lakhanpal (2023). The four PwC elements were utilized to help determine the optimal hierarchical order of the content items in each playbook section by noting in these prompts that the playbook should set the standard for speed, consistency, accountability, and repeatability(PwC, 2017). The order provided by the prompt seemed to be valuable, but some human intervention was required. For example, AI-sorted "customer retention plan" under *staff*, most likely due to the term "retention." The researcher moved this to the *style* subcategory. Another example involved a couple of content items that seemed to be sorted incorrectly. Sometimes, this can be a judgment call, and human intervention is required to optimize the results. AI-assisted development of M&A integration playbooks is becoming more and more mainstream. For example, the approach used below was inspired by the web article *"Creating an M&A Playbook with ChatGPT as Your Consultant"* (Kilpi, 2023). Moreover, I recently received an invitation from Midaxo, an M&A consulting firm, inviting me to attend a live webinar titled "Embracing AI in the M&A Process Safely & Effectively." In many respects, the practical use of AI-generated analysis and content in this study is in keeping with what is quickly becoming a standard for M&As, which wholly cuts across not only the industry but also most sectors.

A prompt was developed to ensure that each item in the playbook met the discussed criteria. Employing these criteria to develop the M&A playbook will support a strong exit strategy. Utilizing AI for sorting and developing descriptions allowed the researcher to focus on content and the design of the playbook, effectively improving the efficiency of the ADP solution development. The AI prompts are located in Appendix U. The following steps were executed to develop the M&A integration playbook for Surf Internet.

Step 1

AI was used to sort Appendices F and H items, the items listed under the heading Suggested Items for Inclusion in an M&A Playbook in Section 3, and the primary research items, sorted by 7-S. This sorting continued individually for each playbook area, incorporating the following in the order shown here: the questions located on pages 7 and 12 of the *PwC Ready, Set, Integrate* report (PwC, 2017), the metrics in Appendix G, the lessons learned in Appendix E, and the M&A failure modes in Appendix D. This step resulted in a well-sorted draft playbook including items for best practices, key questions, metrics and measures, lessons learned, and failure modes. Interestingly, AI added goals to each 7-S subcategory for content. The researcher decided not to include this information. This is an area where researchers must be careful when using AI and understand the research area and what output is optimal. See the AI prompts in Appendix U.

Step 2

Once the content lists were sorted, AI was utilized to see if it had suggestions for additional best practices in beyond the content discovered through the primary and secondary research. This resulted in a short list of excellent additional content suggestions. These suggestions were added to the best practices in the M&A integration playbook in the specified 7-S areas:

- Form a cross-functional integration team with defined charters and timelines.
- Develop contingency plans to identify potential risks and mitigation strategies.
- Develop a mentorship program to bridge skill gaps and foster cultural alignment.
- Develop a process to evaluate and integrate third-party vendors.
- Promote shared values through cultural champions.
- Align messaging to convey a unified brand identity to internal and external stakeholders.
- Conduct talent mapping to ensure the right people are in the correct positions. (OpenAI, 2024)

Step 3

The next step was to utilize AI to perform an additional sort and put the content in a hierarchical order based on prioritizing the need for the M&A integration and setting the standards for speed, consistency, accountability, and repeatability. This was done separately for each of the content areas. The ordering of content went smoothly, and the researcher noticed significant efficiencies in utilizing AI to sort the playbook content.

Step 4

The last step was to develop a prompt to add descriptions for each of the 7-S elements: strategy, structure, skills, system, shared values, style, and staff. This was done individually for each element. In addition to suggestions and excellent descriptions, AI returned a purpose for each area. The purpose seemed to provide value for the playbook, so the researcher included the suggested purpose statements.

Final Playbook Creation

The playbook content was then organized into an M&A integration playbook. Refer to Appendix V. The cover page and table of contents were created, and a blank page was created for Surf Internet to place goals and milestones for each transaction. AI successfully streamlined the development and optimization of an M&A integration playbook by analyzing large datasets, identifying patterns, and organizing critical components relative to identified frameworks with speed and precision. The M&A integration playbook enhances consistency by standardizing processes and providing actionable insights based on best practices and lessons learned. Some minor adjustments were made to the playbook at this stage. A couple of content items seemed to be sorted incorrectly. Sometimes, this can be a judgment call. Employee NPS was placed in two subcategories in the metrics section: shared values and staff. The researcher decided to list this item under staff. The playbook also improves accountability by offering tools to track progress and measure performance, ensuring repeatability for future integrations. Additionally, it supports decision-making, virtuous business, and improved trust in the organization, enabling Surf Internet to focus on strategic priorities while reducing manual effort.

Alternative Solutions Explored

One potential solution for Surf Internet is to maintain the status quo, continuing its M&A processes as it has in the past, without adopting new strategies or frameworks. This approach may appeal to executives and managers due to its simplicity, familiarity, and immediate avoidance of the financial and time investments associated with creating, training, and implementing a formalized integration playbook. By continuing as-is, Surf Internet can rely on established, albeit informal, practices and the tacit knowledge of experienced team members who have somewhat successfully managed M&A transactions. These seasoned employees bring valuable, hands-on experience, which may compensate for a lack of formal structure. Surf Internet could also decide to only include the first three items: best practices, key questions, and metrics and measures, but not to include the lessons learned from other organizations and not recognizing the importance of learning about potential failures that occur. However, this could prove detrimental to future mergers.

Opting to "do nothing" is not uncommon in the industry. While knowledgeable about best practices, both subject matter experts consulted for this research noted that their organizations also operate without formal M&A playbooks. This absence of formal structure is typical, especially in smaller or mid-sized firms where flexibility and experience-based integration are preferred over rigid guidelines. However, it is worth noting that a lack of structured processes may contribute to why many M&A transactions fail to deliver the expected deal value. Research consistently shows that poor integration is a significant reason for underperformance in M&A (Sherman, 2023). Without a playbook, Surf Internet may be more vulnerable to misaligned integration efforts, inconsistencies, and potential disconnects in communication, all of which could undermine the deal's intended benefits.

Test Solution Identification and Basis for Selection

Three potential solutions were identified from the research findings: a custom M&A playbook, partial playbook implementation, and a "do nothing" approach to continuing their current M&A process. However, if Surf Internet chose to do nothing, it could also perpetuate existing challenges, such as inconsistent integration outcomes, lower employee engagement, and cultural misalignment, particularly in cases where expectations are not set with acquired entities. The organization would risk missing out on the benefits of a more systematic and structured integration playbook that could streamline processes, improve employee morale, and maximize value from future acquisitions. Ultimately, though comfortable, this approach may hinder the company’s ability to achieve repeatable and scalable success in M&A activities as the organization grows, leading to a less successful exit strategy. Thus, the indirect cost of doing nothing would likely be significant to the organization.

Only a partial implementation of an M&A integration playbook would call into question which best practices, questions, and metrics to keep and which to eliminate. The lessons vetted by reputable sources, such as PwC (2017), should be seriously considered when executing an M&A. Moreover, a restricted view would negate much of the value of using a multiple perspective. For instance, a less-than-balanced or aligned integration could result in a skewed operationalization of the 7-S model.

The third proposed solution, the implementation of an M&A playbook, would drive the following at Surf Internet:

- A standard approach to integration that enhances speed, consistency, consistency, repeatability, and accountability
- A map of best practices, roles, and responsibilities provides a structured approach
- Ensure best practices are consistently applied across future acquisitions
- Better integration outcomes and organizational learning
- Improve the retention of key employees at acquired locations
- Exceptional deal value, improved EBITA, and increased shareholder value in time
- Result in a better, more robust, and more successful exit strategy

The matrix in Table 1 provides a comparison of the two most dichotomous proposed solutions across McKinsey 7-S, the VBM, and Horsager's eight pillars' frameworks to compare how they would impact the organization. As previously noted in this study, the 7-S framework focused on shared values, the VBM on virtuous business, and Horsager's eight pillars on trust. All three aspects of these frameworks are interrelated during change, such as an M&A integration. Ultimately, a feasible solution must drive a focus on shared values, social capital improvements, and increased trust to be successful. The matrix depicts the impact of the solution on the framework elements.

Solution	**Strategy**	**Structure**	**System**	**Shared Values**	**Style**
Do Nothing	No change	No change	No change	No change	No change
M&A Playbook	Aligns organization to shared goals.	Aligns reporting lines and defines roles.	Supports repeatable process and consistency.	Supports cultural integration and trust.	Creates transparency and buy-in.
Solution	**Staff**	**Skills**	**VBM**	**Trust**	
Do Nothing	No change	No change	No change	No change	
M&A Playbook	Improves retention and motivation.	Increase the capability of employees and teams.	Drives virtuous business practices.	Improve trust across Surf Internet.	

Table 1. *Comparison of Solutions to Do Nothing or Implement an M&A Playbook.*

The multiperspective shared values are like threads that bind and strengthen the organization and will support success during the integration phase. Horsager (2021) noted that pillars, such as clarity, character, connection, and consistency, can help increase organizational trust. This is particularly important during a substantial change, including a merger or acquisition. Hendriks et al. (2020) suggested that virtuous leadership increases trust in the organization's leaders, which benefits all stakeholders. The ability to drive trust is an essential element in the chosen solution.

Answering the Overarching Research Question

The purpose of this study was to identify the best practices when combining two organizational cultures with a primary focus on the integration phase of M&A to develop a solution to enhance the performance of Surf Internet and possibly other organizations seeking to grow by strategically engaging in M&A activity, especially as the performance enhancement may be advantageous for a planned exit strategy. The overarching research question was all-encompassing:

Based on best practices and prior merger and acquisition lessons learned, what content elements should be included in the customized design of an M&A integration playbook to help Surf Internet consistently achieve targeted M&A results and deliver exceptional deal value for stakeholders through standards set for speed, consistency, repeatability, and accountability in light of their planned exit strategy?

While the do-nothing approach offers no change for Surf Internet, the M&A integration playbook offers several advantages and a powerful answer to the overarching research question. The playbook provides a structured, repeatable framework to streamline complex merger processes while ensuring alignment across strategy, culture, values, and operations. Referring to Table 1, the playbook solution allows Surf Internet to improve across all elements of the test matrix, including supporting virtuous business, enhancing trust, and driving shared values. By utilizing the McKinsey 7-S Model, highlighted by Lakhanpal (2023), the solution offers a comprehensive framework for managing the complexities of mergers and acquisitions. At the core of the model are shared values, emphasizing their pivotal role in influencing changes across the other elements. This integrated approach will allow Surf Internet to proactively address challenges and enhance the overall performance of the merged entity.

Surf Internet leaders can effectively address M&A challenges by employing the recommended solutions framework while fostering a trusting culture. The recommended solution creates a comprehensive approach encouraging collaboration, innovation, and engagement across the organization, which will build trust. Through this framework, organizations can confidently navigate the complexity of M&A and the integration phase, ensuring a sustainable path to success. This framework leverages the pillars of clarity, character, connection, and contribution outlined in *Trusted Leader* (Horsager, 2021) and the VBM to create a lens for addressing Surf Internet's challenges with M&A. By addressing these critical areas, the playbook not only enhances operational efficiency but also supports ethical and sustainable business practices, as emphasized by the VBM.

Recommendations

As accepted by Surf Internet, the recommended solution is the adaptation of the suggested M&A integration playbook. This solution will provide the following benefits aligning with the developed solutions framework:

- The VBM will help build economic capital through the principles of being principled, proficient, and profound (Indiana Wesleyan University, 2024).
- Use of Horsager's (2021) four pillars of clarity, character, connection, and consistency from *Trusted Leader* will help to improve trust.
- PwC's (2017) seven tents are employed to drive speed, consistency, repeatability, and accountability for successful M&A integration
- Ensure best practices are utilized that support a successful exit strategy.

Through this research, employment conditions may improve for Surf employees because the anticipated outcome is an M&A playbook intended to provide the framework for more efficient and effective future merger and acquisition activities. Additionally, any additional growth and success from future M&As means more funds to be invested in the organization, the employees, and the communities in which they operate.

Surf Internet approved the solution, and their CEO signed the presentation review form in Appendix W. The solution was approved without modification. The organization is excited to receive the final M&A integration playbook and change management plan.

Rigor of the Research: Quantitative Study

The surveys were rigorously analyzed to ensure the accuracy and meaningful interpretation of descriptive statistics and findings. Central tendency (mean) and variability (standard deviation) were systematically calculated across multiple variables, providing a clear overview of employee experiences and perceptions of the three Surf Internet locations and roles. Stratifying the data by role and location added depth to the analysis, allowing nuanced insights into differences across organizational levels and sites. This rigorous attention to detail, coupled with a methodical breakdown of each variable, ensured that the descriptive statistics accurately reflected the organizational climate, strengthening the validity of the recommendations derived from the data and assisting with triangulation.

Rigor of the Research: Qualitative Study

The qualitative analysis of the focus groups and subject matter expert interviews was conducted rigorously to ensure reliable and credible findings. A thematic analysis approach was employed, systematically identifying key themes across multiple data sources. To enhance validity, themes were derived directly from participants' insights, with particular attention given to patterns that recurred across the three Surf Internet locations and the two expert interviews, ensuring consistency and relevance to the M&A integration context. By including a range of perspectives—from senior leadership to team members to subject matter experts—the analysis provided a comprehensive view of integration challenges as perceived by employees at all levels who have experienced the merger process during integration, bolstering the credibility and applicability of the findings. This structured and reflective approach to data interpretation underscores the robustness of the research, supporting actionable recommendations for developing an M&A integration playbook.

Dependability, Credibility, Transferability, and Confirmability

The research design ensured dependability, credibility, transferability, and confirmability in quantitative and qualitative analyses. Dependability was achieved by applying consistent data analysis methods, such as systematic thematic qualitative analysis and uniform statistical techniques in descriptive survey statistics, allowing findings to be replicated under similar conditions. Credibility was bolstered by gathering insights from diverse sources—including employees at different levels, locations, and external subject matter experts—which provided a well-rounded, authentic perspective on M&A integration challenges and best practices. To enhance transferability, themes and statistical trends were examined for their broader applicability beyond the specific organization, considering factors that could inform other M&A integrations. Finally, confirmability was addressed through a transparent approach to the documentation of the data collection and analysis processes, including detailed records of AI prompts and statistical calculations, to demonstrate that findings were grounded in the data and free from researcher bias.

Limitations and Generalizability

A primary limitation that affected this study and the methodology was Surf Internet's size. They are a smaller organization, and the number of employees at their acquired locations is less than 10. Mixed methods were used at three locations—two of which were Surf acquisitions; however, there was a smaller number of employees participating in the study and not all employees who were part of the original M&As are still employed at Surf.

A second limitation is that the research focused on smaller company acquisitions. While there are overlapping considerations, the integration process, timelines, scope and role of integration and leadership teams, and the effects on the overall employee base vary depending on specific M&A conditions. This study provides a custom solution for Surf Internet’s approach to acquiring smaller companies in its roll-up strategy.

A third limitation relates to the inability to create a one-size-fits-all M&A playbook to meet the needs of every deal. Each type of acquisition will require unique integration strategies. However, there are commonalities with each M&A. The provided playbook provides a strong foundation for successful integration through questions to ask, best practices, and more.

A fourth limitation is related to the study's outcome. Some subcategories in the playbook have limited content because they are based on secondary and primary research findings, which are inherently limited due to the proprietary nature of M&A activity. The M&A playbook is a living document, so Surf Internet will need to add content as the organization learns from each merger.

Finally, the information in this study, including the playbook, is more specific to the integration phase of an M&A. Other phases of an M&A will require additional decision-making information that is beyond the scope of this study, such as determining which companies to buy and integrate and which lawyer to hire for the negotiations and the acquisition contract.

Summary

The preceding section reviewed the planned research and analysis to determine the ideal test solution for the overarching question research question. Quantitative analysis of the surveys, qualitative analysis of the focus groups and subject matter experts, and the secondary research were triangulated to provide insight and depth of research. The primary research filled a gap by capturing comprehensive employee experiences during M&A integration. A multiple-perspective framework drew on Indiana Wesleyan University’s (2024) VBM, Horsager’s (2021) eight pillars of trust, and PwC’s (2014) seven tenets to arrive at a refined, optimized, and customized solution for Surf Internet. This included AI trail-blazing research to sort and refine content based on the McKinsey 7-S model Lakhanpal (2023) for an M&A integration playbook to support improved M&A performance in pursuit of the partner’s exit strategy.

Preparing for an exit strategy can be challenging. Surf Internet strives to create value through M&As by rolling up or acquiring smaller players in the upper Midwest. This should result in higher value for the organization and enhance a successful exit strategy if greater value can be created with each acquisition. A well-designed M&A playbook can help accelerate the transition during the integration phase. This custom playbook is designed to minimize disruptions, enhance talent retention, and foster trust, virtue, and collaboration by emphasizing critical elements such as cultural alignment, employee engagement, and leadership involvement, which are crucial for smooth transitions during roll-ups. By offering best practices, detailed processes, and communication plans, playbooks help organizations achieve their exit objectives efficiently. Moreover, they enable the consistent application of lessons learned from previous deals, ensuring that future mergers are managed with greater precision and adaptability. The concluding section of this ADP will feature a change management plan to support the effective rollout of the M&A playbook at Surf Internet. This plan will detail the rationale behind the change and propose a strategy for its implementation.

Section 5: Change Management Plan

A solution for the partner organization was recommended in the prior section. The last section is critical to the problem resolution as it outlines a change management plan to implement and support the suggested solution for Surf Internet and begins by making the case for change and reframing the approach to change management and how it will support the successful implementation of the solution.

McKinsey's 7-S model, as detailed by Lakhanpal (2023), and Horsager's (2021) pillars of trust will be discussed, along with the VBM (Indiana Wesleyan University, 2024), to show how shared values and trust can be supported during the integration phase. Kotter's 8-step process (Samer, 2021)will also be introduced as a method to provide reinforcement strategies. The section concludes with a plan for Surf Internet to implement the suggested solution, including evaluation, communication, and reinforcement strategies.

Making the Case for Change

The researcher presented the findings and recommendations for change to Surf Internet on November 8, 2024. The organization agreed to meet with the researcher at their Byron Center, Michigan location, one of the acquired locations where primary research was completed. The presentation lasted about 75 minutes. The CEO drove up from their headquarters in Elkhart, Indiana. Representatives participating in the meeting included Gene Cruise, President and CEO.

The PowerPoint presentation included the following topics:

- Review of the problem
- Problem statement and DRQs
- Frameworks – VBM (Indiana Wesleyan University, 2024) and eight pillars of trust (Horsager, 2021)
- Research findings, analysis, and gaps
- PwC's (2014) seven tenets of successful integration and McKinsey's 7-S model (Lakhanpal, 2023)
- Recommended solution

.

The presentation began with a review of the problem and the problem statement. Then, the overarching research question and guiding questions were discussed to determine how they would help identify the challenges and possible solutions. This was followed by presenting the VBM and the eight pillars of trust as frameworks. The CEO loved the frameworks and felt they aligned well with Surf Internet's values. A review of the research findings and analysis was provided, which the CEO found fascinating and valuable. Next, we discussed PwC's (2014) seven tenets of successful integration and how they can help drive speed and successful outcomes during integration. Speed, consistency, repeatability, and accountability were described as essential elements.[8]

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[8] For the definitions and descriptions of each, refer to *Setting the M&A Standard for Speed, Consistency, Accountability, and Repeatability,* in Section 4.

The CEO commented that he thought the PwC framework was an excellent choice to help identify the ideal solution and that speed was very important for them moving forward with future acquisition integration.

The researcher then presented a customized M&A integration playbook designed using the McKinsey 7-S model as the recommended solution, noting that the playbook would propel the following for Surf Internet:

- Present a standard approach that enhances accountability and efficiency
- Provide a map of best practices, roles, and responsibilities
- Ensure best practices are consistently applied across acquisitions
- Drive better integration outcomes and organizational learning
- Deliver exceptional deal value and increase shareholder value in time
- Result in a better, stronger, and more successful exit strategy

We then revisited the overarching research question and multiple perspectives frameworks. The CEO reiterated his appreciation for the VBM. He felt strongly that the M&A integration playbook would answer the question and provide further benefits in driving virtue and trust for the organization. The CEO approved the solution without modification because he felt strongly that it would address Surf Internet's challenges and align well with the need to drive cultural alignment during M&A integrations. The CEO also made the connection between what the acquired employees felt could be better during the integration phase and how the playbook supports providing this in a structured and sustainable way. The CEO then asked when the solution and change management plan would be provided, commenting that he and Surf's chief human resource officer would be excited to obtain the solution and meet with the management team to begin preparing for their next acquisition.

Reframing the Organization

To improve the M&A process, cultural integration must be seen as important as the legal and financial aspects of the merger activities from the start (Whipple, n.d.). Moving to an M&A integration playbook represents a transitional change in most organizations. A transitional change involves shifting from one state to a clearly defined new state, where the desired outcome is known, and the processes or tools are systematically implemented. The adoption of an M&A integration playbook, which is a tool that provides operational and process orientation, involves:

- Establishing a standardized approach for integrating acquisitions.
- Creating a transition by introducing structured processes, tools, and best practices.
- Driving process improvement by enhancing speed, consistency, repeatability, and accountability and using metrics to monitor integration performance (PwC, 2017).

However, if adopting the playbook drives a more profound shift in how the organization approaches strategic decision-making, culture, leadership styles, or employee roles, it could evolve into a transformational change, fundamentally altering how the organization operates. This would depend on how much the playbook influences broader organizational behavior and mindset. Sun Tzu (2010) implied that victorious warriors win, then go to war, and defeated warriors go to war and attempt to win. It is the same when driving change in organizational culture; by creating an agile and innovative culture, the organization can win wars, battles, and projects (Gibbons, 2019).

Using a Multiframe Perspective

Developing and implementing a robust change management plan is critical for successfully adopting an M&A integration playbook at Surf Internet. Achieving speed, consistency, repeatability, and accountability (PwC, 2017) in M&A integration requires more than just a well-designed integration playbook—it requires deliberate efforts to guide the organization through the transition, align stakeholders, and embed new practices into daily operations, particularly at a newly acquired location.

Hodgson (2023) emphasized that the success of the Time Warner Cable and Charter Communications merger was driven by a solid post-merger integration plan that prioritized team involvement in capturing synergies. Similarly, Haller and Johnson (2022) underscored the importance of strategic alignment, talent retention, repeatable processes, and performance tracking as critical factors in technology M&As. An effective change management plan supports the implementation of a playbook by addressing resistance to the change, building stakeholder buy-in, and ensuring a quick transition to standardized processes. An M&A integration playbook provides a structured, repeatable framework that guides organizations through the integration process. It includes the consolidation of best practices, defined roles and responsibilities, and standardized procedures, including communication, resulting in improved efficiency, minimized disruptions, and reduced uncertainty. Surf Internet can optimize its integration efforts and drive greater deal value by embedding metrics, lessons learned, shared values, and cultural alignment into the playbook. Change management ensures the framework is effectively enforced by

- engaging leadership to champion the transition,
- frequent communication to support shared values,
- Providing training and resources to align teams, and
- establishing feedback loops to refine processes and address challenges (Kotter, 2012).

The overarching benefit of combining a playbook with a structured change management plan is the ability to foster organizational alignment, improve accountability, and ensure consistent execution across all future Surf Internet M&A transactions. PwC (2017) highlighted that an M&A playbook is a critical tool for driving deal value, as it establishes execution standards, enforces consistency, and reinforces performance accountability. A change management plan ensures the organization not only adopts this tool but also fully integrates it into its culture, values, and operations, dramatically increasing the likelihood of achieving its desired outcomes.

Change management models, such as McKinsey's 7-S, Kotter's 8-step Process, or Hiatt's ADKAR framework, provide transparent methodologies to address the complexities of change. These models emphasize critical elements such as leadership engagement, communication, stakeholder alignment, and continuous reinforcement, which are especially vital during the intricate process of adopting a new M&A integration playbook. Change management models must be reviewed to ensure the selected framework engages the stakeholders involved, reduces resistance to change, reinforces success, and drives shared values quickly during integration. Regarding the 7-S model, the placement of shared values as the "center" of the model reflects the crucial nature of change on the other elements (Lakhanpal, 2023). This holistic approach can help Surf Internet address potential challenges and optimize the combined entity's performance during integration.

Selecting the appropriate model helps to ensure the organization is equipped to manage the technical challenges and the human elements of transition that have historically been more difficult to resolve. The best framework will provide a consistent approach to managing change, build trust among stakeholders, and minimize the risks of disruption during implementation. Ultimately, a well-chosen change management model not only facilitates the adoption and successful execution of the M&A integration playbook but also lays the groundwork for long-term deal value and a successful exit strategy for Surf Internet.

Planned Change Intervention Modeling
Managers in modern organizations consider change as a constant and continuous factor that can be utilized to improve performance across the organization. To manage change successfully, managers adopt different change management models such as ADKAR, McKinsey's 7-S, and Kotter's 8-step process, among others (Samer, 2021). Change management models provide a specific framework to help organizations plan and implement change successfully, and change is inevitable in modern organizations (Samer, 2021). Several change management models can support effective change, but selecting or customizing a model appropriate to the Surf Internet's type of change and size is important. Samer (2021) describes three change management models that were considered:

- McKinsey's 7-S framework model emphasizes the holistic approach of seven organizational elements: structure, strategy, systems, shared values, skills, style, and staff. This framework highlights that successful change requires organizational alignment across all seven elements so the organization can be centered on shared values. This framework is partially used to understand how internal dynamics affect change initiatives and ensure a holistic approach to implementation,

- Kotter's 8-step process framework model provides a structured approach to change management. It includes eight steps: establish a sense of urgency, build a guiding coalition, develop a vision and strategy, communicate the vision, empower broad-based action, generate short-term wins, consolidate gains and produce more change, and make change stable by anchoring new approaches in culture. This model is highly effective for driving change by creating momentum and sustaining it through cultural reinforcement and provides a step-by-step approach.

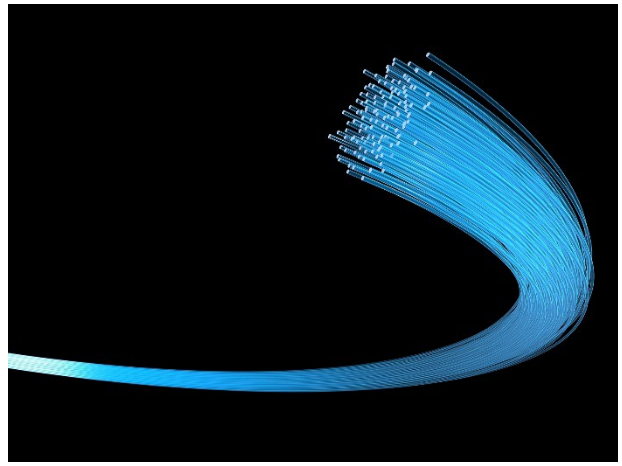
- Hiatt's ADKAR model focuses on the individual level of change management, stating that successful organizational change happens when individuals transition effectively. Five stages handle individual resistance to change: awareness, desire, knowledge, ability, and reinforcement. To gain individual alignment, ADKAR centers on specific skill-building personalized for each person's change journey.

Due to their holistic and principled approaches, McKinsey's 7-S Model and the VBM are highly effective change management frameworks for implementing an M&A integration playbook. These models address the structural and cultural complexities, including shared values, inherent in mergers and acquisitions, ensuring operational alignment is paired with ethical leadership and value-driven decision-making. Together, they provide a balanced framework that supports organizational transformation while fostering trust and virtuous business practices. The VBM can be a thread that runs through any of the noted frames and provides an anchor to God and doing the right thing. It can also become part of the organization's culture, helping to drive virtuous business further (Hein & Wilkinson, 2015). This means the VBM can reinforce change in all phases of a change management model. Figure 17 shows McKinsey's 7-S model.

McKinsey's 7-S Model is ideal for M&A integration because it addresses seven critical organizational elements: strategy, structure, systems, shared values, style, staff, and skills (Samer, 2021). This model ensures that both the technical (hard) and human (soft) aspects of change are aligned, a necessity in the complex process of merging organizations. The model emphasizes shared values at its core, making it especially relevant for integrations where cultural alignment is essential. By systematically addressing all interconnected elements, McKinsey's 7-S framework ensures that a holistic approach supports strategic objectives, operational efficiency, and employee engagement. The virtuous business model complements McKinsey's framework by embedding ethical principles into the integration process. The VBM focuses on creating social, spiritual, and economic capital through integrity, compassion, and stakeholder-oriented leadership (Hein & Wilkinson, 2015). These principles are critical in M&A scenarios, where trust and collaboration significantly influence the success of the integration. By prioritizing virtuous practices, the VBM helps organizations align their M&A activities with long-term virtuous values, fostering trust among employees, customers, and other stakeholders. Horsager (2021) highlighted that building and sustaining trust is significant for people and organizations to be successful and effective.

Together, these models create a comprehensive approach to change management. McKinsey's 7-S Model ensures alignment across all organizational elements, while the VBM instills a foundation of trust and virtue. This combination enables the M&A integration playbook to drive consistent and sustainable success, balancing operational excellence with principled, proficient, and profound organizational leadership.

The ADKAR model does not provide the detailed planning needed for successful change management at Surf Internet. An advantage of Kotter's 8-step model is the detailed level of planning in the model to manage change and reinforce strategies. Kotter's model also points out the importance of shaping a clear vision and sharing the vision across the organization, along with the drive for short-term wins (Samer, 2021). Kotter's 8-step model will help reduce barriers and reinforce the change at Surf Internet.



Whipple (n.d.) noted that a merger can result in losing the trust of employees and other stakeholders, and bitter feelings can linger throughout the process. Senior leaders' exhibited behavior and communication need to align with the shared values the organization is attempting to promote. This is why Horsager's pillars of trust are essential to Surf Internet's successful change management process. Horsager (2021) observed that leadership must actively communicate the message and drive desired values with words and deeds.

By systematically applying the McKinsey 7-S model, combining it with the VBM, and adding Horsager's eight pillars of trust, organizations can more effectively navigate the complexities of mergers and acquisitions. The organization can determine where values are aligned and drive cultural alignment, virtuous business practices, and trust. This strategic approach ensures that values, culture, operations, and talent are aligned, creating a solid foundation for long-term merger success and resulting in a stronger exit strategy.

Change Management Plan

The McKinsey 7-S model can be applied as a framework in circumstances where changes are being driven to impact shared values, such as merging two organizations (Corporate Finance Institute [CFI], 2023). During a merger, the organization *structure* and strategic decision-making (*strategy*) are impacted as new teams are formed. The 7-S model can identify these impacted areas, consider them holistically, and optimally incorporate change that streamlines the merger process (CFI, 2023). The suggested change management plan leverages McKinsey's 7-S framework and the VBM to facilitate the successful implementation of an M&A integration playbook at Surf Internet. The plan addresses critical components, including implementing interventions, a communication plan, measuring managed change, and reinforcement strategies.

Implementing interventions starts with developing a strategic framework for the playbook to ensure alignment with Surf Internet's growth objectives. Any areas that are not effectively aligned should be identified. This is part of the strategy in 7-S. The next step is to review and prioritize integration activities with the highest impact on synergy realization. This will involve senior management determining the optimal roles and responsibilities for the merged organization as part of the 7-S configuration and implementing the playbook. The organization may want to consider naming an integration manager and will certainly want to establish an integration task force to oversee the playbook activity and assure accountability. The VBM principles should also be used to ensure the playbook activity reflects ethical practices.

The next step involves standardizing integration tools, templates, and processes for repeatable success. This is the *systems* element in 7-S and includes an IT integration plan to ensure seamless data migration and systems alignment. At the center of the 7-S model are *shared values*. This element involves aligning the culture of the acquired organization with Surf Internet's culture and ethics. This is an area where Surf Internet can incorporate VBM principles to strengthen shared values focused on integrity and community. Trust must also be driven using Horsager's (2021) pillars of clarity, character, connection, and consistency. The *style* element of the 7-S model focused on providing ongoing leadership development to adapt communication and management styles to the needs of merging teams at Surf Internet. This makes the *staff* element easier to implement, including talent retention plans, focusing on retaining critical employees from both organizations and designing onboarding processes tailored to integrating employees from the acquired organization. The last element of the 7-S model is *skills.* This part of the implementation includes developing cross-functional training programs to enhance the organization's integration capabilities. Regular training sessions will be required for both existing and new employees. Surf Internet should also establish feedback mechanisms, such as surveys, cultural workshops, and Q&A sessions, to address concerns and incorporate suggestions.

Communication Plan

During the integration phase, a communication plan is essential for Surf Internet to support the change management plan because it ensures clear, transparent, and consistent messaging across all stakeholders, reducing uncertainty and building trust. Effective communication helps align employees, customers, suppliers, and other stakeholders with integration goals and facilitates cultural and operational alignment while minimizing resistance to change. Fang (2022) suggested that realignment requires frequent communication with employees during the integration phase. By keeping everyone informed and engaged transparently, the plan supports a faster and smoother transition, reinforces accountability, and drives the successful implementation of the M&A integration playbook. Kotter (2012) stated that no matter how good the message, it rarely sinks deeply into the recipient's mind after only one experience. Effective messaging requires repetition of the message and the communication of vision on a regular basis. The following outlines a communication plan for Surf Internet.

- The CEO will meet with his senior management team to discuss the change management plan and motivate them to be agents of change. He needs their buy-in for the change to be successful, and they must be excited and motivated. This should be done before the next deal closes so the team is informed, excited, and ready for action upon deal closure.
- The CEO and senior management should meet with the chosen site leaders once the acquisition deal has closed and involve them from the beginning.
- The CEO and senior management team are to announce the plan to the company. This could be done in a video call or by traveling to other locations; however, the latter is preferred, as this will build relationships and trust with employees at the acquired location.
- The chief human resource officer and the appropriate team leader should then meet with the teams at the newly acquired location to involve team members from both locations in the plan.
- Repeating the message and checking in with employees is key to successful messaging. The chief human resources officer and a rotation of team leaders ought to continue visiting the acquired location at least once a month.
- Employees are to be kept updated every week with an email newsletter and video calls.
- Surveys should be given to employees at the acquired location monthly or quarterly.

Assessment of the Impact of the Proposal

McKinsey's 7-S model can be used as a lens to assess the impact of implementing the M&A playbook across the organization, mainly focusing on who is involved in each area. This assessment ensures that all stakeholders, functions, and processes are aligned to drive successful integration efforts. Senior leadership defines the strategy element's overarching goals and vision for mergers, ensuring that the playbook aligns with Surf Internet’s growth objectives, values, and exit strategy. For the structure element of integration, team leaders will oversee the alignment of organizational structures required, and department leaders will be responsible for ensuring that reporting lines and decision-making authorities are clear. For the systems element, IT teams will manage system integrations, data migration, and platform harmonization for the merged entity. The chief human resource officer will align benefits and human resource policies. For the shared values element, the CEO, the chief human resource officer, and leadership teams from Surf Internet and the acquired organization will foster a unified cultural identity and values. The chief human resource officer will be involved with communications that drive cultural assessment and alignment during the integration. For the style element, senior leadership and middle managers must drive behaviors that reflect Surf Internet’s values and build trust across the organization. The chief human resource officer will be responsible for implementing talent assessments, retention plans, and onboarding programs for the staff element. Senior leadership will oversee training and development, identify skill gaps, and create M&A-specific training programs for the skills element, such as remote management training. By addressing the 7-S elements, the playbook impacts all Surf Internet’s organization levels, aligning stakeholders to ensure a fast, repeatable, and accountable integration process.

Change Through the Lens of the VBM

Surf Internet can simultaneously approach change management for M&A integration through the lens of the VBM by ensuring that the integration process aligns with the values of being principled, proficient, and profound (Indiana Wesleyan University, 2024). The VBM emphasizes balancing ethical responsibility and business success, providing a framework to guide Surf Internet's integration strategies while fostering trust, engagement, and value creation. Hendriks et al. (2020) suggested that virtuous leadership can influence the morale and well-being of employees by exemplifying virtuousness with virtuous communication and behavior. This contributes to trust and employee engagement, which supports the change through the change management process. Thus, virtuous leaders directly influence employees to support the change.

Stakeholder Analysis

Stakeholder analysis identifies, understands, and prioritizes the individuals and groups impacted by a change to ensure their needs, expectations, and influence are addressed effectively during integration. Surf Internet's M&A integration involves mapping key stakeholders such as employees, customers, and management. Considerations include understanding employees' concerns about job security, addressing customer expectations for uninterrupted service, and engaging leadership to champion the integration efforts. The change management plan involves teams of employees learning about and implementing the M&A integration playbook. The impact will depend on the actual M&A phase.

Potential Impact of the Change on the Culture of the Organization

Predicting how stakeholders will respond to implementing the M&A integration playbook at Surf Internet and identifying their needs requires considering the varying perspectives of employees, leadership, and stakeholders. Leadership will likely appreciate a structured framework and the clarity and results the framework should provide. The employee response will most likely be fear at first, as any integration has many unknowns and uncertainties. King and Taylor (2012) noted that successful merger outcomes focus on employee retention. If employees are not motivated and engaged, the best employees may leave. Assuming the playbook is followed, it should increase trust and the acceptance of shared values and allow employees to accept and support the changes more quickly. Other stakeholders, such as customers and vendors, will naturally have concerns at first due to the unknown. By utilizing the playbook to communicate effectively with these stakeholders, reassurance will be provided and accepted. PwC (2014) highlighted that leaders should communicate early and often with all stakeholders, including employees, customers, investors, and vendors. This will help to support quicker acceptance of the change. In PwC's *Ready, Set, Integrate* (2017), speed, consistency, repeatability, and accountability are highlighted as essential elements for successful M&A integration and supporting stakeholders through the change to obtain successful deal value. It is also necessary to consider the playbook a living document. Table 2 summarizes the M&A phases and impact analysis. As Surf Internet goes through roll-ups and acquires more companies, it can update the playbook as Surf learns by doing and gains experience.

Phase	Impact Analysis
Pre-Merger Planning	Surf Internet leaders should understand the cultural fit of any target.
Due Diligence	Learn about culture, shared value potential, and current owners.
Purchase Agreement	Senior leadership should be prepared to execute the change plan.
Integration	Communicate frequently to all stakeholders. Solid due diligence can help ensure that the integration phase has fewer challenges.
Post-Merger Evaluation	Learn from the experience and build a knowledge base into the playbook.

Table 2. *M&A Phases and Corresponding Impact Analysis.*

Estimated Duration

For Surf Internet, the timing of change is critical; waiting until day one after closing a deal to open the M&A integration playbook is too late. To ensure quick and seamless execution, Surf Internet must be committed to training and preparing in advance, gaining familiarity with the playbook's framework, tools, and processes well ahead of any merger or acquisition. This proactive approach will build employee confidence, team readiness, and consistency, enabling senior leaders and teams to act swiftly and effectively when the time comes to implement the integration plan. Early preparation ensures Surf Internet is equipped to capture synergies, minimize disruptions, and achieve successful outcomes from the start, driving deal value. The time to start is now, so the organization is prepared before the due diligence phase of any potential acquisition.

Estimated Costs

The costs associated with implementing the M&A integration playbook are limited. Leadership must expend the time needed for training and communication on implementing the playbook. Travel time will also be associated with locating a manager at the newly acquired location or with managers traveling to the location monthly. However, the return on investment has the potential to be substantial. The increased value generated by a well-executed merger or acquisition due to the structured approach provided by the playbook, compared to the cost of developing and implementing it, measured through factors like improved operational efficiency, faster time to driving deal value, synergy realization, and reduced integration risks, ultimately leading to higher profitability for Surf Internet and a more successful exit strategy.

Reinforcement Strategies

Kotter's 8-step change model can be effectively used as a reinforcement strategy for Surf Internet to sustain change and drive successful integration when merging with acquired organizations. Kotter's (2012) model provides a structured, step-by-step approach for systematically embedding change in an organization:

1. Establish a sense of urgency.
2. Form a guiding coalition.
3. Create a vision for change.
4. Communicate the vision.
5. Empower employees for action.
6. Create short-term wins to celebrate.
7. Consolidate gains and produce more change.
8. Anchor new approaches in the organization's culture.

Each step of the model reinforces key aspects of change, ensuring alignment with organizational goals, creating a sense of urgency, and fostering commitment to the integration process (Kotter, 2012). There are several specific actions Surf Internet can take to reinforce the change management model:

- Clearly communicate why the merger is critical to Surf Internet's growth and long-term success.
- Regularly update stakeholders on integration milestones to maintain urgency and transparency throughout the process (Kotter, 2012).
- Assemble a cross-functional integration team with representation from both organizations.
- Conduct regular meetings to share progress and address questions and challenges (Sherman, 2023).
- Establish a clear integration vision that aligns with Surf Internet's values and long-term goals (Kotter, 2012).
- Use a multi-channel approach to communicate integration goals (e.g., emails, meetings, etc.)
- Encourage two-way communication by soliciting feedback and addressing concerns openly) Kotter, 2012).
- Identify and achieve quick wins, such as aligning HR benefits or integrating key systems.
- Celebrate small wins and share success stories to reinforce the benefits of the merger.
- Equip employees with resources and training to take ownership of integration tasks (Sherman, 2023).
- Build on initial successes by scaling the best practices and addressing lingering challenges (Kotter,2012).
- Use insights from short-term wins to refine the playbook and improve future integrations.
- Align the merged organization's values and practices with Surf Internet's shared values and cultural identity.
- Celebrate leaders and teams who exemplify the new culture to reinforce desired behaviors and values (Kotter, 2012).

Kotter's 8-step model provides Surf Internet with a structured approach and specific actions to reinforce change, sustain momentum, and embed integration strategies into the organization's culture. Cultural change occurs only after the employees' actions have changed. The new behavior must benefit the organization and anchor cultural change (Kotter, 2012). The trust framework via Horsager's pillars of trust will also help reinforce change. Horsager (2021) highlighted that a lack of trust is often the root of many organizational challenges, and this is undoubtedly true during mergers, which is why activities that improve trust are so critical to success. By reinforcing and anchoring change, Surf Internet can create an environment where employees are aligned, engaged, and committed to the success of every acquisition.

Measuring Change Performance

Surf Internet should measure the key metrics under the 7-S subcategories in the M&A integration playbook to evaluate or measure change performance during an integration. Essential to this information being captured is to name an integration metrics and measures champion responsible for gathering, analyzing, and communicating data during the integration. The metrics to measure and report are listed in the Surf Internet Integration Playbook. See Metrics and Measures for M&A Integration in Appendix V.

Scenario Planning

For Surf Internet, the next merger is not if; it is when. The estimated time for the future acquisition is approximately six months to a year. They need to be prepared for the magnitude of the coming change, which can be challenging for organizations due to the human factor that is so significant in M&A activity. Kotter's (2012) 8-step process is ideal for scenario planning when implementing an M&A integration playbook because it provides a structured, phased approach to navigating change while fostering alignment, engagement, and adaptability that reinforces the desired change. The first steps of Kotter's process, creating a sense of urgency and building a powerful vision, are essential for setting the tone during M&A integration. Scenario planning benefits from these steps as they help identify key drivers for change, such as competitive pressure, market opportunities, or cultural alignment, ensuring stakeholders understand the importance of proactive integration planning (Kotter, 2012). Kotter (2012) emphasizes the formation of a guiding coalition that aligns integration goals and coordinates efforts. This coalition can use scenario planning to map out various potential outcomes, such as cultural misalignment or resource constraints, and proactively design mitigation strategies. Kotter's model also suggests identifying short-term wins, such as successfully merging IT systems or achieving initial cultural alignment, that can be celebrated, thus building momentum for long-term success (Samer, 2021.)

Another scenario for the leadership team to consider, mainly due to the smaller relative size of Surf Internet acquisitions, is losing a key manager just before or during an integration. Kotter (2012) highlights the importance of communication, recognition, and cultural reinforcement in retaining essential talent during change initiatives. Additionally, leaders should consider identifying at-risk employees early in the integration process and implementing targeted retention strategies.

Conclusion

The study began by identifying Surf Internet's challenges during the integration phase of M&A, which they had been experiencing while executing their roll-up strategy. A problem statement and overarching research questions were identified and utilized to executive extensive secondary and primary research, which included a mixed-methods approach and a novel use of AI for thematic analysis. The primary research included surveys and focus groups at multiple Surf Internet locations and subject matter expert interviews. A detailed analysis was conducted to uncover best practices, key questions, critical metrics, lessons learned, and M&A failure modes for M&A integration.

The findings guided the development of a custom M&A integration playbook developed around McKinsey's 7-S model to ensure alignment across strategy, structure, systems, and shared values while leveraging the VBM to uphold ethical and sustainable practices and drive economic capital. The VBM helps organizations like Surf Internet to be/become virtuous by aligning activities and decision-making around core shared values, ensuring they consistently act ethically and socially responsibly. Additionally, Horsager's (2021) eight pillars of trust were incorporated to foster clarity, character, connection, and consistency throughout the integration process, addressing one of the most common reasons for M&A failures: loss of trust.

The customized playbook equips Surf Internet with a structured, repeatable framework for managing future integrations with speed, consistency, and accountability. AI was used to sort the research findings into the playbook per the 7-S categories, offering best practices for a consistent application that supports better outcomes and employee retention. By emphasizing cultural alignment and shared values, the playbook minimizes resistance and disruption while promoting stakeholder collaboration and trust. This holistic approach improves operational efficiency and employee engagement and enhances the organization's ability to deliver on its mission and grow sustainably. As Surf Internet positions itself for continued expansion and an eventual exit strategy, the playbook is critical to drive value creation and strengthen its impact on employees, customers, and the communities it serves.

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Appendix A

Personal Communication Bios

Gene Crusie

Gene Crusie is currently CEO of Elkhart, Indiana-based Surf Broadband Solutions. Gene has been involved in several other startup companies, including Goshen Technical Services, Goshen Computer Associates, Heart City Enclosures, Skybridge Wireless, and Techknowledgy, Inc. Gene is well known in the telecommunications circles and frequently speaks at trade shows, conferences, and other events around the country. His companies have successfully built and launched dozens of internet service providers throughout the US and abroad. Through Gene's leadership, he and his company have earned awards such as Top 40 Leaders Under 40, Junior Achievement Technology Hall of Fame, and Elkhart Chamber of Commerce Business of the Year.

Besides his professional commitments, Gene is active in his local church. He is a founding member of Mission 46507 and the Dominican Republic-based Good Seed Foundation. He is also a member of the management team and volunteer servant leader for Denver, Colorado-based Marked Men for Christ ministries.

Tom Courtney

Tom Courtney has worked for over thirty-five years in the telecommunications industry, focusing on microwave radio backhauls. His experience includes engineering and sales positions at Comsearch, Harris Corporation, Ceragon, and CommScope. Tom has presented white papers at industry conferences and has served as a director with the National Spectrum Managers Association (NSMA). He attended George Mason University and studied electrical engineering. Tom is currently working on a novel.

James Hong

James Hong is a wireless technology leader who architected and built large-scale networks worldwide over the last 30 years. His innovations allowed Tier One customers such as AT&T, Verizon Wireless, and Telefonica to reach new wireless network capacity and reliability levels. Mr. Hong is currently leading the Wireless Broadband team at Aviat Networks and is responsible for the new WISP market development. Due to his recent efforts, Aviat Networks became the #1 WISP market share leader in wireless backhaul. Since the start of his career, James Hong has trailblazed the ways of bringing new technology solutions to various industries. At 28, he started his own dial-up and wireless internet company that provided internet access to businesses and residents in Michigan. In the next phase of his career, James has spearheaded wireless broadband teams at leading global providers such as Western Multiplex, Proxim, Orthogon Systems, Motorola, Cambium Networks, and Mimosa.

Dustin Jurman

Dustin Jurman is the CEO of Rapid Systems, a Florida-based internet service provider and network integrator since 1996. Dustin is passionate about providing broadband and IP solutions to consumer, commercial, and government entities throughout the state of Florida. Dustin was the architect who designed the Hardee County broadband network providing rural broadband in RASEC central Florida. He was also recognized for a mesh network design award from Rajant Networks for mining and automation networks in 2018. Dustin works with multiple manufacturers, including Rajant, Orthogon Systems, Cambium, Motorola, and many others, on integrating and developing IP, fiber, video, and wireless broadband technologies into various networks.

Appendix B

Types of Mergers & Acquisitions

M&A Type	**Description**	**Strategic Aim**	**Example**	**Author**
Horizontal	Two companies in the same space consolidate	Economies of scale	ExxonMobile	Patel (2023) Sherman (2023)
Market Extension	Consolidate into a new geographic area	Revenue synergy (aka rollup)	Sysco Surf Internet	Sherman (2023)
Vertical	Vertical integration	Also called adjacency	Xerox	Carroll & Mui (2013)
Cogeneric	Product extension	Revenue synergy or increased efficiency	P&G/Gilette	Carroll & Mui (2013) Lafley & Martin (2013)

Note. Types of mergers and acquisitions table developed from the information discussed in Section 3, including description, strategic aim, and examples of each type (Carroll & Mui, 2013; Lafley & Martin, 2013; Patel, 2023; Sherman, 2023).

Appendix C

M&A Phases, Activities, and Risks

M&A Phase	Activities	Risks
Pre-Merger Planning	• Identify objectives • Assess market • Evaluate synergy • Review finances • Cultural fit check • Management discussions • Information memorandum • Execute NDAs	• Illusionary synergies • Misunderstanding market • Ignoring cultural fit • Inadequate planning • Rushing the process
Due Diligence	• Approval of target firm • Confirmation of value • Review of potential risks • Confirm strategy • Review legal and contracts • Review of finances • Review intellectual property • Review employee data • Review compliance areas • Review legal matters • Review purchase agreement	• Seller uncooperative • Hidden issues discovered • Seller gets cold feet • Market/strategic shift • Seller will not negotiate • Egos clashing
Purchase Agreement	• Final negotiations • Obtain government approvals • Execute agreement • Transfer of funds • Announce agreement	• Egos clash • Seller gets cold feet • Inability to agree on terms

Integration	• Finalize integration plan • Kick-off meeting • Communication plan • Customer communication • Training • Employee compensation • Team/taskforce assignments • Tracking progress	• Culture clashes • Unmotivated employees • Weak leadership • Market shift • Unexpected liabilities • Overestimated synergies • Stakeholder resistance • Customer loyalty issues • Underestimate costs
Post-Merger Evaluation	• Analyze goals • Assess synergy success • Identify lessons learned • Document best practices	• Not conducting reviews • Not documenting best practices

Note. Table of M&A phases, activities, and risks during each phase developed from the information discussed in Section 3 (Calipha et al., 2010; Gaughan, 2018; Lautier & Velia, 2022; Patel, 2019; Sherman, 2023; Srivastav, 2024; Tarba et al., 2019).

Appendix D

M&A Failure Modes

Failure Mode	Prevention	Author
Poor Due Diligence	• Follow a defined process • Use experienced advisors • Consider culture • Consider all stakeholders • Open communication	• Anderson et al. (2013), Daume (2021), Patel (2021b) • Sherman (2023) • Marippan (2003), Sherman (2023) • Lafley and Martin (2013), Teerikangas (2019) • Fondrevay (2018), Sherman (2023)
Synergy Overestimation	• Utilize last chance meeting • Consider human issues	• Carroll and Mui (2013) • Sherman (2023)
Cultural Differences	• Review cultural aspects early • Communicate with employees • Involve employees on both sides	• Calipha et al. (2010), Gelfand (2018), Moller et al. (2016), Patel (2021a) • Fang (2022), Hodgson (2023), Marippan (2003), Sherman (2023) • King and Taylor (2012), Sherman (2023)
Integration Challenges	• Have a robust integration plan • Involve employees on both sides • Communicate with employees • Focus on employee retention	• Sherman (2023), Tarba et al. (2019) • King and Taylor (2012), Sherman (2023) • Fang (2022), Hodgson (2023), Marippan (2003), Sherman (2023) • Fang (2022), Gelfand (2018)

Note. Types of M&A failure modes from the information discussed in Section 3, including failure mode, the suggestion to prevent the failure, and authors cited.

Appendix E

Lessons Learned

Lesson	M&A Activity	Example
Strategic Alignment	• Strategic core capability alignment	• P&G/Gillette • Disney/Pixar
Due Diligence	• Due diligence process • Learn from the past	• Davita Inc. • Samsung/LoopPay • Caterpillar/ERA
Communication	• Communication in the integration plan • Frequent communication	• Office Depot/OfficeMax • Amazon/Whole Foods • Nordea
Cultural Consideration	• Do not underestimate culture • Negotiate culture • Culture in the integration plan • Get buy-in	• Amazon/Whole Foods • Alibaba/Yahoo
Integration Planning	• Strong management • Project planning • Include communication, talent management, and change management	• Charter/Time Warner • Office Depot/OfficeMax • Nordea

Note. Lessons learned, including the lesson, suggested associated M&A activity, and specific examples developed from the information discussed in Section 3 (Carroll & Mui, 2013; Daume, 2021; Lafley & Martin, 2013; Patel, 2021b; Roh et al., 2021; Sherman, 2023).

Appendix F

M&A Playbook Content Suggestions

M&A Phase	M&A Playbook Content Suggestions	Description
Pre-Merger Planning	• M&A strategy outline	• Moving bullets to the structured plan that defines the approach and objectives for M&A. It typically includes goals for the M&A activity, criteria for target selection, integration plans, and key performance indicators
	• Identify key talent and roles for M&A	• Determining the essential team members and their responsibilities to successfully manage the merger or acquisition process.
	• Research and hire required M&A service provides	• Identifying and selecting external experts who can support various aspects of the merger process. This may include legal advisors, financial consultants, due diligence experts, and integration specialists.
	• Identify M&A tools, overlaps and gaps	• Evaluating software and resources needed for the merger or acquisition process. This includes assessing tools for due diligence, integration management, and communication. Overlaps refer to redundant tools or functions, while gaps highlight missing capabilities.
Due Diligence	• Develop and implement due diligence guidelines	• Creating a structured framework to evaluate potential M&A targets systematically. This includes defining the scope of the review, establishing procedures for assessing financial, legal, operational, and strategic aspects, and setting criteria for evaluating risks and opportunities.
	• Develop a negotiation plan	• Defining objectives, identifying key negotiating points, establishing strategies for concessions and counteroffers, and outlining communication tactics.
	• Create an NDA template	• Creating pre-drafted documents to protect confidential information exchanged between parties during business discussions or transactions.
	• Draft an operational and cultural due diligence plan	• Planning to assess the operational efficiency and the cultural fit of a potential M&A target. The operational aspect evaluates the target's processes, systems, and overall business operations for compatibility and potential synergies. The cultural aspect examines organizational values, management styles, and employee practices to ensure smooth integration and alignment between the merging companies.

	• Conduct financial, operational, legal, technical, and employee due diligence	• A comprehensive evaluation of financial health and risks, operation processes and potential integration challenges, legal documents and risks, technology compatibility, employees, organizational culture, and key talent to ensure a smooth integration.
	• Complete draft of the overall integration plan based on findings	• Creating a comprehensive strategy to merge or align the merging entities' operations, systems, and cultures. This plan incorporates insights and data from due diligence to address identified issues, leverage opportunities, and ensure a smooth transition. It outlines specific integration goals, timelines, responsibilities, and critical actions required to harmonize processes, systems, and teams effectively.
Purchase Agreement	• Letter of intent template	• preliminary document outlining the key terms and intentions of parties involved in a potential business transaction. It serves as a formal expression of interest and sets the stage for detailed negotiations and agreements. While not legally binding in most cases, it provides a framework for the deal, including the scope, proposed terms, and conditions, and demonstrates a commitment to proceed with further discussions.
	• Discuss and submit the initial offer	• Present a preliminary proposal to the target company outlining the proposed terms and conditions of the acquisition.
	• Negotiation suggestions	• Provide strategic recommendations to facilitate discussions and reach mutually beneficial agreements for the acquisition. These suggestions typically include approaches for presenting proposals, handling objections, making concessions, and finding common ground.
	• Execute the final agreement	• Formalize the terms and conditions of the deal by signing the finalized contract or agreement. This step marks the completion of negotiations and the official commitment of both parties to the agreed-upon terms.
	• Gain regulatory approvals	• Obtaining the necessary permissions from government agencies to ensure the deal complies with legal and competitive standards. This process includes submitting detailed documentation about the merger, addressing potential concerns about market impact, and meeting any requirements set by regulatory bodies.
	• Transfer funds	• Process of moving money from one entity or account to another to complete the financial transaction. In the context of mergers, this typically includes transferring payment for the acquisition, coordinating with financial institutions, ensuring compliance with contractual terms, and verifying that funds

are correctly allocated to finalize the deal.

M&A Phase	M&A Playbook Content Suggestions	Description
Integration	• Schedule monthly or weekly meetings with employees	• Specifying the key individuals responsible for managing and executing the post-merger integration process. This includes appointing leaders for various functions, such as operations, finance, and human resources, and clearly outlining their responsibilities, objectives, and authority.
	• Begin execution of the integration plan on day one	• Initiating the predefined integration activities immediately after the merger is finalized. This includes implementing key actions such as aligning organizational structures, integrating systems and processes, communicating with employees and stakeholders, and addressing any immediate operational needs.
	• Ensure objectives and timelines are clear	• Establishing and communicating specific goals and deadlines for the post-merger process. This includes defining key milestones, assigning responsibilities, and setting measurable targets to track progress.
	• Welcome meetings after the deal is announced	• Executing organized sessions to introduce and integrate teams from both companies. These meetings aim to communicate key details about the merger, address immediate concerns, and foster employee collaboration.
	• Define leaders by role and define functional authority/responsibility	• Involves setting up regular sessions to update staff on the merger's progress, address any issues, and provide ongoing support.
	• Prioritization of integration projects	• Identifying and ranking key initiatives based on their impact, urgency, and alignment with strategic goals.
	• Draft and implement a communication plan for all stakeholders	• Creating a structured approach to inform and engage everyone affected by the merger or acquisition. This plan outlines vital messages, communication channels, and schedules for delivering updates to employees, customers, partners, and other relevant parties.
	• Develop messaging for employees, customers and suppliers	• Crafting tailored communications to address each group's specific interests and concerns. For employees, messaging focuses on changes, benefits, and integration plans. For customers, it highlights how the merger enhances service and value. For suppliers, it outlines any changes in procurement processes or relationships.

• Communicate the strategy and vision	• Clearly articulates the long-term goals and objectives of the combined entity. This includes explaining the rationale behind the merger, how it aligns with the overall business strategy and the benefits envisioned for all stakeholders.
• Assess talent at the acquired organization	• Evaluate the skills, experience, and performance of employees from the acquired company. This process includes reviewing individual capabilities, identifying key contributors, and understanding workforce dynamics. The goal is to determine how well the acquired talent aligns with the merged entity's needs, make informed retention decisions, and effectively integrate valuable employees into the new organizational structure.
• Implement key talent employee retention plan	• Developing and executing strategies to keep essential employees during and after a merger. This includes identifying top performers, offering incentives such as bonuses or career development opportunities, and ensuring clear communication about their role in the new organization.
• Implement a customer retention plan	• Develop strategies to maintain and strengthen relationships with existing customers during and after the merger. This includes clear communication about how the merger will benefit customers, addressing any concerns or disruptions, and ensuring continued high-quality service.
• Review customer agreements	• Analyzing existing contracts and agreements to assess their terms, obligations, and impact on the merger. This process ensures that all commitments are honored, identifies potential issues or conflicts, and helps align contractual obligations with the new business structure.
• Review supplier agreements	• Involves examining existing contracts with suppliers to evaluate terms, obligations, and potential impacts on the new business structure. This process helps identify any conflicts or opportunities for renegotiation, ensures compliance with contract terms, and aligns supplier relationships with the merged entity's objectives.
• Assess cultural differences and develop a change management or cultural integration plan	• Evaluate the varying organizational cultures of the merging companies to identify potential conflicts and areas of synergy. This process includes analyzing values, norms, and work practices to understand how they might impact integration. Based on this assessment, a change management plan is created to facilitate a smooth transition, address cultural challenges, and harmonize the cultures, ensuring a cohesive and productive work environment.

• Merge HR benefit and insurance programs	• Involves integrating the employee benefits and insurance offerings of the combining organizations into a unified system.
• Finalize NDA, intellectual property, and employment contracts	• Completing and formalizing key legal agreements essential for the merger.
• Transfer knowledge between organizations	• Systematically sharing essential information, skills, and expertise from one entity to another during a merger or acquisition. This process includes identifying critical knowledge areas, facilitating training sessions, and creating documentation to ensure valuable insights and practices are effectively communicated and retained.
• Develop a plan to ensure the alignment of sales teams	• Creating a strategy to integrate and harmonize sales functions from both organizations after a merger. This includes setting common sales goals, standardizing processes and tools, aligning incentives and performance metrics, and facilitating cross-team collaboration.
• Develop training for employees (sales, service, leadership)	• Creating targeted educational programs to equip staff with the skills and knowledge needed to succeed in the merged organization.
• Develop metrics for tracking integration projects and track and report operational integration activities and milestones	• Establishing specific, measurable criteria to monitor the progress and success of integration efforts. This includes defining key performance indicators (KPIs) such as project milestones, budget adherence, timeline achievements, and stakeholder satisfaction.
• Track and report cultural integration activities and milestones	• Monitoring the progress of efforts to merge and align organizational cultures following a merger. This includes documenting key activities, measuring the achievement of cultural integration milestones, and evaluating employee feedback and engagement.
• Track and report key talent retention activities and milestones	• Monitoring efforts and progress in retaining critical employees during and after a merger. This includes documenting retention initiatives.
• Track and report synergy capture	• Monitoring and documenting the realization of expected benefits and efficiencies from a merger. This includes measuring the achievement of cost savings, revenue growth, and operational improvements.
• Provide regular updates to all stakeholders	• Systematically communicating important information about the progress and status of the merger or integration process. This includes sharing updates on key developments, milestones, and any issues or changes.

	• Establish an audit plan to review M&A performance and KPIs	• Involves creating a structured approach to evaluate the effectiveness of the merger. This includes assessing whether the integration meets its goals and reviewing key performance indicators (KPIs) such as financial metrics, operational efficiency, and strategic objectives.
	• Assess synergy success	• Evaluating how effectively the merger has achieved the anticipated benefits from combining resources, operations, or capabilities. This includes measuring financial gains, cost savings, and operational efficiencies against the original synergy targets.
	• Identify lessons learned and codify these lessons	• Analyzing what worked well and what did not, capturing key takeaways, and documenting these findings. Codifying lessons involves creating formal records or guidelines to ensure these insights are accessible and applied to future projects.
	• Document best practices	• Compiling proven strategies, methods, tools, and approaches that contributed to successfully integrating and managing the merger.
Post-merger Evaluation	• Review and identify M&A training needs and develop content	• Assessing the skills and knowledge gaps within the organization related to mergers and acquisitions. This includes evaluating current competencies and understanding the specific training requirements for employees involved in M&A activities.
	• Conduct cross-functional M&A training for future acquisitions	• Organizing comprehensive training sessions for employees from various departments to prepare them for the complexities of mergers and acquisitions. This training covers key aspects of the M&A process, including due diligence, integration planning, and change management.
	• Establish an M&A knowledge repository, including tools/templates	• Creating a centralized system to store and organize key resources related to mergers and acquisitions. This includes compiling tools, templates, best practices, and documentation from previous deals.
	• Update the repository after each deal to optimize the playbook	• Incorporating new insights, tools, and templates from the most recent merger or acquisition into the organization's centralized knowledge system.
	• Consider software and generative AI tools	• Involves evaluating technological solutions that can enhance various aspects of the M&A process. This includes assessing software for project management, data analysis, and communication and exploring generative AI tools for tasks like automating document creation, analyzing large datasets, and generating insights.

Note. M&A playbook content suggestions are arranged by phase, noting the suggestion and describing each suggestion. Table developed from the information discussed in Section 3 (Christensen et al., 2011; Dever, 2023; Hendy, 2019; M&A Community Portal, 2023; PwC, 2014; PwC, 2017; Sherman, 2023).

Appendix G

M&A Playbook Outline Examples

M&A Integration Playbook Example (M&A Community Portal, 2023)

1. Overview

2. Guiding Principles

- Key deal success factors
- Synergy overview
- Cultural issue awareness

3. Structure

- Organizational structure
- The steering committee
- Acquisition integration team
    - Integration executive leader and M&A integration manager
    - Functional integration team
    - Cross-functional leaders

4. Governance

5. Process

- Integration strategy during due diligence and integration planning Integration planning
- Execution

6. Communication

- Customers
- Employees
- Shareholders
- Regulatory agencies
- Competitors
- General public

M&A Playbook Example Generated With ChatGPT (OpenAI,2024)

1. Strategic Planning

1.1 Define Acquisition Objectives

- Strategic fit and goals (e.g., market expansion, technology acquisition, talent acquisition)
- Financial targets and performance expectations

1.2 Develop Acquisition Criteria

- Target size and financial metrics
- Industry and market positioning
- Cultural and operational compatibility

1.3 Assemble M&A Team

- Internal team roles (e.g., M&A lead, finance, legal, HR)
- External advisors (e.g., investment bankers, legal advisors, consultants)

2. Target Identification and Evaluation

2.1 Market Research

- Industry analysis and market trends
- Identification of potential targets

2.2 Preliminary Screening

- Initial review of potential targets
- High-level financial and strategic fit assessment

2.3 Engagement and Approach

- Initial contact and confidentiality agreements
- Request for information (RFI) or preliminary data

3. Due Diligence

3.1 Due Diligence Planning

- Develop a due diligence checklist
- Assign responsibilities for different areas (e.g., financial, legal, operational)

3.2 Conduct Due Diligence

- Financial Due Diligence
    - Review financial statements, forecasts, and projections
    - Assess revenue, profitability, and debt
- Legal Due Diligence
    - Review contracts, legal compliance, and litigation history
- Operational Due Diligence
    - Evaluate operations, systems, and processes
    - Assess management and employee capabilities
- Commercial Due Diligence
    - Analyze market position, competitive landscape, and customer base

3.3 Risk Assessment

- Identify and evaluate potential risks and issues
- Develop risk mitigation strategies

4. Valuation and Deal Structuring

4.1 Valuation Analysis

- Determine the value of the target using various methods (e.g., discounted cash flow, etc.)
- Establish negotiation ranges and valuation benchmarks

4.2 Deal Structuring

- Determine deal structure (e.g., asset purchase, stock purchase)
- Negotiate terms (e.g., purchase price, payment terms, contingencies)

4.3 Draft and Negotiate Agreements

- Draft Letter of Intent (LOI) or Memorandum of Understanding (MOU)
- Negotiate terms and finalize purchase agreements

5. Financing

5.1 Determine Financing Needs

- Assess required funding and sources (e.g., cash reserves, loans, equity)

5.2 Secure Financing

- Arrange financing (e.g., negotiate with banks and investors)
- Finalize financing arrangements and agreements

6. Regulatory and Legal Compliance

6.1 Regulatory Approval

- Obtain necessary approvals from regulatory bodies
- Ensure compliance with antitrust and competition laws

6.2 Legal Documentation

- Finalize and execute legal documents
- Ensure all legal requirements are met

7. Integration Planning

7.1 Integration Strategy

- Develop an integration plan and timeline
- Identify the integration team and key stakeholders

7.2 Communication Plan

- Communicate acquisition to employees, customers, and other stakeholders
- Manage change and address concerns

7.3 Operational Integration

- Align processes, systems, and operations
- Integrate teams and cultures

7.4 Performance Monitoring

- Establish key performance indicators (KPIs) to track integration success
- Monitor progress and address any issues

8. Post-Acquisition Review

8.1 Post-Acquisition Assessment

- Evaluate the success of the acquisition against objectives
- Conduct a post-mortem review to identify lessons learned

8.2 Continuous Improvement

- Implement improvements based on review findings
- Adjust integration strategies as needed

9. Documentation and Reporting

9.1 Document Key Decisions and Processes

- Maintain comprehensive records of decisions, agreements, and processes

9.2 Regular Reporting

- Provide updates to senior management and stakeholders
- Report on performance and integration progress

Appendix H

M&A and Exit Strategy Metrics

M&A Phase	Metric Name	Calculation	Purpose	Author
Pre-merger, due diligence, and purchase agreement phases	Sales and sales growth	(Current year's sales – Prior year's sales/Current year's sales) x100	Determine how sales growth compares to the market	Alvardo (2016), Chepal (2020)
Pre-merger, due diligence, and purchase agreement phases	Revenue per employee	Total revenue/Number of employees	Indicator of business efficiency	Carnes (2017)
Pre-merger, due diligence, and purchase agreement phases	New customer growth	Track new customers who place a first order	Indicator of sales strategy and sales team success	Chepal, (2020)
Pre-merger, due diligence, and purchase agreement phases	Profit margin	Gross profit/Total revenue) x 100	By comparing to competitors' indicators of strategic success	Chepal, (2020)
Pre-merger, due diligence, and purchase agreement phases	Customer concentration	Revenue top 10 customers/Gross revenue last 12 months	Helps to understand risk from customer concentration	Carnes (2017)
Pre-merger, due diligence, and purchase agreement phases	EBITDA	Operating profit + Depreciation + Amortization	Provides focus on core performance of business	Alvarado, (2016), Bridges (2024)
Pre-merger, due diligence, and purchase agreement phases	Debt-to-Equity	Total liabilities/Shareholders' equity	Compared to competitors can indicate financial risk	Carnes, (2017), Jean (2022)
Pre-merger, due diligence, and purchase agreement phases	Cash flow	Net income + Non-cash expenses - Change in working capital	Indicator of how well cash is being managed	Carnes (2017), Jean (2022)
Pre-merger, due diligence, and purchase agreement phases	Current ratio	Current assets/Current liabilities	Indicator of ability to pay short-term obligations	Carnes (2017)
Pre-merger, due diligence, and purchase agreement phases	Lead time and on-time delivery	Track time start to Finish for completion	Compared to competitors, it may offer a differentiator	Carnes (2017)
Pre-merger, due diligence, and purchase agreement phases	Inventory turns	COGS/Average inventory value	Indicator of cash management	Carnes (2017)
Pre-merger, due diligence, and purchase agreement phases	Deal closure time	Time elapsed from deal initiation to the official signing	Indicator of process efficiency	Bridges (2024)
Integration phase	Employee retention	Separated employees/Average number of employees	Indicator of cultural management success	Jean (2022)

Integration phase	Employee NPS	Total % promoters -Total % detractors	Indicator of employee happiness and engagement	Chepal (2022)
Integration phase	Customer retention	(Numbers of customers-- New customers/Number of customers) x 100	Indicator of customer satisfaction	Chepal, (2022), Jean, (2022)
Integration phase	Customer satisfaction score	(Positive responses/Total number) x 100	Indicator of customer satisfaction and deal response	Chepal, (2022), Jean, (2022)
Integration phase	Customer NPS	Total % promoters -Total % detractors	Measures customers loyalty	Alvarado (2016), Chepal (2020)
Integration phase	System conversion	Track completion time from start to finish relative to goal	Indicates delays that can challenge integration	Chepal (2020)
Integration phase	Sales and sales growth	(current year's sales – prior year's sales/current year's sales) x100	Determine how sales growth compares to the market	Alvarado (2016)
Integration phase	Profit margin	(Gross profit/Total revenue) x 100	Margins can indicate performance relative to competition	Jean (2022)
Integration phase	Sales to equity ratio	Net sales/Shareholders equity	Indicates efficiency of sales generation	Jean (2022)
Integration phase	Cost synergies	Track realized cost savings versus forecast cost savings	Indicates if forecasted synergies are being achieved	Bridges (2024)
Integration phase	Post-merger Integration success rate	Track defined objectives versus results	Can help measure and drive future M&A improvement	Bridges (2024)

Note. M&A and exit strategy metrics are arranged by phase, including suggested metrics by phase, how to calculate the metric and its purpose. Table developed from the information discussed in Section 3

Appendix I

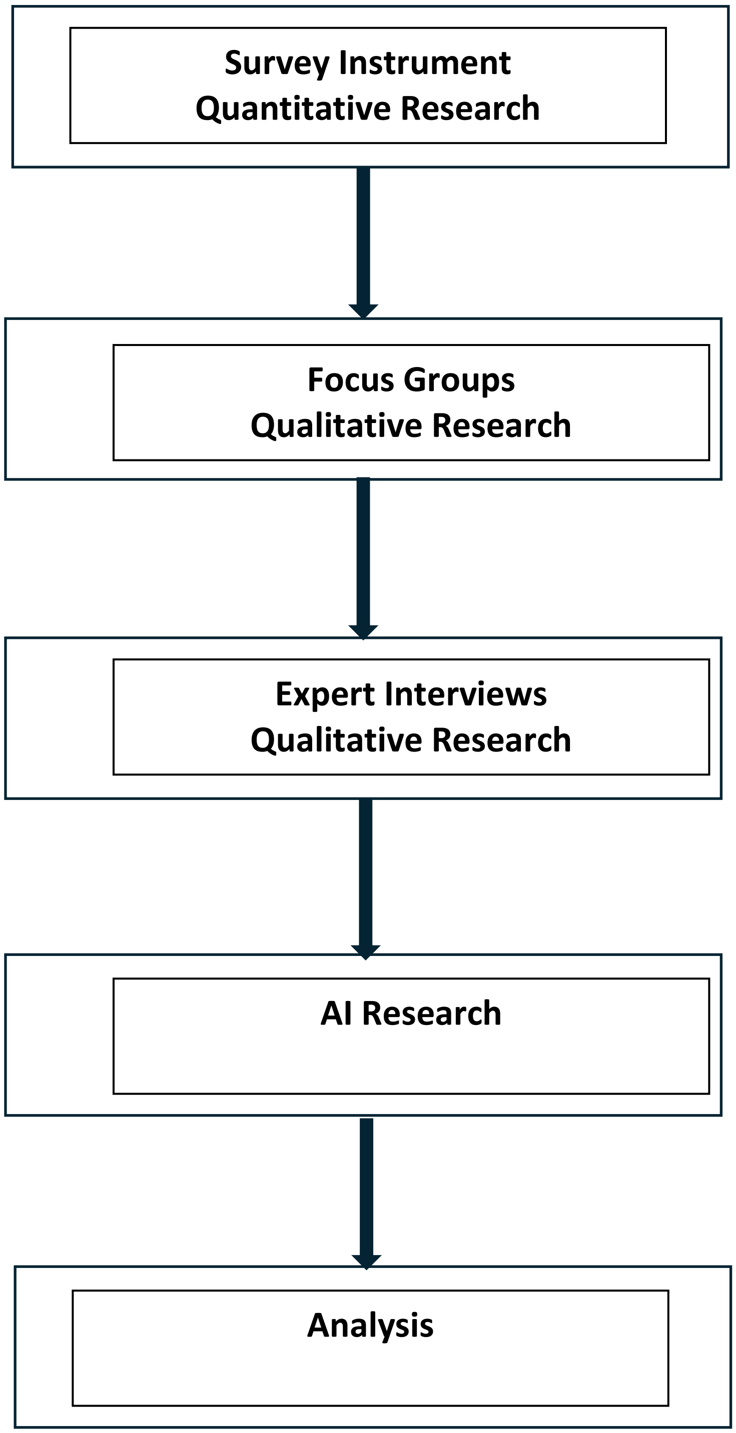
Methods Utilized for Research

Author	Methods
Bansal (2015)	Interviews with senior managers and employees using an inductive qualitative approach in person
Baynham (2011)	Interviews with senior HR managers about pulse surveys, change management action teams, and periodic meetings
Cefis et al. (2021)	Literature review
Dickinson (2013)	Data collection from successful mergers using qualitative methods; interviews with senior managers completed in person and on the phone
Ellencweig et al. (2024)	Utilizing an AI "coach" trained on M&A best practices and developing an organizational-specific M&A playbook
Tarba (2019)	Interviews and surveys of senior managers in meetings and questionnaires were administered via email and in person
PwC (2023)	Interviews of senior managers via telephone
WTW (2022)	Surveys, focus groups, and interviews of employees

Note. Table noting possible methodologies for M&A integration research. Table developed from the information discussed in Section 3 (Bansal, 2015; Baynham, 2011; Defis et al., 2021; Dickinson, 2013; Ellencweig et al., 2024; Tarba, 2019; PwC, 2023; WTW, 2022).

Appendix J

Components of the Planned Inquiry



Appendix K

IRB Approval Letter

INDIANA WESLEYAN UNIVERSITY

Institutional Review Board
4201 South Washington Street
Marion, IN 46953

Tel: 765-677-1402

NOTIFICATION OF APPROVAL TO CONDUCT RESEARCH

NAME OF INVESTIGATOR: *Andy Singer*

TITLE OF INVESTIGATION: *Optimized M&A Integration Strategy and Tactics*

IRB ID NUMBER: 2054.24

The Institutional Review Board of Indiana Wesleyan University reviewed your proposal and has reached the following decision.

The proposal has been:

_____X____ APPROVED

- This approval is valid for one year from the date of this notice. If there are any changes in the project during the year or if the project extends beyond the one-year period, a new proposal must be submitted to the IRB for review.
- All study documents (including completed questionnaires and signed consent documents) must be retained for a minimum of three years from the close of the study. Documents of the student projects must be retained in the students' respective departments.

__________APPROVED PENDING SUBMISSION OF REVISIONS

__________ NOT APPROVED

All research executed at IWU must conform to all applicable state and federal laws and regulations and to all applicable IWU policies.

Signature: ____________________ Date: 7/10/24

Jim Vermilya, PhD
Chair, Institutional Review Board

Appendix L

CITI Certificates

CITI PROGRAM

Completion Date 27-Sep-2024
Expiration Date 27-Sep-2028
Record ID 63037869

This is to certify that:

Andrew Singer

Has completed the following CITI Program course:

Not valid for renewal of certification through CME.

Social & Behavioral Research - Basic/Refresher
(Curriculum Group)
Social & Behavioral Research - Basic/Refresher
(Course Learner Group)
2 - Refresher Course
(Stage)

Under requirements set by:

Indiana Wesleyan University

CITI
Collaborative Institutional Training Initiative

101 NE 3rd Avenue, Suite 320
Fort Lauderdale, FL 33301 US
www.citiprogram.org

Generated on 27-Sep-2024. Verify at www.citiprogram.org/verify/?wbf3fff18-81b4-49c9-883f-328bb60d095c-63037869

CITI PROGRAM

Completion Date 23-Oct-2024
Expiration Date 23-Oct-2028
Record ID 64086527

This is to certify that:

Debbie Philpott

Has completed the following CITI Program course:

Not valid for renewal of certification through CME.

Social & Behavioral Research - Basic/Refresher
(Curriculum Group)
Social & Behavioral Research - Basic/Refresher
(Course Learner Group)
2 - Refresher Course
(Stage)

Under requirements set by:

Indiana Wesleyan University

CITI
Collaborative Institutional Training Initiative

101 NE 3rd Avenue, Suite 320
Fort Lauderdale, FL 33301 US
www.citiprogram.org

Generated on 23-Oct-2024. Verify at www.citiprogram.org/verify/?w01438b58-fb78-4801-8a0a-5b97896eba1e-64086527

Appendix M

Consent Form--Survey/Focus Group

RESEARCH PARTICIPANT CONSENT FORM SURVEY/FOCUS GROUP

Title of Project: Optimized M&A Integration Strategy and Tactics

Principal Investigator's Name(s): Andy Singer

Research Advisor's Name(s): Dr. Debbie Philpott

Academic Division/Department: DBA

Purpose of the Research
I am conducting this research to help improve the integration phase of mergers and acquisitions (M&A) and provide Surf Internet with an M&A playbook design that is focused on the integration phase. Your involvement in the survey and focus group can help provide valuable insights into employee experiences and ultimately improve the outcomes.

Your participation in this research is voluntary.

Specific Procedures to be Used
Every employee in attendance will receive a consent form and copy of the survey. Employees who are willing to volunteer to complete the survey will sign this consent form and take the survey. Once the survey is completed, it will be returned to Andy Singer who will collect all the surveys in a large manilla envelope. An hour-long recess will occur prior to reassembling for the focus group session. Those who have volunteered to participate in the focus group will assemble. Instructions will be provided. Open questions will be asked.

At any time in the survey or focus group process, employees may decide to stop participating and are welcome to leave the room.

I have read this page _ (initials here)

Duration of Participation
For those involved in the survey and focus group, the survey will take less than 30 minutes. There will then be an hour-long break, followed by a focus group that will last about an hour.

Risks and Benefits
I understand that no personal direct benefits or significant risks are associated with my participation in this study.

Confidentiality
I am assured that all information provided by me will be kept confidential. Personal identifiers will not be shared with others at Surf, nor will they be used in the written report.

Release
I participate of my own accord in this research project and release any claim to the collected data, research results, publication in any form including thesis/dissertation,journal article, conference presentation or commercial use of such information or products resulting from the collected information.

Contact Information
If I have any questions about this research project, I can contact:

Professor Andy Singer Singera@alma.edu. If I have concerns about the treatment of research participants, I can contact theInstitutional Review Board (IRB) at Indiana Wesleyan University, 4201 South Washington Street, Marion, IN 46953. (765) 677-2090.

I HAVE HAD THE OPPORTUNITY TO READ THIS CONSENT DOCUMENT AND ASK QUESTIONS ABOUT THE RESEARCH PROJECT, AND AM PREPARED TO PARTICIPATE IN THIS PROJECT.

Participant's Signature: ____

Participant's Name (Type or Print): ______________________________________

Date: _________________________________

Investigator's Signature: ____

Date: _________________________________

For those participating in the survey, please note the following:

Consent to participate in the focus group
I agree to be in the focus group.

YES ______________**NO** ____________

____ ______________________

Signature Date

Appendix N

Survey Questions

INSTRUCTIONS: Please carefully read each question and consider the best answer. For the first two questions, mark the correct answer with an X on the blank line.

How long have you worked at Surf or the acquired organization?

Less than 1 year ____
1 year to 5 years ____
More than 5 years ____

Which of the following describes your role at Surf?

Senior executive (C-level or VP) ______
Manager or Director _____
Team member in the office _____
Team member in the field _____

INSTRUCTIONS: For the following questions, please use the scale below to write down a number between 1 and 5 on the blank line at the start of each statement. Identify the number corresponding to the response that best reflects your agreement, neutral stance, or disagreement with each statement about the merger between Surf Internet and FreedomNet or MI Signal that you were involved with.

1 = Strongly disagree

2 = Somewhat disagree

3 = Neutral or neither agree nor disagree

4 = Agree

5 = Strongly Agree

_____ 1. The merger went well.

_____ 2. I never felt my job was threatened during the integration process (the merging of the two companies).

_____ 3. The communication during the merger integration process was effective.

_____ 4. I understood how the merger would impact my role and responsibilities.

_____ 5. I was motivated and engaged during the integration process.

_____ 6. I was given ample opportunity to provide feedback during the integration process.

Appendix O

Focus Group Questions

Focus Group Questions—Optimized M&A Integration Strategy

INSTRUCTIONS: Thank you for agreeing to participate in this focus group session. This session will be recorded. However, your name will not be recorded, and what is stated here is confidential and will only be reported anonymously. The focus group will use open-ended questions to dive deeper into some of the concepts reviewed in the survey about your merger between Surf Internet and FreedomNet or MI Signal. Speaking up during the focus group is encouraged, but please do not talk over someone else. Please be open and honest with your comments.

1. Name at least two things you think went well during the merger.
2. Name something that could have been done differently or better during the merger.
3. From your perspective, how could these items be executed better?
4. Can you share any specific pain points or obstacles encountered during the merger?
5. From your perspective, how effective were training and support mechanisms during the merger?
6. Are there improvements that could be made to ensure clear and transparent communication throughout the merger?
7. Is there anything else that could have been done to help make you feel more motivated and engaged during the integration?
8. From your perspective and experience with the merger, what do you perceive as Surf Internet's biggest strengths and weaknesses of the current Surf Internet merger integration process?

NOTE: These instructions will be read to the attendees. A hard copy of the instructions will be made available for anyone with a hearing impairment.

Appendix P

Invitation Letter to M&A Experts

Subject: Invitation to Participate in Research M&A Integration

Dear [Participant's Name],

I hope you are doing well. Following up on our last conversation, I am progressing with my research study on M&A integration, designing an M&A playbook, and identifying best practices for exit strategies. Considering your extensive experience and knowledge in this field as an executive involved in M&A, I am reaching out to request an interview.

The purpose of the research interview is to explore M&A phases, best practices, lessons learned, and M&A playbooks, with a particular focus on the integration phase.

Your role as an executive involved with these transactions provides unique insights crucial to this study. Participation would involve a virtual interview via Microsoft Teams or the telephone at your convenience. To ensure a smooth process, I have attached a Participant Consent Form outlining the study's purpose, your involvement, and confidentiality measures. If you agree to participate, please review, sign, and email the form back, suggesting suitable dates and times.

I have also attached the interview questions in advance, giving you time to prepare. The interview will last about an hour, and we can schedule it at your convenience.

Your participation will significantly enhance the depth and practicality of this research.

Thank you once again for considering this request. I look forward to the possibility of speaking with you and learning from your extensive experience.

Best regards,

Andy Singer

Principal Investigator

NOTE: The signature line in the email will contain my contact information

Appendix Q

Consent Form—Interviews

Title of Project: Optimized M&A Integration Strategy and Tactics

Principal Investigator's Name(s): Andy Singer

Research Advisor's Name(s): Dr. Debbie Philpott

Academic Division/Department: DBA

Section 1: **Purpose of the Research**
I am conducting this research to help improve the integration phase of mergers and acquisitions (M&A) and provide Surf Internet, a telecommunications organization, with an M&A playbook design that is focused on the integration phase.

Your participation in this research is voluntary.

Specific Procedures to be Used
I will ask a series of questions that will be shared ahead of time. The questions are structured to learn more about your experience with M&As.

Duration of Participation
The interview is anticipated to take about an hour.

Risks and Benefits
I understand that no personal direct benefits or significant risks are associated with my participation in this study.

Confidentiality
Your name will be recorded unless you request it not to be recorded your name.

I have read this page. __ (initials here)

Release
I participate of my own accord in this research project and release any claim to the collected data, research results, or publication in any form, including thesis/dissertation, journal article, conference presentation, or commercial use of such information or products resulting from the collected information.

Contact Information
If I have any questions about this research project, I can contact:

Professor Andy Singer Singera@alma.edu.

If I have concerns about the treatment of research participants, I can contact:

Institutional Review Board (IRB) at Indiana Wesleyan University, 4201 South Washington Street, Marion, IN 46953. (765) 677-2090.

I HAVE HAD THE OPPORTUNITY TO READ THIS CONSENT DOCUMENT AND ASK QUESTIONS ABOUT THE RESEARCH PROJECT, AND AM PREPARED TO PARTICIPATE IN THIS PROJECT.

Participant's Signature: ____

Participant's Name (Type or Print): _____________________________________

Date: ____________________________________

Investigator's Signature: ____

Date: ____________________________________

For those participating in the Interviews, please note the following:
Consent to be Audio/Video Recorded

I agree to be audio/video recorded.

YES ______________**NO** ____________

____ ____________________

Signature Date

Appendix R

Interview Questions

INSTRUCTIONS: These are the questions I will ask you during the interview during the designated date and time. I will ask each of these questions and provide time for you to respond. I may ask additional questions, depending on the direction of the interview.

1. How many M&As have you been through, and what was your involvement?

2. In which of the five phases of M&As (pre-merger planning, due diligence, purchase agreement, integration, and post-merger evaluation) do the most challenges arise?

3. What types of challenges were faced?

4. How have you minimized these challenges?

5. Do you use a documented M&A playbook?

6. If not, why? If you do, would you mind sharing it with me? Alternatively, would you share the design framework (list of contents) in the playbook?

7. What does effective communication look like during an M&A?

8. How do you ensure effective communication with all stakeholders during the integration process?

9. What strategies do you employ to manage potential resistance or skepticism from employees during a merger or acquisition?

10. Based on past M&A experiences, what are the most valuable lessons you've learned about the integration processes?

11. In recognition that my aim is to design an M&A playbook as the output for my doctoral study, what else would you like to tell me that we have not covered?

Note: I could ask additional questions to follow the content lead of the responses, depending on the direction of the interview.

Appendix S

Summary Table Descriptive Statistics for Quantitative Data

Location	Variable	Mean (M)	Standard Deviation (SD)
A	Never_threatened	5.00	0.00
	Motivated_engaged	4.40	0.89
	Communication	3.20	1.10
	Opp_for_feedback	4.20	1.30
	Went well	3.60	0.55
	Understood impact	4.20	1.30
B	Never_threatened	3.33	1.21
	Motivated_engaged	2.50	1.22
	Communication	2.50	0.55
	Opp_for_feedback	2.33	1.03
	Went well	2.67	1.03
	Understood impact	2.67	0.82
C	Never_threatened	2.20	0.45
	Motivated_engaged	3.00	0.71
	Communication	2.40	1.14
	Opp_for_feedback	3.40	0.89
	Went well	3.60	0.55
	Understood impact	3.00	0.71
Role	**Variable**	**Mean (M)**	**Standard Deviation (SD)**
Senior Exec	Never_threatened	5.00	0.00
	Motivated_engaged	4.00	1.00
	Communication	3.33	1.15
	Opp_for_feedback	4.00	1.73
	Went well	3.67	0.58
	Understood impact	4.67	0.58
Manager	Never_threatened	4.00	1.22
	Motivated_engaged	4.00	1.00
	Communication	3.20	0.84
	Opp_for_feedback	3.20	1.30
	Went well	3.20	0.84
	Understood impact	3.20	1.30
Team Member	Never_threatened	2.62	1.06
	Motivated_engaged	2.50	1.07
	Communication	2.12	0.64
	Opp_for_feedback	3.00	1.20
	Went well	3.12	0.99

	Understood impact	2.75	0.71
Summary Table	Never_threatened	3.50	1.37
	Motivated_engaged	3.25	1.24
	Communication	2.69	0.95
	Opp_for_feedback	3.25	1.29
	Went well	3.25	0.86
	Understood impact	3.25	1.13

Appendix T

Summary Table Focus Group Practices Mentioned by Location

Practices Mentioned		Location	
	A	B	C
Role Clarity/Expectation Setting Required	X	X	X
Leadership Presence at Acquired Locations Required	X	X	X
Feeling of Isolation		X	X
Training Required	X	X	X
Inadequate Resources		X	X
Customer Centric Approach	X	X	
More Communication Needed/Transparency	X	X	X
Process Required	X		
Owner Challenges (Former)	X		X
Integration Team Required	X		

Note. The table is a summary of practices mentioned during the Surf Internet focus groups by location. The highlighted rows indicate the practices mentioned at all three locations.

Appendix U

AI Prompts for Sorts and Descriptions

AI Prompts for Sorting Content According to the 7-S Model Elements

The following prompt was used for all sorting descriptions; only the data type was changed.

I am a doctoral student in a Doctor of Business Administration program completing an applied doctoral project (a consulting report with similar research content as a dissertation). The doctoral study research will result in creating a customized design of an M&A (merger and acquisition) integration-phase playbook to help an organization in the telecommunications industry.

The integration-phase playbook is going to include content identified from my secondary research and primary research. The M&A Integration Playbook will set the standard for speed, consistency, accountability, and repeatability (as the organization plans to engage in multiple M&As in the next few years).

The M&A Integration Playbook's design and development will use the McKinsey 7-S model as a framework. The model's framework maps a constellation of interrelated factors that influence an organization's ability to change. The goal of the model is to depict how effectiveness can be achieved in an organization through the interactions of seven key elements: Strategy, Structure, Systems, Shared Values, Style, Staff, and Skills. Shared Values are at the center of the model, so all content revolves around ensuring they are in place and considered.

For this activity, sort the listed content according to the most applicable element of the seven in the 7-S Model: Structure, Strategy, Skill, System, Shared Values, Style, and Staff. The list contains ***BEST PRACTICES for M&A INTEGRATIONS*** *to include in an M&A playbook in preparation for and for use during the INTEGRATION PHASE of an M&A.*

For this activity, sort the listed content according to the most applicable element of the seven in the 7-S Model: Structure, Strategy, Skill, System, Shared Values, Style, and Staff. The list contains ***QUESTIONS*** *to include in an M&A playbook in preparation for and for use during the INTEGRATION PHASE of an M&A*.

For this activity, sort the listed content according to the most applicable element of the seven in the 7-S Model: Structure, Strategy, Skill, System, Shared Values, Style, and Staff. The list contains ***METRICS & MEASURES*** *to include in an M&A playbook in preparation for and for use during the INTEGRATION PHASE of an M&A*.

For this activity, sort the listed content according to the most applicable element of the seven in the 7-S Model: Structure, Strategy, Skill, System, Shared Values, Style, and Staff. The list contains ***LESSONS LEARNED*** *by other organizations' experiences to include in an M&A playbook in preparation for and for use during the INTEGRATION PHASE of an M&A.*

*For this activity, sort the listed content according to the most applicable element of the seven in the 7-S Model: Structure, Strategy, Skill, System, Shared Values, Style, and Staff. The list contains **FAILURES** based on other organizations' experiences to include in an M&A playbook in preparation for and for use during the INTEGRATION PHASE of an M&A to help leadership and management avoid failures that have been shown to occur based on other organizations' experiences*.

AI Prompts for Organizing Content in Hierarchical Order

*Within each of the 7-S elements (structure, strategy, skill, system, shared values, style, and staff) for the **BEST PRACTICES for M&A INTEGRATION**, sort them in a **hierarchical order** of priority based on the need for the M&A Integration Playbook to set the standard for speed, consistency, accountability, and repeatability (as the organization plans to engage in multiple M&As in the next few years)*.

*Within each of the 7-S elements (structure, strategy, skill, system, shared values, style, and staff) for the **QUESTIONS**, sort them in a **hierarchical order** of priority based on the need for the M&A Integration Playbook to set the standard for speed, consistency, accountability, and repeatability (as the organization plans to engage in multiple M&As in the next few years).*

*Within each of the 7-S elements (structure, strategy, skill, system, shared values, style, and staff) for the **METRICS & MEASURES**, sort them in a **hierarchical order** of priority based on the need for the M&A Integration Playbook to set the standard for speed, consistency, accountability, and repeatability (as the organization plans to engage in multiple M&As in the next few years).*

*Within each of the 7-S elements (structure, strategy, skill, system, shared values, style, and staff) for the **LESSONS LEARNED**, sort them in a **hierarchical order** of priority based on the need for the M&A Integration Playbook to set the standard for speed, consistency, accountability, and repeatability (as the organization plans to engage in multiple M&As in the next few years).*

*Within each of the 7-S elements (structure, strategy, skill, system, shared values, style, and staff) for the **FAILURES**, sort them in a **hierarchical order** of priority based on the need for the M&A Integration Playbook to set the standard for speed, consistency, accountability, and repeatability (as the organization plans to engage in multiple M&As in the next few years).* (OpenAI, 2024).

AI Prompt for Additional Best Practices

*Within each of the 7-S elements (structure, strategy, skill, system, shared values, style, and staff) for the **BEST PRACTICES for M&A INTEGRATION**, are there any additional best practices that should be considered for inclusion (as the organization plans to engage in multiple M&As in the next few years)*. (OpenAI, 2024).

AI Prompts for Development of Descriptions

*Create a description for the content sorted in the **Best Practices for M&A integration** section. Include the heading, the description, the purpose, and then the content listed for this section.*

*Create a description for the content sorted in the **Questions** section. Include the heading, the description, the purpose, and then the content listed for this section.*

*Create a description for the content sorted in the **Metrics & Measures** section. Include the heading, the description, the purpose, and then the content listed for this section.*

*Create a description for the content sorted in the **Lessons Learned** section. Include the heading, the description, the purpose, and then the content listed for this section.*

*Create a description for the content sorted in the **Failures** section. Include the heading, the description, the purpose, and then the content listed for this section.*

Appendix V

Surf Internet M&A Integration Playbook

M&A Integration Playbook

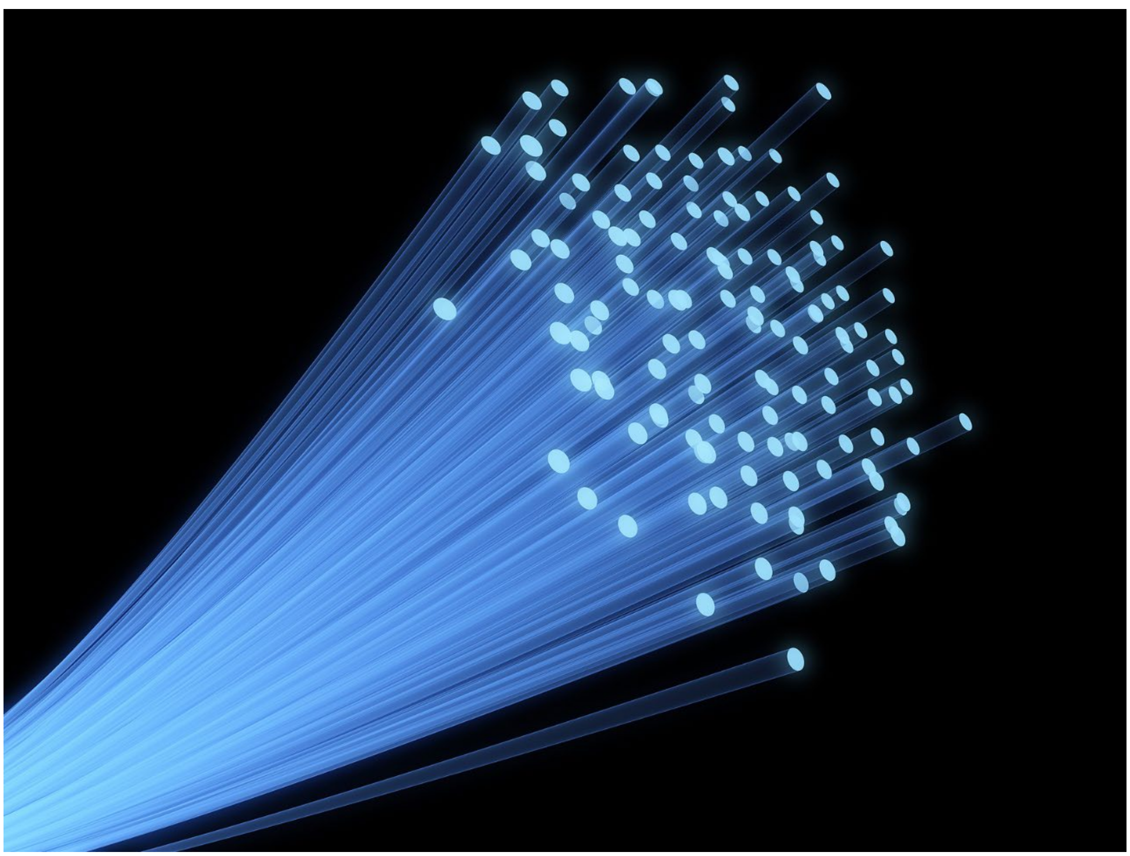


Table of Contents[3]

[3] Actual page numbers will be shown in the document that is separate from the ADP.

Introduction

This M&A integration playbook was explicitly developed for Surf Internet. When creating an M&A integration playbook for Surf Internet, some considerations included the company size and culture. Due to the company's smaller size, resources may sometimes be limited compared to larger organizations. The playbook was also designed for horizontal mergers to support Surf Internet's roll-up strategy. There are also cultural considerations, which may change with time as more M&A activity proceeds. A well-crafted integration playbook offers structured guidance for decision-making and a strategic framework for action during critical phases of a deal, helping companies shift M&A activities from reactive responses to a consistent, repeatable business process. Removing all uncertainty from a transaction is impossible, but thorough preparation of a robust playbook can support companies throughout the integration phase. This playbook will provide a standard approach that enhances accountability and efficiency while ensuring best practices are consistently applied across acquisitions, enabling exceptional deal value for Surf Internet over time and resulting in a better, more robust, and more successful exit strategy.

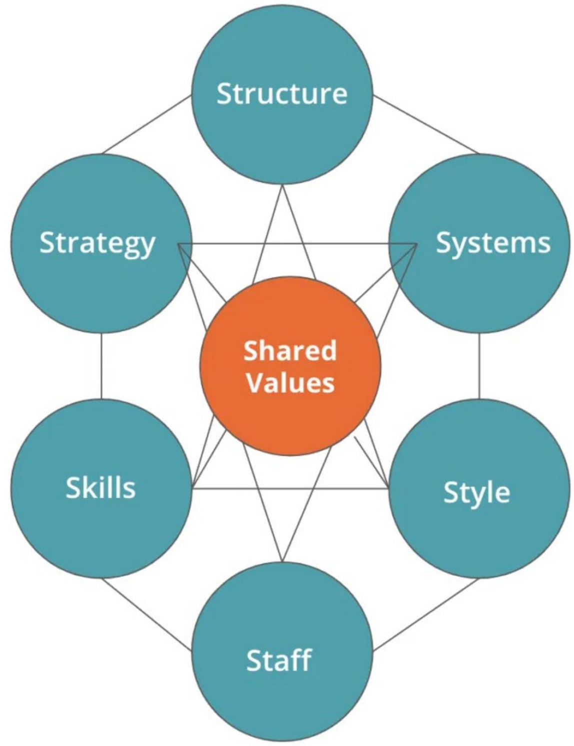
The content areas are divided into best practices, questions that should be asked to establish a strong playbook foundation, metrics to aid in measuring results, lessons learned from other organizations, and failure modes that have historically been challenging for other organizations. The numbering system for the playbook content is based on the following system:

The FIRST LEVEL of numbering are the different categories:
1—Best Practices
2—Key Questions
3—Metrics and Measures
4—Lessons Learned
5—Failed Modes

The SECOND LEVEL of numbering includes the 7-S elements:
1—Strategy
2—Structure
3—System
4—Shared Values
5—Style
6—Staff
7—Skills

The THIRD LEVEL of numbering is the action items for each subcategory:
Together, all three levels are how we get to 1.6.3 for the following once the order is updated, as shared above: 1.6.3 Transfer knowledge between organizations.

As the company engages in M&A activities, there is an opportunity for future additions and changes to optimize this playbook. The numbering system supports these changes. Inherent to the playbook is that it is a living document: additional items, such as an updated human resource manual, can be added. A living M&A playbook ensures the organization remains agile and continually improves its ability to execute M&As effectively by moving forward knowledge learned from each effective transaction. Another critical aspect is that a well-designed M&A playbook can help accelerate the transition during the integration phase. This means the M&A playbook will include a "workbook" area for goals and milestones to be noted and followed as part of the integration process. The goals page, which is the last section of the playbook, is intentionally left blank for Surf Internet to complete this section based on future M&A-specific deal goals. The playbook content was organized by McKinsey's 7-S model of seven forces: Strategy, Structure, System, Shared values, Style, Staff, and Skills. The playbook is designed so Surf Internet can think holistically about the 7-S forces and how the organization can achieve effectiveness. Shared values are placed at the constellation's center to indicate the decisive nature of change in values on the other elements. Strategy, Structure, and Systems are considered the hard elements, while the others are considered soft elements. The 7-S model is ideal when change is brought into the organization, such as a merger. These 7-S forces are used to organize the playbook category content (Corporate Finance Institute, 2023).



The McKinsey 7-S Model (Corporate Financial Institute, 2023). Used with permission.

- Strategy items help to align the two organizations and support working toward shared objectives.
- Structure items involve aligning reporting lines to support strategic goals.
- System items involve platforms like IT that drive efficiency and consistency.
- Shared values are the cultural core of the organization and are a critical success factor in M&A. Aligning the values of the merged entities involves all the other forces. The vision must be shared, and trust is essential for an organization to flourish and be virtuous.
- Style involves leadership style and management practices and must unify and boost morale.
- Staff involves assessing and integrating talent from both sides of the merger.
- Skills involve competencies and capabilities for the merged entity's success.

Lastly, as the playbook is implemented, it is worth restating the most powerful areas for potential improvement, which the M&A integration playbook can help drive:

- Frequent and transparent communications to drive trust.
- Need for role clarity and setting expectations.
- Need for leadership presence at acquired locations.
- Training in hard and soft skills, such as remote management and values.

PwC Seven Tenets of Integration

PwC (2014) identified a structured process with critical activities that can enhance deal value when followed. This process, which improves the chances of successful M&A outcomes, is organized into seven tenets that guide leaders in focusing their efforts. These concepts helped form the foundation for a multi-perspective framework for developing the solution. These critical aspects of integration are:

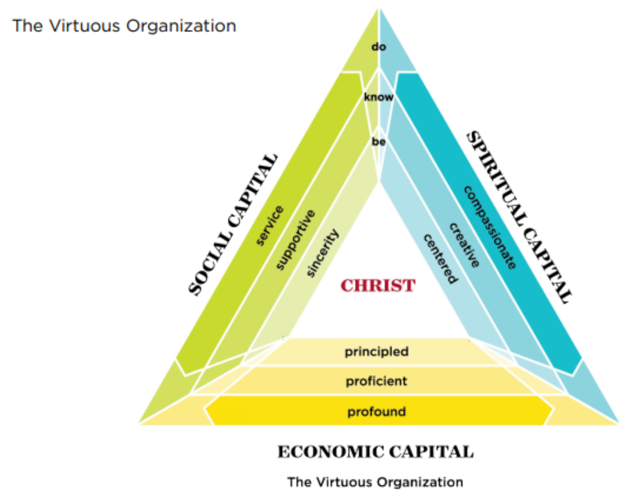
1. Accelerate the Transition: Fast transitions lead to quicker returns on investment.
2. Define the Integration Strategy: Integration involves tactical steps using a playbook.
3. Focus on Priorities: Resource allocation should prioritize shareholder value and virtuous business outcomes.
4. Communicate with Stakeholders: Leaders must communicate early and frequently with employees, customers, investors, suppliers, and the public.
5. Prepare for Day One: Roles and messaging driving a kick-off plan should be determined early.
6. Establish Leadership: Leadership should be solidified across all organizational levels to maintain alignment.
7. Manage Integration as a Business Process: Successful integration depends on clear strategy execution and defined processes.

PwC’s (2017) *Ready, Set, Integrate* highlights four critical elements to effective M&A integration:

- Speed: Swift execution captures value quickly, reduces uncertainty, and enhances acquisition success. Organizational learning can also improve speed.
- Consistency: Standardized approaches and processes create predictable outcomes, ensure team alignment, and support smooth transitions. Experienced management and documented procedures are crucial for consistency.
- Repeatability: Proven processes across multiple deals allow organizations to refine their approach and build a framework for greater efficiency in future integrations.
- Accountability: Clearly defined roles ensure team members are responsible for integration tasks. Accountability fosters ownership, supports goal achievement, and can be reinforced with metrics.

These elements were utilized to help determine the optimal hierarchical order of the content items in each playbook section. PwC emphasizes that speed, consistency, repeatability, and accountability are essential for M&A success. A well-crafted playbook establishes milestones, goals, integration guidelines, and communication plans to keep stakeholders informed (PwC, 2017). Surf Internet should consider these points and utilize the playbook to establish goals, monitor milestones, and provide frequent and transparent communication to all stakeholders.

Models for the Playbook



From *The Virtuous Organization* (Indiana Wesleyan University, 2024). Copyright 2016. Reprinted with permission.

Creating the M&A integration playbook for Surf Internet utilized three complementary frameworks. The virtuous business model is a framework that integrates ethical principles and values-driven leadership into business practices, focusing on aligning organizational actions with a higher purpose to create sustainable value for all stakeholders. It emphasizes the importance of virtue, ethical behavior, and social responsibility as foundational elements of effective and impactful business operations. The VBM, the *Trusted Leader*'s eight pillars of trust, and McKinsey's 7-S Model were employed to develop a playbook framework that aligns Surf Internet's operations with ethical principles, including integrity, compassion, and stakeholder value creation, fostering an organization capable of driving social, spiritual, and economic capital. By focusing on leadership that prioritizes moral decision-making and a purpose beyond profit, the VBM provided a foundation for embedding virtuous practices throughout the integration phase, ensuring trust and ethical decision-making were central to the M&A activities (Hein & Wilkinson, 2015).

The Eight Pillars of Trust (Horsager, 2021). Used with permission.

Horsager's (2021) trust model further enhanced the framework by integrating trust-building into Surf Internet's M&A strategy. Four of Horsager's eight pillars of trust—clarity, character, connection, and consistency—were used to develop the M&A playbook for Surf Internet. Common causes of M&A failures, such as loss of trust, can be avoided by fostering authentic connections and consistent practices across teams. This approach will help to reduce uncertainties while improving employee engagement and stakeholder confidence. Organizations can foster a resilient and trusted business environment by aligning economic capital management with the VBM's principled, proficient, and profound framework (DeVoe School of Business, Technology, and Leadership, 2024) and the pillars of trust. This drives a competitive advantage rooted in long-term stability, stakeholder trust, and meaningful impact, reinforcing a cycle of sustainable value creation that benefits all stakeholders. Horsager (2021) added that trust is essential, and a business must be built to be trustworthy.

The playbook is designed around McKinsey's 7-S model, structuring the playbook by aligning Surf Internet's Strategy, Structure, Systems, Shared values, Style, Staff, and Skills, as explained by Lakhanpal (2023). This holistic approach ensured that all organizational elements were synchronized to support the integration. By emphasizing shared values, the playbook highlighted the importance of cultural alignment between merging entities, reducing potential conflicts. The model also provided a framework for systematically addressing operational, strategic, and human capital considerations, enabling a repeatable process for future integrations. The McKinsey 7-S model significantly impacts how an organization like Surf Internet uses the integration playbook by providing a structured and holistic framework that ensures every aspect of the organization is considered and aligned during the M&A process. Here's how the 7-S model influences the use of the integration playbook:

- *Strategy* guides decision-making and helps prioritize effort. The use of the playbook helps to align the organization around goals. Surf Internet can prioritize integration projects and ensure long-term value creation.
- *Structure* defines roles and enhances accountability. This will drive clarity on roles and responsibilities, which is critical for smooth operations during the integration phase.
- *System* provides repeatable processes and tools for integration. This supports consistency, reduces uncertainty, and improves reliability by standardized systems.
- *Shared values* shape how the playbook addresses cultural integration. By emphasizing organizational values, the use of the playbook will facilitate a cohesive work environment *that builds trust.*
- *Style* incorporates leadership styles that align with Surf Internet's culture and integration goals. The aim is to create transparency and support buy-in during the integration process.
- *Staff* alignment ensures that employee retention and motivation are prioritized when integrating the workforce. This supports a smooth transition for employees and raises alignment.
- *Skills* are foundational for preparing and training the organization for the integration phase and assuring the employee skill sets are sufficient to drive deal value and virtuous business.

Starting with the goals, Surf Internet will identify and articulate the organization's ideal alignment between the 7-S forces. The content items in each area will help drive the needed actions.

The comprehensive integration of these three frameworks resulted in a robust playbook model to drive consistent and virtuous outcomes in Surf Internet's integration M&A activities. By incorporating the VBM, *Trusted Leader*, and the 7-S model, the playbook ensures better execution of the M&A integration playbook by driving virtuous business practices and increasing trust in the organization during and after the integration phase. The 7-S model focuses on shared values; this model, combined with the VBM (DeVoe School of Business, Technology, and Leadership, 2024) and Horsager's (2021) pillars of trust, can help provide guidance for a virtuous organization. Leadership should be focused on being and doing good, providing sustainable growth and human flourishing for the organization, the employees, customers, vendors, and the communities where Surf Internet service is provided. The M&A integration playbook would be of no value without a change management plan to robustly implement it. A custom change management plan was provided to Surf Internet to use in implementing the playbook.

1. Best Practices for M&A Integration

Description
Best practices outline a comprehensive set of best practices designed to streamline the integration phase of mergers and acquisitions. These practices are organized using the McKinsey 7-S framework, addressing key organizational forces to ensure effective planning, execution, and continuous improvement. Each best practice is a building block for creating a structured, repeatable, and accountable integration process.

Purpose
Best practices provide a practical guide for implementing M&A integrations efficiently. They help organizations maintain their focus on strategic objectives, minimize disruption, and create a foundation for successful future integrations. By adopting these practices, companies can ensure consistency, align stakeholders, and optimize outcomes across all integration activities. Best practices also promote stakeholder alignment, mitigate risks, and maximize value creation during integration.

1.1 Strategy

1.1.1 Communicate the strategy and vision.
1.1.2 Plan for welcome meetings when the deal is announced, and integration begins.
1.1.3 Develop metrics for tracking integration projects and track/report activities and milestones.
1.1.4 Track and report synergy capture.
1.1.5 Prioritize integration projects.
1.1.6 Develop a plan to ensure the alignment of the sales teams.
1.1.7 Analyze current and potential M&A service providers.

1.2 Structure

1.2.1 Establish a day-one plan that is ready to execute after close.
1.2.2 Identify leaders by role and define functional authority/responsibility.
1.2.3 Define management roles and responsibilities and consider integration manager.
1.2.4 Finalize NDA (non-disclosure agreement), intellectual property, and employment contracts.
1.2.5 Develop an organizational structure that aligns with integration needs.
1.2.6 Form a cross-functional integration team with defined charters and timelines.
1.2.7 Develop contingency plans to identify potential risks and mitigation strategies.

1.3 System

1.3.1 Develop and execute an IT integration plan.
1.3.2 Track and report cultural integration activities and milestones.
1.3.3 Review customer agreements.
1.3.4 Review supplier agreements.
1.3.5 Identify and review M&A tools, overlaps, and gaps.
1.3.6 Establish an M&A knowledge repository, including tools and templates.
1.3.7 Develop and implement a communication plan.

1.3.8 Establish an audit plan to review performance and KPIs.
1.3.9 Catalog lessons learned by developing an M&A knowledge repository.
1.3.10 Develop a process to evaluate and integrate third-party vendors.
1.3.11 Update the tools and templates after each deal to optimize the M&A playbook.

1.4 Shared Values

1.4.1 Assess cultural differences and develop a change management/cultural integration plan.
1.4.2 Implement cultural integration plans and review cultural integration issues.
1.4.3 Continue to review cultural integration issues.
1.4.4 Ensure objectives and timelines are clear.
1.4.5 Promote shared values through cultural champions.

1.5 Style

1.5.1 Draft and implement a communication plan for all stakeholders.
1.5.2 Develop messaging for employees, customers, and suppliers.
1.5.3 Implement customer retention plans.
1.5.4 Locate a manager at the acquired location or visit acquired locations monthly.
1.5.5 Schedule weekly meetings or Teams calls with employees for the first two to three years.
1.5.6 Inform customers and suppliers.
1.5.7 Host welcome meetings after the deal is announced.
1.5.8 Provide regular updates to key stakeholders.
1.5.9 Align messaging to convey a unified brand identity to internal and external stakeholders.

1.6 Staff

1.6.1 Draft job descriptions.
1.6.2 Draft and implement employee retention plans.
1.6.3 Transfer knowledge between organizations.
1.6.4 Seek buy-in for a shared vision.
1.6.5 Conduct talent mapping to ensure the right people are in the right positions.
1.6.6 Merge HR benefits and insurance programs.

1.7 Skills

1.7.1 Assess talent at the acquired organization.
1.7.2 Develop employee training (values, culture, sales, service, leadership).
1.7.3 Provide remote management training.
1.7.4 Conduct cross-functional M&A training for future acquisitions.
1.7.5 Review and identify M&A training needs and develop training content.
1.7.6 Develop a mentorship program to bridge skill gaps and foster cultural alignment.

2. Key Questions for M&A Integration

Description
This section contains a comprehensive list of questions designed to guide critical thinking and decision-making during the integration phase of mergers and acquisitions). These questions, categorized using the McKinsey 7-S Framework, ensure that all aspects of the integration process are thoroughly examined and addressed. Organizations can anticipate challenges, align strategies, and implement effective solutions by asking the right questions.

Purpose
This section provides a structured framework for identifying potential risks, uncovering opportunities, and ensuring thorough preparation at every stage of the integration process. These key questions promote clarity, foster alignment across stakeholders, and set the stage for achieving speed, consistency, accountability, and repeatability in M&A integrations. Questions can be added to this section as experience is gained with each transaction.

2. 1 Strategy

- 2.1.1 What are the primary goals and objectives of the M&A?
- 2.1.2 How does this M&A align with the organization's long-term strategic vision?
- 2.1.3 What metrics will be used to measure integration success?
- 2.1.4 What synergies are expected, and how will they be captured?
- 2.1.5 What is the timeline for achieving integration milestones?
- 2.1.6 How will priorities be defined and managed during the integration phase?

2.2 Structure

- 2.2.1 What is the governance structure for overseeing integration activities?
- 2.2.2 Who are the key leaders, and what are their defined roles and responsibilities?
- 2.2.3 How will roles and responsibilities for integration be assigned?
- 2.2.4 How will decision-making authority be allocated across teams?
- 2.2.5 What does the organizational structure need to look like post-integration?
- 2.2.6 Are there clear escalation pathways for resolving conflicts during integration?
- 2.2.7 Do we need to change the legal structure of the go-forward company?

2.3 System

- 2.3.1 What systems and processes will be merged, replaced, or standardized?
- 2.3.2 How will knowledge and tools be transferred between organizations?
- 2.3.3 What IT integration activities need to occur, and in what order?
- 2.3.4 What tools and templates are required to ensure consistency across future integrations?
- 2.3.5 How will data from the integration process be captured and analyzed to inform future M&As?

2.4 Shared Values

2.4.1 How do the values of the two organizations align or conflict?
2.4.2 What cultural factors could impact the integration process?
2.4.3 How will shared values be communicated and reinforced across the combined organization?
2.4.4 How will leadership ensure alignment with the organization's mission during integration?
2.4.5 What measures will prevent cultural misalignment from derailing integration efforts?

2.5 Style

2.5.1 How will leadership communicate the integration strategy and vision?
2.5.2 What is the cadence of communication updates to employees and other stakeholders?
2.5.3 How will leadership foster transparency and build trust throughout the integration?
2.5.4 How will feedback from employees and stakeholders be gathered and acted upon?
2.5.5 What methods will be used to celebrate early integration wins and maintain momentum?

2.6 Staff

2.6.1 Who are the key employees and leaders critical to retaining during integration?
2.6.2 How will retention plans be developed and implemented for top talent?
2.6.3 How will workforce redundancies or overlaps be addressed?
2.6.4 What processes will ensure a smooth transition for acquired employees?
2.6.5 How will employee engagement and morale be monitored throughout the integration?

2.7 Skills

2.7.1 What skills and expertise are critical for successful integration?
2.7.2 What training or upskilling is required for employees during the integration process?
2.7.3 How do we determine the impact of employee selection and retention on required skills?
2.7.4 How can we align our sales force and customer assurance programs?

3. Metrics and Measures for M&A Integration

Description

This section outlines key metrics and measures designed to assess the success and efficiency of the M&A integration process. These metrics, categorized using the McKinsey 7-S framework, provide quantifiable benchmarks to monitor progress, ensure accountability, and facilitate continuous improvement throughout the integration phase.

Purpose

This section establishes a data-driven approach to evaluating the integration process. By leveraging these metrics, Surf Internet can identify gaps, track progress toward goals, and ensure that integration efforts align with strategic objectives. This focus on measurable outcomes supports Surf Internet's aim of *creating a repeatable, consistent, and accountable integration process* (PwC, 2017). Appendix A contains formulas for calculating common M&A metrics and measures.

Content

3.1. Strategy

- 3.1.1 Achievement of strategic objectives and goals outlined in the M&A deal
- 3.1.2 Sales and sales growth
- 3.1.3 Progress toward integration milestones and timelines
- 3.1.4 EBITDA during and after the integration phase
- 3.1.5 Revenue per employee
- 3.1.6 New customer growth
- 3.1.7 Profit margin
- 3.1.8 Cost synergies

3.2. Structure

- 3.2.1 Percentage of leadership roles defined and assigned
- 3.2.2 Post-merger integration success rate

3.3. System

- 3.3.1 Percentage of IT systems integrated or streamlined within planned timelines
- 3.3.2 Data migration completion rate
- 3.3.3 Tool and template adoption rate for integration processes
- 3.3.4 Frequency and effectiveness of knowledge transfer sessions
- 3.3.5 System downtime during integration (aiming for minimal disruptions)

3.4. Shared Values

3.4.1 Cultural alignment score (via employee surveys or focus groups)
3.4.2 Customer NPS
3.4.3 Employee NPS

3.5. Style

3.5.1 Customer retention
3.5.2 Customer satisfaction score (via customer surveys or focus group)

3.6. Staff

3.6.1 Retention rate of key talent
3.6.2 Employee turnover rate during integration (aiming to minimize it)
3.6.3 Workforce engagement scores (measured through surveys)

3.7. Skills

3.7.1 Lead time for customer processes
3.7.2 Percentage of employees completing required integration training programs

4. Lessons Learned for M&A Integration

Description
This section compiles the key lessons from past M&A integrations, emphasizing actionable insights that can guide future transactions. By identifying what has worked well and what has posed challenges, these lessons provide a foundation for continuous improvement in the integration process.

Purpose

This section ensures that future M&A integrations benefit from informed strategies and lessons learned from other organizations' past experiences. By analyzing other organizations' experiences, Surf Internet can identify actionable insights, avoid common pitfalls, and optimize their integration processes. Incorporating these lessons fosters continuous improvement, enhances decision-making, and increases the likelihood of achieving the desired outcomes in subsequent mergers and acquisitions.

Content

4.1. Strategy

4.1.1 Clearly define strategic objectives and align them with organizational strategy.
4.1.2 Synergy expectations should be realistic and backed by robust analysis during due diligence.

4.2. Structure

4.2.1 Define leadership roles and decision-making authority early to avoid delays.
4.2.2 Establish a robust and detailed integration plan with roles and responsibilities.

4.3. System

4.3.1 Standardized tools and templates improve consistency across integrations.
4.3.2 Knowledge transfer sessions to learn from each integration.

4.4. Shared Values

4.4.1 Cultural integration plans are as important as operational ones.
4.4.2 Misaligned values between organizations can delay or derail integration efforts.
4.4.3 Leadership must consistently communicate the importance of shared values.
4.4.4 Surveys and feedback mechanisms are essential to monitor cultural alignment.

4.5. Style

4.5.1 Transparent communication reduces uncertainty and builds trust.
4.5.2 Frequent communication with stakeholders maintains alignment and accountability.
4.5.3 Leadership visibility during integration drives employee confidence.
4.5.4 Two-way communication fosters engagement and reduces resistance.

4.6. Staff

4.6.1 Do not underestimate culture and include culture in the integration plan.
4.6.2 Retention of key talent is critical to sustaining operational stability.
4.6.3 Employee engagement and morale should be monitored throughout the integration process.

4.7. Skills

4.7.1 Training programs tailored to M&A need to reduce disruptions during integration.
4.7.2 Leadership training in change management drives smoother transitions.

5. M&A Failure Modes

Description

This section outlines failures that Surf Internet may encounter during the M&A integration process. These failures reflect missteps or oversights across the core 7-S elements—Strategy, Structure, System, Shared values, Style, Staff, and Skills—each critical to successful integration. Addressing these potential issues proactively can minimize disruptions and foster more effective integration efforts.

Purpose

This section aims to help organizations like Surf Internet identify and understand the most common integration challenges that can derail M&A success. These are common failure modes that have resulted in other organizations failing to be successful in achieving expected deal value.

Content

5.1 Strategy

5.1.1 Overestimating synergies during due diligence creates unrealistic expectations.
5.1.2 Inconsistent alignment with long-term goals undermines value creation.
5.1.3 Ineffective measurement of success metrics prevents learning from the integration.
5.1.4 Failure to use experienced advisors.

5.2 Structure

5.2.1 Lack of defined roles and responsibilities causes confusion and delays.
5.2.2 Lack of frequent and transparent communication in the integration plan.
5.2.3 Lack of a defined and robust process, such as an M&A playbook.

5.3 System

5.3.1 Poor knowledge transfer results in the loss of institutional memory.
5.3.2 Inability to capture and analyze integration data hampers learning for future M&As.

5.4 Shared Values

5.4.1 Ignoring cultural differences leads to misalignment and conflict.
5.4.2 Failure to articulate and reinforce shared values results in a lack of cohesion.
5.4.3 Lack of focus on cultural integration undermines long-term success.
5.4.4 Poor communication about values causes confusion among employees.

5.5 Style

5.5.1 Lack of transparent communication increases uncertainty and distrust.
5.5.2 Irregular or infrequent updates leave stakeholders uninformed.
5.5.3 Leadership inaccessibility causes employees to feel unsupported.
5.5.4 Ignoring feedback mechanisms limits engagement and continuous improvement.
5.5.5 Lack of consideration for all stakeholders.

5.6 Staff

5.6.1 High turnover of crucial talent disrupts operations and diminishes institutional knowledge.
5.6.2 Failure to implement effective retention plans risks losing critical employees.
5.6.3 Inadequate onboarding processes delay productivity for acquired employees.
5.6.4 Insufficient focus on employee engagement reduces commitment to integration goals.

5.7 Skills

5.7.1 Lack of training tailored to M&A integration needs creates inefficiencies.
5.7.2 Inadequate leadership development weakens change management capabilities.
5.7.3 Failure to develop institutional M&A skills reduces repeatability in future deals.

6. Goals and Milestones

Appendix

Integration Phase M&A Metrics

Metric Name	Calculation	Purpose	Author
Employee retention	Separated employees/Average number of employees	Indicator of cultural management success	Jean (2022)
Employee NPS	Total % promoters -Total % detractors	Indicator of employee happiness and engagement	Chepal (2020)
Customer retention	((Numbers of customers-- New customers/Number of customers)) x 100	Indicator of customer satisfaction	Chepal (2020), Jean (2022)
Customer satisfaction score	(Positive responses/Total number) x 100	Indicator of customer satisfaction and deal response	Chepal (2020), Jean (2022)
Customer NPS	Total % promoters -Total % detractors	Measures customers loyalty	Alvarado (2016), Chepal (2020)
System integration	Track completion time from start to finish relative to goal	Indicates delays that can challenge integration	Chepal (2020)
Sales and sales growth	(Current year's sales – Prior year's sales/Current year's sales) x100	Determine how sales growth compares to the market	Alvarado (2016), Chepal (2020)
Profit margin	(Gross profit/Total revenue) x 100	Margins can indicate performance relative to competition	Chepal (2020)
EBITDA	Profit (before interest, taxes, and depreciation) + Amortization.	Provides a clearer picture of how efficiently the company is operating.	Alvarado (2016), Bridges (2024)
Revenue per employee	Total revenue/Number of employees	Efficiency indicator that indicates how much money each employee generates.	Carnes (2016)
New customer growth	((Current number of customers – Customers in the previous period)/ Number of customers in the previous period) X 100	An indicator of customer success for an organization.	Chepal, 2020)
Cost synergies	Combined cost structure of both companies - Combined company costs after integration	A measure of M&A efficiency and deal synergy.	Bridges (2024)
Post-Merger integration success rate	(Total number of objectives/Number of objectives fully achieved) x 100	A measure of success for key integration goals and objectives.	Bridges (2024)

Percentage leadership roles defined	(Total leadership roles required/ Number of leadership roles defined) x 100	An indicator of success in defining integration structure	PwC (2017)
Data migration completion rate	(Total data planned for migration/ Amount of data successfully migrated) x 100	An indicator of the speed this key action item takes.	PwC (2017)
Tool and template adoption rate	(Total number of targeted users/Number of users actively using tools and Templates) x 100	An indicator of the speed tools and templates are being adopted.	OpenAI, (2024)
Frequency and effectiveness of knowledge transfer sessions	Number of sessions conducted/Defined time frame	Indicator of the effectiveness of structured knowledge sharing.	PwC (2017)
System downtime	(Total downtime hours/Total available time hours) x 100	A measure of how often critical systems are unavailable.	Chepal, (2020)
Cultural alignment score	(Maximum possible score/Sum of scores for a dimension) x 100	Indicates how well the cultures of merging organizations are integrated,	Bridges (2024)
Retention rate of key talent	(Total number of key talent at the start of period/Number of key talent retained at the end of the period) x 100	Percentage of critical employees who remain with the organization during and after the integration period.	Jean (2022)
Employee turnover	(Average number of employees/ Number of employees who left) x 100	Measures the rate at which employees leave the organization during a period.	Jean (2022)
Workforce engagement	(Total survey responses/Number of engag ed employees) x 100	Measures the level of commitment, motivation, and enthusiasm employees have toward the organization.	Alvarado (2016)
Lead time for customer processes	∑ Lead time for transaction/Number of transactions	Helps to determine the efficiency of operations and overall customer satisfaction.	Carnes (2016)
Employee completion of integration training programs	(Number of employees completing training/ Total number of employees expected to complete training) x 100	Total count of training sessions or courses that employees participate in during the integration phase of an M&A	PwC (2017)

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Appendix W

Presentation Review Form

DOCTOR OF BUSINESS ADMINISTRATION

PRESENTATION & AUTHORIZATION REVIEW FORM

The business case presentation identifies the alternative solutions and provides the basis for selecting the

1. To present a business case to the Partner Organization to share the discoveries leading to the identification of alternative solutions and the selection of a test solution(s).
2. To acquire the Organization's acceptance and authorization to move ahead with developing a change management plan in support of the selected test solution(s).
3. To obtain any additional insight, as applicable, from the Partner Organization about the potential implications of the test solution(s) to better inform the design and development of the change management plan,

This form accompanies the detailed business case presented by the DeVoe School of Business DBA Student, <u>Andrew Singer,</u> to their Partner Organization, <u>Surf Internet,</u> and serves as a record indicating the presentation took place and the level of authorization given for the identified test solution(s) the Student will use when designing and developing the ADP change management plan.

The business case presentation took place on <u>November 8, 2024</u>. The presentation was conducted <u>onsite.</u>

The presentation was recorded: <u>No</u>.

Three Levels of Partner Organization Authorization of the Test Solution(s)

The Partner Organization agrees to the following authorization level for the test solution(s) presented by the DBA Student. The authorized test solution(s) will be used to design and develop the ADP change management plan. There are three levels of authorization. Mark one of the following:

<u>X</u> The test solution(s), as presented by the DBA Student, *without modifications.*

______ The test solution(s), as presented by the DBA Student, but *with modifications.*

______ A *different test solution(s)* than was presented by the DBA Student.

Partner Organization POC Signatures

11-8-2024

Date

Gene Crusie

Primary POC Printed Name

CEO

Title

Contact Information for the Primary Point of Contact

Email:

Phone

Secondary or Co-POC Printed Name

Date

Secondary or Co-POC Signature

Title

Partner Organization Information

Name: Surf Internet, llc

Address: 228 Waterfall Dr., Suite #1

City, State, Zip: Elkhart In 46516

Website: www.surfinternet.com

SURF
Internet SM