



The Path to PMI Mastery: Building and Staffing for Integration

A practical guide for first-time and serial acquirers on how external consultants support, lead, and deliver value in post-merger integration scenarios.

Executive Summary

Who do I need on my team to make this integration a success? And what can I expect from them? If this question has crossed your mind, this handbook is for you.

Studies by Bain and McKinsey confirm that acquirers with a systematic approach to post-merger integration create 130% more shareholder value than non-acquirers, and 51% more shareholder value than infrequent acquirers.

To create this value in integration, internal and external resources, large and boutique consultancies and freelancers, are all relevant options with different advantages and disadvantages.

Evolution of PMI

Post-merger integration has evolved from only incorporating the integration of IT systems to a discipline that drives change and transformation throughout an organization. This is due to the fact that human capital is the biggest driver of integration success.

Key levers for integration

Integration success boils down to capacity and capability of an organization, capacity meaning raw resources to manage large change projects, and capability meaning the existing knowledge, experience, blueprints and templates within an organization. If there is no existing PMI capability, external consultants with relevant industry experience provide the structure and blueprints needed.

Internal vs. external PMI resources

Organizations with 2 or more integrations per year should build up internal resources to lead PMI. External consultants can help kickstarting this internal PMI function, setting up structures and blueprints. Infrequent acquirers and acquirers with a limited need for long-term PMI functions, such as PE portfolio companies, benefit from the cost-effectiveness and on-demand capabilities of experienced external PMI managers.

Timeline for external PMI consultants

External PMI consultants typically join 2 months before signing, which provides them with enough time to review diligence and identify potential red flags for integration. They start by reviewing cultural alignment between the organizations through workshops and setting up the integration management office. After the project office is staffed and the integration plan is clear, the integration lead's role is focused on keeping the project on track, mediating stakeholders, identifying challenges ahead of time, and guiding the board through the integration process.

To summarize

PMI has evolved from a technical integration to a cultural and transformative value-adding play. Boutique and freelance PMI consultants are an emerging alternative to established large consultancies, and can often provide more fit-for purpose specialized services. This handbook provides insights from 5 experienced PMI professionals and breaks down the processes, advantages, and disadvantages of each option of staffing PMI projects.



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«I typically get involved when things have gone wrong.»

Anonymous post-merger integration consultant

PMI experts should get involved before things went wrong.

M&A has changed. It's become an established toolkit to grow companies of any size, as opposed to a tool exclusively available to large and global corporations.

But even 20 years ago, the verdict was clear: Without successful integration, M&A synergies and long-lasting value creation remain a pipe dream.

Today, most business leaders have understood how vital post-merger integration, and that M&A without PMI is rather pointless.

But PMI is an inherently complex and deep-cutting exercise that's not well-suited for large consultancy firms. So over the last two decades, we've seen an ecosystem of independent PMI professionals and boutiques emerge.

Yet, for many customers it's not clear how to leverage external integration professionals. That's why we wrote this guide.

We'll walk the reader through the different requirements and setups of PMI projects, and in which steps of the process external advisors add value.

To generate these insights, we've collaborated with experienced PMI advisors from different industry backgrounds that you'll find throughout this resource. We hope it's helpful for you.

Meet the experts who contributed to this handbook



Michael Maier

With over 25 years of leadership and management consulting experience, Michael Maier specializes in guiding businesses through complex transformation projects, from planning to execution. His expertise spans post-merger integration, carve-outs, corporate strategy, organizational design, and executive coaching. He is an Associate Partner at Global PMI Partners.



Branka Dessens

Branka Dessens, managing partner at Atlantic M&A Partners, has 20+ years of experience in business transformations, post-merger integration, and turnarounds, serving in roles from CEO to advisor. She specializes in guiding companies through change, particularly in sectors like logistics, IT, retail, civil engineering and biotech.



Timm Kellermann

Timm Kellermann boasts over 20 years of experience in the automotive and management consulting sectors, focusing on business transformation, corporate strategy, and IoT solution architecture. Known for his result-driven approach and agile leadership, Kellermann excels as a team player ready to address significant business challenges.



Richard Parry

Richard Parry is Managing Partner of Atlantic M&A Partners, with 25+ years of experience. He leads integrations, IT, and cloud migrations, contributing to growth via strategic acquisitions. With a background in technology and healthcare, Parry has a successful track record with firms such as Dell, Pfizer, IBM, and Apple, and holds an Oxford degree and Sloan Fellowship.



Matt Guillaume

Co-Founder at BeesWall, a digital knowledge library for post-merger integration, Matt Guillaume previously was a project manager at Roche. He was involved in multiple integration-related projects over the course of his career.

Where does M&A value get created?

A [2021 McKinsey study](#) as well as a [2024 report from Bain](#) made it abundantly clear that M&A creates long-term value – as long as it's part of a programmatic M&A approach.

Programmatic M&A – the continuous approach of smaller deals with a blueprint-like structure – means that businesses build up internal capacities to build an M&A pipeline, execute, and integrate M&A deals, successfully and repeatably.

A key part of programmatic M&A is the ability to integrate, with a blueprint-like structure. Many of the experts we talked to mirror this: post-merger integration is a systemized process unique to every organization.

There's a notable and clear difference between companies that acquire regularly and those that don't. With inexperienced companies, you come in when it's already too late.



BRANKA DESSENS

The M&A transaction alone is per se a net negative activity. When I acquire another business, I have to pay a premium. I'll also have key employees who don't like the new structure or get poached by competition, customers that look for alternatives, and I friction that makes both companies function less well initially. So without successful PMI activities, an M&A deal destroys value.



MICHAEL MAIER

But just because integration is a necessary activity for any M&A deal doesn't mean that it's always a complex project that requires a lot of resources:

Not all integrations need a lot of integration. It heavily depends on the industry, type of company, type of deal. So when there are no shared services between the companies, the acquired asset is self-sufficient and discreet in terms of size and capabilities, and all you need to do is consolidate the finances – you don't really need me.



RICHARD PARRY

It's clear: M&A value gets created in integration.

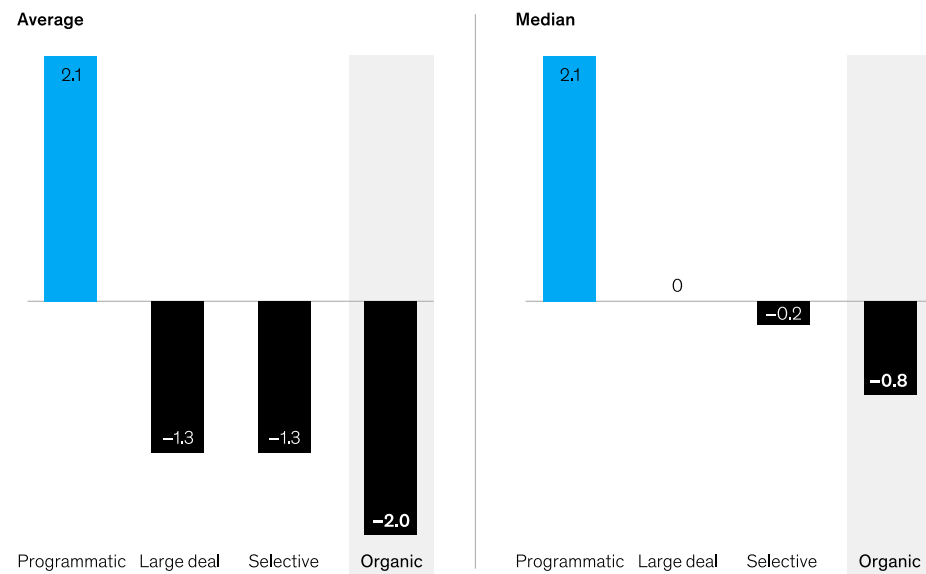
But so that value destruction. Hence, it's key to get it right.

And to get it right, we need to understand where in integration the value creation actually happens.

McKinsey & Bain Studies: Frequent Acquirers Create More Shareholder Value

The organic approach to M&A is more risky than other approaches.

Global 2,000¹ excess total returns to shareholders by program type, Jan 2010–Dec 2019, %



¹Companies that were among the top 2,000 companies by market cap (>\$2 billion) on Dec 31, 2009, and were still trading as of Dec 31, 2019. Excludes companies headquartered in Africa and Latin America.
Source: Deal Patterns 2019; S&P Capital IQ; Corporate Performance Analytics by McKinsey

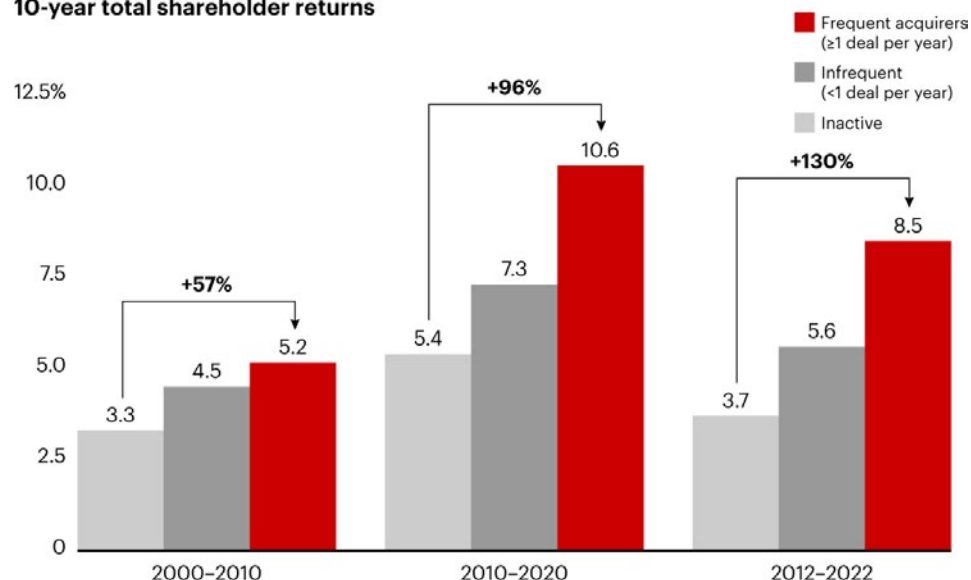
McKinsey
& Company

Programmatic acquirers tend to have a strong sense of that capacity given their well-developed M&A operating model. Because they don't have to reinvent the wheel for every due-diligence process or integration plan, for instance, they can execute more transactions while creating more value from each.

MCKINSEY

Frequent acquirers are gaining a performance advantage over time

10-year total shareholder returns



Note: Total shareholder return is defined as stock price changes assuming reinvestment of cash dividends
Sources: Bain M&A Value Creation Database (2011, 2021, and 2023 studies); Capital IQ; Dealogic

What was once a largely spreadsheet/financial modeling activity now encompasses such things as talent and culture assessments, customer insights, synergy benchmarks, strategic use of clean teams, and pre-integration planning.

BAIN

Evolution: Where is PMI today?

PMI has become increasingly professionalized and standardized. Fundamentally, PMI has gone through the following stages of evolution:

Stage 1: Early systemization

In the late 90's, the Big4 firms first began to systematically structure their PMI approaches.

Stage 2: Technology integration

Initially, post-merger integration mainly referred to the integration of different technologies such as email, servers, ERP, CRM, and other fundamental systems for two merged entities to create value together.

Stage 3: Business integration

Instead of only integrating the technological components of the merged companies, PMI started to become a discipline of integrating business processes holistically.

Stage 4: Change management

Next to technology and processes, PMI has become a discipline that incorporates organizational and cultural integration as the largest levers of value.

Stage 5: Transformation

As much as M&A will be part of any organization's growth program, PMI will be understood as part of the long-term transformation of an organization. Organizations will need to become more fluid and adaptable, and PMI will be a driving factor behind that change.

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Most people think of PMI still being just several processes. They think that if you make a plan, people will need to follow it because you're their boss. But ultimately, if the people on the floor don't contribute to the integration, it won't be a success. There will be hard decisions. You will take something away from some people. You will change some processes. If you don't communicate that with the right story, you will lose them.



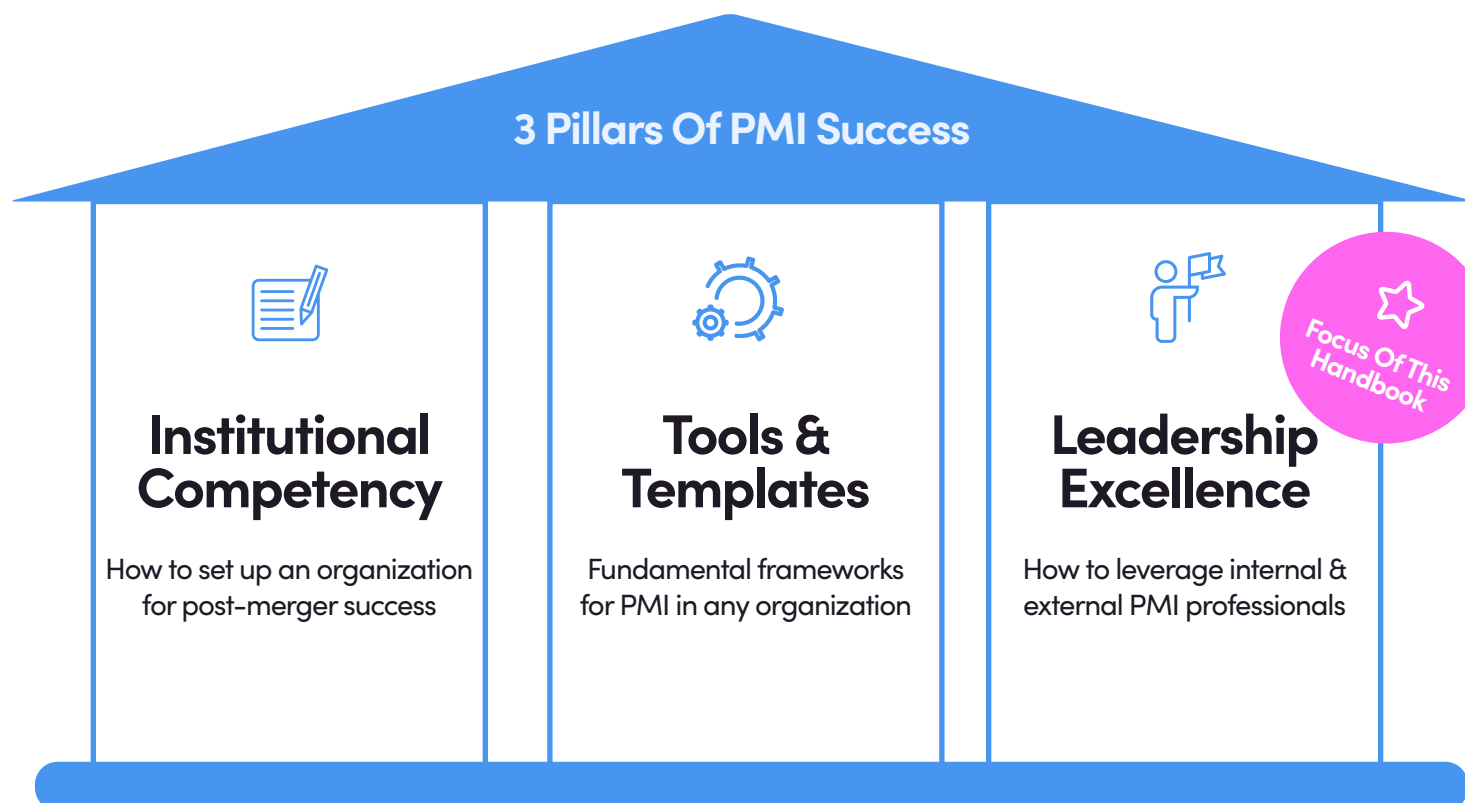
TIMM KELLERMANN

Both deal-making and integration have to do with bringing different parties together, but where they fundamentally differ is that integration has to work against the inertia and slow speed of change of whole organizations. In deal-making, I can compare different markets and topics rather fast, and evaluate new information as it comes. In integration, it's all about the human element of change. You just don't have the luxury of enormous flexibility and speed.



MICHAEL MAIER

3 Pillars That Make Or Break Successful Integration



PMI has developed from a poorly systemized, highly specialized discipline to a systemic approach to corporate transformation.

While there are certainly highly scientific and complex frameworks for post-merger integration, the practitioners we interviewed referred to three elements that, in practice, make or break a successful PMI project: Institutional competency (the internal knowledge and experience how to make integration successful), tools and templates (blueprints and software that carry institutional know-how), and leadership excellence (how integration knowledge is being implemented).

We will break these down in the next chapters.

«An inorganic growth mindset is fundamentally different from usual activities in a company, which is trying to achieve small gains in productivity. You are taking much more risk, and that requires deliberately building new capabilities and capacity in your organization to deliver the growth program.»

Richard Parry



Pillar1

Institutional Competency

Capacity & Capability: Driving Factors Of Institutional Competency

An acquisition is a black box – acquirers never exactly know what they will be confronted with, and project management and a plan are necessary to keep you on track and not lost in unpleasant surprises.

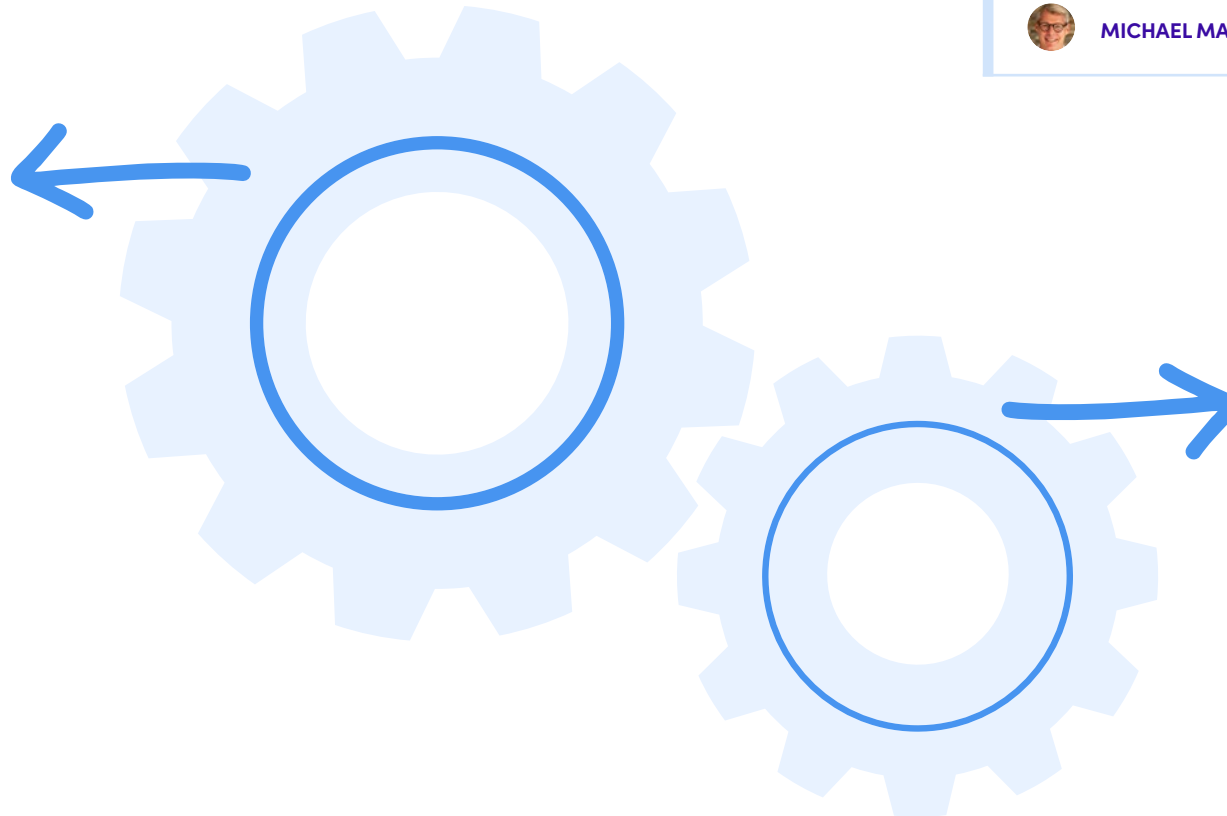
Running the actual integration project boils down to basic project management. Once the planning work is done, 90% of the time spent by a PMI practitioner will be to make sure that all the small moving elements of the integration are on track. But setting the project up for success in the first place relies heavily on the institutional competency of the acquiring organization. And the two deciding factors for this are **capacity** and **capability**.

PMI is not vastly different when the sizes of organizations are different. It is always multi-dimensional, because I need to tie different function groups together – two finance organizations, two sales organizations, two IT organizations.



MICHAEL MAIER

Capacity: How many resources are available for the integration project?



Capability: Internal know-how and experience

PMI Capacity: How Many Resources Do You Need?

“Sure, I have nothing to do anyways – I can help out on this integration”, said no employee ever. Integrations are non-standard procedures that require extra resources. And after most acquisitions, the day-to-day business doesn’t stop. Capacity describes the raw manpower an organization can muster to deliver post-merger integration.

But internal resources are scarce, and it’s expensive to allocate 50% of someone’s time to an integration project. But with insufficient resources, a PMI project will unnecessarily take longer – which can endanger the successful outcome altogether.

Companies today are already pretty lean. There are few people with nothing to do. So naturally, if there is little focus and resources for integration, the project will take much longer.



MICHAEL MAIER

On the other hand, it’s not just about the amount of resources that are available. Structuring the workload efficiently to minimize overhead strain on the organization is equally important.

Unstructured integration feels like it comes in waves. In an integration project that I was part of, every function had to structure the integration themselves. This created a very messy dynamic and it was not streamlined across the board.



MATT GUILLAME

External resources lend themselves well to cover for this lack of manpower – and the Big4 firms have been a go-to-partner for PMO staffing for decades now.



We talked to Richard Parry, partner at AtlanticM&A, about this development.

Q: HOW CAN YOU OVERCOME THE RESOURCE CHALLENGE IN AN INTEGRATION PROJECT?

Richard: In large companies that are experienced acquirers, the biggest immediate lever in integration is to add more capacity, which is perfect for consultants. You can bring in an army of people who don’t even need to know anything about integration. All they need to know is how particular functions work and deliver additional arms and legs for that particular function on a global level.

Q: HOW HAVE NEW WAYS OF WORKING AFFECTED THIS?

Richard: What has changed in the last 20 years is that you don’t need to bring in a Big4 firm anymore to run the PMO. The bottom part of the pyramid has been replaced by automation and project management tools. What you really need is senior people at the top who know how to work across an organization and how to build trust with the functional leaders and the executive team, and can reliably deliver an integration. And that’s hard. There are not many people who can credibly talk too functional leaders across all business functions.

Q: WHAT IS THE CHALLENGE TODAY WITH BRINGING IN BIG4 SUPPORT FOR THE PMO?

Richard: The fundamental flaw in bringing Big4 advisories into a PMI project is the pyramid model. They sell with the partner, and the people who do the actual work might come straight out of school. It's a bait and switch. But experience is key in a PMI project, and you're better off with a few very specialized senior advisors who know how to steer the internal organization. And because there's large turnover in these firms, you might get people who haven't worked with each other before. That's different when you work with a small boutique. You get specific people who've done specific things many times over. And they can deliver something quite unique.

Q: WHAT WOULD BE A "UNIQUE" THING THAT A SMALL PMI BOUTIQUE CAN DO, AS OPPOSED TO A BIG4?

Richard: One thing I've recently accomplished, which large firms couldn't, was setting up a cloud system allowing the acquirer and acquired company to communicate. For me, it was quite easy, but for PWC, it would have required a whole new division and many hours to achieve. For me, it was quick work. They must navigate their entire apparatus to ensure the project is profitable first. It's just too costly.

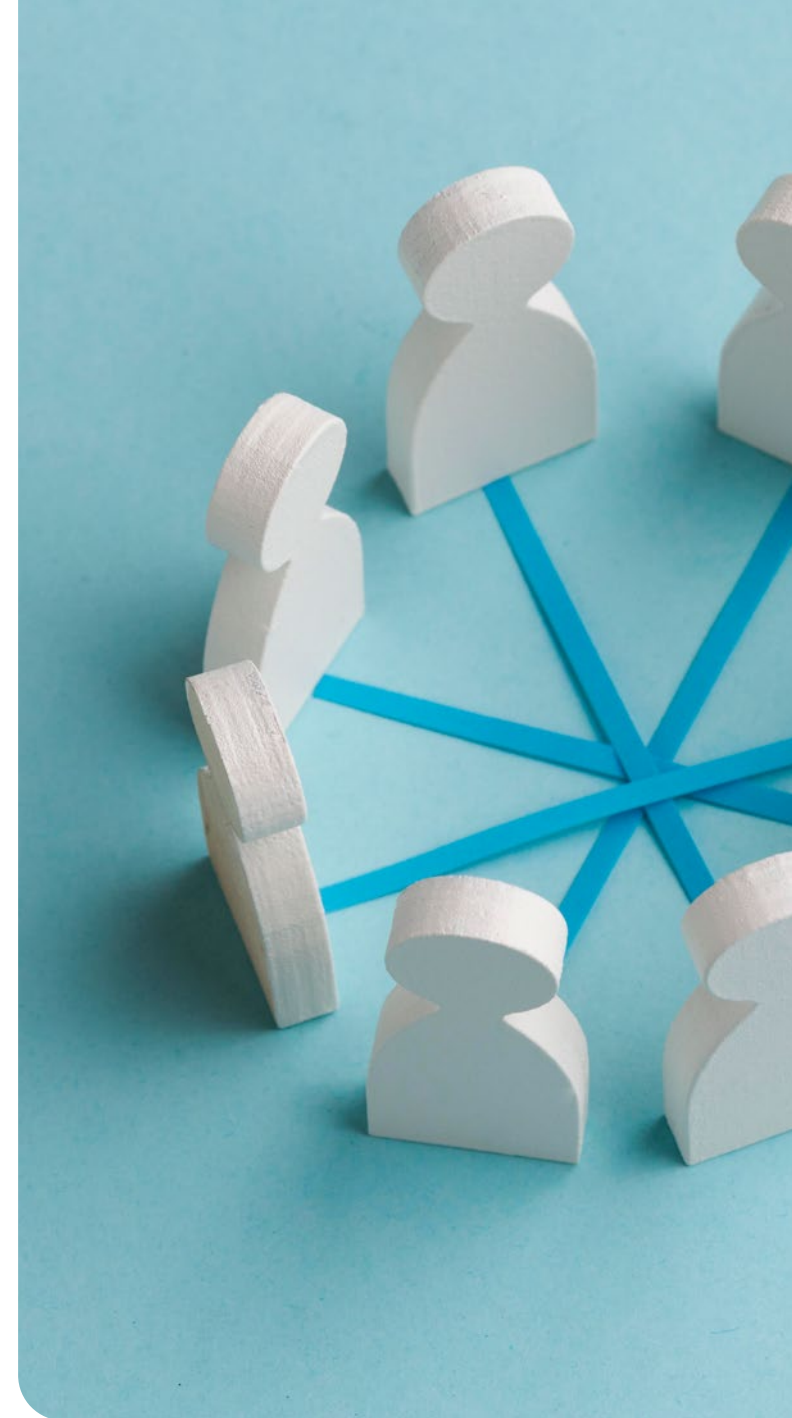
The beautiful thing about working with small PMI boutiques or freelancers is that you can bring in the right person for the right job. Do you need a finance transformation expert to support the finance work stream? Done. Do you need a smaller vendor to help with the SAP transformation? Easy. They can deliver real value quickly.



RICHARD PARRY

Key takeaways

- Integrations demand extra resources, but companies lack spare capacity, extending project timelines.
- Efficient workload management and structured integration reduce organizational strain.
- Big4 firms' traditional manpower support is now challenged by automation and the need for seasoned experts.
- Small boutiques offer specialized, experienced advice, providing unique, efficient solutions like communication systems setup.
- Targeted expertise from small boutiques and freelancers delivers value quickly and efficiently.
- PMI requires resources across the entire organization with many stakeholders involved.



PMI Capability: How Do You Build Knowledge?

If I have built 5 factories, I move up the learning curve and have refined my approach and processes of doing it. Experience with integration is similar. That is where proven expert know-how comes in.



MICHAEL MAIER

Programmatic M&A means making the M&A process a repeatable exercise. That implies that learnings and frameworks can be replicated. Capability describes the internal know-how of and experience with post-merger integration projects. Is there an existing playbook? What are the workstreams? Which tools are used? Do we have specific blueprints? What are best practices?

If none of these questions can be answered sufficiently, the organization will need to build this capability throughout its M&A journey – and equally ensure not to lose the knowledge along the way.

Sharing and documenting knowledge

Capability doesn't only refer to the pure know-how of integration. Assessing which knowledge exists in the buying as well as the selling organization, and how to leverage it, is a key exercise in every integration project. Are there already blueprints and templates that can serve the integration? What systems are in place internally and externally?

If you want to have one global company, one systematic way of doing things, you want to share best practices across the organization, you want to have the same way of doing things across the whole globe for your new organization, that doesn't happen overnight.



RICHARD PARRY

Studies show that resistance to integration, especially from management of the acquired organization, can lead to issues when assessing existing knowledge within organizations.

Leaders who don't see an option for themselves in the new management functions are a risk to the integration process. I have seen cases where they withheld information or slowed down the process to generate an advantage for themselves. Here it was crucial to have a third instance – be it the internal change management organization or an external advisor.



MATT GUILLAUME

Ultimately, documenting PMI knowledge internally means establishing a system that helps identify potential company-specific integration issues ahead of time.

A key question for PMI: Do I have a system in place where I can find issues early, and steer ahead of time?



MICHAEL MAIER

Assessing decision-making processes

Naturally, an integration can lead to fear. Fear of being replaced by one's counterpart in the other organization, fear of consolidation, fear of change. To overcome that fear, PMI practitioners start by understanding the decision-making processes in an organization – both formal and informal.

There's formal power and informal power. I try to have a good balance between the two and keep the group size of the integration team as small as possible. I generally don't take people along who report to other people as there could be a potential conflict of interest. I think it's impossible to directly project manage 80 people.



BRANKA DESSENS

If an integration runs on autopilot with no guidance, the people side gets neglected and key personnel can get lost too fast: "There might be a capable finance leader in the acquired company, but he doesn't know the structures of the buyer, so the tendency is to replace him"; another round of people leaves automatically because they don't want to be part of another organization; and in this way you lose immense knowledge and capabilities.



MICHAEL MAIER

There's a lot of responsibility on the shoulders of the integration leader to assure and steer management and employees.

PMI capabilities need to come on board once you decide you're embarking on an inorganic growth path.



RICHARD PARRY

Bringing in third-parties, such as internal consultants like change management or external consultants, is one important lever to create agency.

I was involved in an integration project which was very unstructured until the internal change management team got involved. This was a night and day difference: Change management actually had the agency needed to look at the integration from a company-wide perspective.



MATT GULLAUME

We talked to Timm Kellermann, Transformation and Strategy consultant from Germany, about the importance of creating a trustful environment for an integration project.

Q: WHY DOES INTEGRATION LEAD TO SO MUCH FRICTION?

Tim: Integration means change, and change means uncertainty. People will think you're taking something away from them, no matter what. These are core human traits that integration leaders need to be aware of.

Q: HOW CAN WE OVERCOME THAT FRICTION AS PMI LEADERS?

Tim: Different personalities engage differently with change, and communicating change with one generic approach will not work for anyone. PMI leaders need to assess the different personalities, understand how they deal with uncertainty. And adjust messages accordingly. Otherwise, they will block progress.

Q: HOW DO YOU SELL THAT TO A COST-ORIENTED CLIENT?

Tim: Ultimately these personality assessments are still often seen as a cost driver and unnecessary. So we tell our clients they are important, there are part of the checklist, but ultimately, if there is no budget, it's not going to happen. I believe that getting the communication around an integration right and addressing different personalities is the magic sauce to a successful integration. If you don't take the people on the journey with you, it will fail.

PMI Capability in PE-backed vs. non-PE-backed Corporations

Integrating for a Private Equity-backed company versus a strategic buyer changes the dynamic of integration.

Firstly, the Private Equity firm has significant experience in buy-side M&A, and this affects integration capabilities and resource needs alike.

If you're a PE or you're doing a few acquisitions for a few years, you're better off with an external person on a contract basis. I think that's better for both sides. There's a defined amount of time you'll be there, and the company gets the maximum value.



RICHARD PARRY

On the other hand, PMI leaders closely work with the management team – and this dynamic is equally affected.

There's often a difference between working with PE-backed firms and non-PE-backed firms: Boards of PE-backed firms work with me because they don't have a choice. They have a different level of engagement. Without the PE, it's easier to be on the same page with the board when it comes to making fundamental decisions. There's a power struggle there, especially with majority investments.



BRANKA DESSENS

Everyone has pre-existing political relationships, people might talk badly about the program or the companies. You have to be vigilant about that.



RICHARD PARRY

Key Takeaways

- Capability in PMI involves internal know-how on integration, including a playbook, workstreams, tools, and best practices.
- Sharing and documenting knowledge are crucial, focusing on leveraging both organizations' existing knowledge. This includes using existing blueprints and systems, despite potential resistance from the acquired organization's management.
- Assessing decision-making processes is key to managing integration fears, emphasizing the importance of balancing formal and informal power and keeping the integration team small for effective management.
- The role of third parties, like change management consultants, is vital in providing structure and facilitating integration, helping to address uncertainties and streamline the process.
- PMI dynamics differ between PE-backed and non-PE-backed firms, with PE-backed companies having more integration capabilities and a different level of management and board engagement.

Pillar 2

Tools & Templates

PMO Blueprints & Checklists: Knowledge-Sharing Devices

Post-merger integration is often associated with screen-filling Gantt charts and Excel-sheets. But the experts we interviewed for this unanimously shared Branka Dessens opinion:

Tools don't matter that much. As long as you have a good strategy and 100 day plan, PMI is just core project management. You have your strategy. You have your activity list. You have your workstreams. And you manage the project. There's no secret. But it's important to understand that the real important work happens when you get into the structure and strategy before the plan is being made. So Excel and Smartsheets, that's it.



BRANKA DESSENS

So while software tools don't matter much for a successful integration project, templates and checklists are still at the foundation of integration work. And it all starts with the question: Once you begin work on an integration, where do you start?

A key element in the beginning of an integration is to find out what problem we have. Do we have a competency problem? A process problem? An IT Problem? I use checklists to support the initial diagnosis.



TIMM KELLERMANN

It's crucial to understand from the start which information is required for the integration. If people with specific knowledge leave or there are third parties involved and you lose access, critical information for the process might be lost forever.



MATT GUILLAUME

The blueprint that an external PMI consultant delivers is the essence of their experience:

Developing a blueprint for the combined business is a key task in any integration. While no integration is the same, there are frameworks and checklists that can guide and speed up the integration work. And that is where an external advisor should display his key strength. For example: combining two finance or purchasing functions after a merger has been completed countless times. So having a good framework and checklists are extremely helpful to derive a high-quality blueprint and to reduce the risk of forgetting something. For clients this should come as a great accelerator because it does not have to be built from scratch in the integration project itself.



MICHAEL MAIER

Communication & Meetings: Keeping The Project On Track

Just as important as the PMO blueprints are clear rules for communication and meetings.

My dream setup: Start with a clean PMO, a clean toolbox with templates and checklist, clear definitions and clear communication rules. Communication cascades and meeting cascades need to be brutally clear. Everyone needs to be prepared in meetings, and agendas are clear. If issues have not been submitted before meetings, they are not on the agenda. Otherwise it just turns into a meeting where everyone complains.



TIMM KELLERMANN

We talked to Michael Maier, a PMI and Transformation Consultant from Germany, about the tooling he requires for the successful start of a PMI project.

Q: MICHAEL, WHAT IS THE FIRST STEP IN AN INTEGRATION PROJECT FOR YOU?

Michael: I start with the deal rationale, because it defines the priorities for everything that follows. Many companies have multiple deal rationales for an acquisition, and it's important to address them all during the integration phase.

For example, a geographic expansion to North America, combined with an extension of the product offering while also upgrading service capabilities. Based on the deal rationale, I try to reach consensus on what achieving success means and how it can be measured.

Q: HOW DO YOU ASSEMBLE INFORMATION AT THE START OF A PROJECT?

Michael: Key documents from the data room are always the starting point. But much information needed for the integration is not in the data room. So after nominating the integration team on both sides, typically function by function, there is a "getting to know each other", followed by identifying high level action areas for the integration. Organizations often start with only 20% capacity for integration team members, making time a precious commodity. As an Integration Advisor, flooding them with excessive offsites and workshops is not an option—they simply don't have the time. My role is akin to that of a home builder offering choices between a flat or a pitched roof, not starting from scratch but providing a menu of options to streamline decision-making. This approach not only creates efficiency but adds real value, bringing to the table actionable measures rather than starting with a blank slate.

Q: WHICH SOFTWARE TOOLS DO YOU USE TO PROVIDE THESE SERVICES?

Michael: There's tons of tools and smart solutions out there, but ultimately the widespread usage of Powerpoint and Excel lead to usage of these software solutions also in integration projects. Two exceptions should be made. Both software are really labor intense when used for project planning and activity progress tracking. That's where Smartsheet or teamwork.com should come into play. There are easy to use but have added logic to support PMI projects more effectively. It prevents outdated or incomplete task entries by enforcing specific rules, facilitating quick status checks and automated report generation. These tools simplify project management, ensuring the operational team can focus on execution without the hassle of outdated information. Therefore, project planning and tracking is streamlined and more efficient.

Q: WHAT OTHER SOFTWARE APPLICATIONS COME TO MIND?

Michael: Language used to be a massive hindrance in cross-border transactions. Tools like DeepL are an enormous help here, because there's a big difference when functional leaders can speak their native language in a workshop or meeting. By enabling local language, there is much more participation and also depth of discussion.

Key Takeaways:

- Success in PMI hinges on solid strategy and a clear 100-day plan, not the specific tools used. Identifying core issues (competency, process, IT) at the start is vital, with checklists aiding in this phase.
- Pre-developed blueprints and checklists streamline integration by providing a structured approach.
- Effective integration requires clear rules for communication and meeting protocols to avoid unproductive discussions with stakeholders.
- Despite numerous options, platforms like Excel and Smartsheets are preferred for their tailored functionalities to PMI, complemented by language translation tools to ease cross-border challenges.





Pillar 3

Leadership Excellence

The third pillar of successful post-merger integration is the leadership behind the integration. Even if the organization is capable and the fundamental PMO tools are set up – an integration will not work on auto-pilot but requires careful steering.

In this chapter, we will walk through the options management teams have to set up their PMI leadership and PMO teams.

«PMI needs, above structure and solid project management, a lot of sensibility for people matters and change aspects. That's why I love it.»

Michael Maier

Integration Lead vs. PMO

Any integration project consists of two key groups: The group that leads the integration (integration lead), and the group that executes it within the organization (project management office or integration management office).

In this setting, the integration leader often takes over the role of the Chief Transformation Officer (CTO), while the PMO consists of a core team of project managers (managed by the integration lead) closely tied with input from the Business Units in the form of the Integration Management Office (IMO).

Chief Transformation Officers are vital for driving new organizational capabilities, especially critical in private equity or smaller settings lacking in-house expertise for managing transformation. Their oversight of the often neglected, yet essential change process, alongside an unbiased perspective, ensures successful integrations by focusing on delivering substantial value beyond daily operations.



RICHARD PARRY

| Aspect | Integration Lead | IMO/PMO |
|--|---|---|
| Primary Role | Strategic change management | Decision and logistic management |
| Scope / Responsibilities | Sets priorities, escalates critical issues | Tracks decisions, coordinates logistics |
| Workload | Strategic, possibly acting as Chief Transformation Officer | Operational, full-time coordination tasks |
| Reports To | Executive team, as an independent strategic advisor | Senior PM or integration lead, for operational tasks |
| Team Size | Smaller, strategic focus | Large, for extensive coordination (when counting IMO) |
| Communication | Directs strategy and alignment with goals | Facilitates information flow and engagement |
| Decision-Making Authority | High-level, strategic decisions | Operational, executing strategic directives |
| Stakeholder Engagement | Liaises with senior stakeholders, aligning efforts with company goals | Manages broad communication and alignment with stakeholders |
| Strategic vs. Operational Focus | Strategic, focusing on long-term success | Operational, implementing strategies daily |
| Impact Measurement | Defines and aligns integration success metrics | Tracks performance, informs strategic adjustments |

«I have been working with Japanese automotive clients for seven years. In Europe, we define teams by telling everyone what they should be working on. You're Integration lead, you lead IT integration, you lead process integration. Everyone gets their little name plate. But when some new problem arises, everyone looks at their nameplate and says it's not theirs to fix. In Japan, the entire team is responsible for everything. Even if it's not my job, I fail if the team fails. An integration team is complex and I need a lot of steering to get it right. But the most difficult part is getting the unclear, unstructured problems right.»

Timm Kellermann

Internal vs. External Integration Resources

PMI is a unique situation that requires specific skills and experience. That's the perfect case for an external advisor or team to help out.



RICHARD PARRY

For most non-serial acquirers, external PMI leaders aren't an uncommon addition to the team. Internal teams, on the other hand, often have a conflict of interest, because they, by definition, represent the buying company.

The CEO is the only person who combines all interests. That's why an external PMI lead is usually the right answer. It's a bit like marriage counseling.



TIMM KELLERMANN

| Factor | Internal PMI Resources | External PMI Resources |
|--|--|---|
| When to Use | After 2-3 acquisitions a year when a blueprint is developed. | In unique PMI situations requiring specific skills, or to set up a new PMI team and function. |
| | For ongoing integration efforts once the initial framework and methodology are established. | As mediators even after internal capabilities are developed, to provide a neutral perspective. |
| Advantages | Familiarity with company culture and internal processes. | Objective perspective and specialized expertise. |
| | Can be more cost-effective in the long run. | Flexibility to scale efforts up or down as needed. |
| | Builds internal capacity for future integrations. | Can address complex challenges that require specific knowledge or experience. |
| Typical Timeline to Leadership Role | Evolves to a Chief Transformation Officer role as internal capabilities mature. | External advisors are typically involved from due diligence through to the handover phase. |
| Common Challenges Addressed | Conflicts of interest. | Infrastructure readiness for integration. |
| | Standardization of integration processes. | Structural readiness for integration. Professionalization and functional structuring of the organization. |
| Typical Interaction | Internal stakeholders and teams across functions. | Board members, integration teams, and operational levels (e.g., warehouse management). |
| Role in Strategy and Integration Plan | Often operates within a "standard program" limiting adaptability. Develops and refines integration blueprints over time. | Adds value by identifying and addressing gaps not seen internally. Guides strategy from due diligence to integration, ensuring alignment with deal value drivers. |

Interview: How External PMI Specialists Align Stakeholders

We talked to Branka Dessens, Managing Partner at Atlantic M&A Partners, about her role in aligning leadership and internal teams during an integration.

Q: BRANKA, WHEN YOU'RE HIRED AS AN INTEGRATION LEAD, WHAT ARE THE COMMON ISSUES YOU FACE WITH THE COMPANY'S INFRASTRUCTURE?

Branka: Often I get hired as integration lead by the board, but it becomes clear fast that the infrastructure of the company just isn't ready to integrate one or even multiple companies. It goes hand in hand: You can't integrate without a certain degree of professionalization, structuring of functions, etc. So it becomes a question of making the top organization ready to be able to integrate. However, the goal of the board might just be to increase profits from the integration. It's a catch-22. That's especially true for buy-and-build scenarios. The platform needs to be structured first to be able to integrate.

Q: IN YOUR EXPERIENCE, HOW OFTEN DO INTEGRATION PROJECTS EVOLVE INTO A NEED FOR TRANSFORMING THE TOP COMPANY?

Branka: In easily 80% of projects I get hired on, it becomes clear that the project will not be a pure integration play but rather needs to transform the top company as well. Otherwise, you'll be treating the symptoms but not the real problem. The symptom being "we want to integrate" and the actual problem being "we have three companies and people that work for them, but they aren't structured in functions that make them capable of being synchronized at all."

Q: HOW DO YOU VIEW THE ROLE OF INTERNAL INTEGRATION TEAMS IN THE PROCESS?

Branka: Internal integration teams have a conflict of interest; but what I find even more important is that they usually have a "standard program" and that means they won't listen to the other party as much. You have a more neutral eye for that as external. But I believe that you can train the internal PMI team to be better at that; it's just a human element and no fundamental flaw in the process.

Q: WHAT CHALLENGES DO YOU FACE IN ENSURING YOUR ADVICE IS IMPLEMENTED BY THE BOARD?

Branka: Our role as PMI advisors is to add value where we can. Often, we advise the board multiple times, but it's not integrated until months or even years after the fact. In this case, we need to look where we can help otherwise and clearly communicate on topics we cannot advance on.

Q: WHO DO YOU TYPICALLY INTERACT WITH IN AN INTEGRATION PROJECT?

Branka: I have previously worked on a project where a wholesaler acquired a company with loads of inventory on the balance sheet, that was completely useless. But they didn't write it off because it looked good on the balance sheet. So even though I was working directly for the board, I had to spend a lot of time on the warehouse level to get the integration to the finish line at an operational level.



BRANKA DESSENS

«There are two groups of acquirers. Companies with an aggressive buy-and-build strategy often start with an external PMI manager, but then will hire someone internally. As external, we usually guide them in setting up the methodology and the playbook once you did two or three integrations together. With companies that rarely acquire, I will often run the complete program for half a year and then look for someone internally to take it over.»

Branka Dessens

External Resources: Freelancer vs. Advisory Firm

While Big4 firms were the first to standardize integration consulting work, customers today have a wider array of choices: Between freelancers, freelance networks, boutique consulting firms, and medium- to multinational consulting networks, acquirers of all sizes can choose the resource that makes sense for them.

| Aspect | Solo Freelancer | Boutique Consulting Team | Large Consultancy Firm |
|---------------------------------|---|--|---|
| Integration Capabilities | Brings hands-on experience from leading multiple integration projects, with industry-specific know-how and potential deeper relevant qualifications (e.g. finance transformation, cloud computing). | Offers a mix of specific skills and experiences, more diverse than a solo freelancer but less than a large firm. | Provides a wide range of capabilities across many functions and industries, with a standardized approach. |
| Capacity | Limited by individual's bandwidth, best for focused, specialized tasks. | Higher than solo freelancer, can handle more complex projects but has limitations compared to large firms. | Large capacity due to size and global presence, deploys large teams for extensive projects. |
| Cost | Generally lower due to lower overhead, cost-effective for specific needs or smaller projects. | Higher than solo freelancer but typically lower than large firm due to moderate overhead. | Highest due to extensive resources, global reach, and brand reputation, includes premium for services. |
| Flexibility | Highly flexible, adapts quickly to client needs. | Flexible, but team coordination might reduce agility compared to solo freelancer. | Less flexible due to larger organizational structures and standardized methodologies. |
| Relationship/Engagement | Direct and personal, offers close collaboration and understanding. | Personal but involves dealing with multiple people, can dilute directness. | Often less personal, potential for "bait and switch" where sales teams differ from delivery team. |

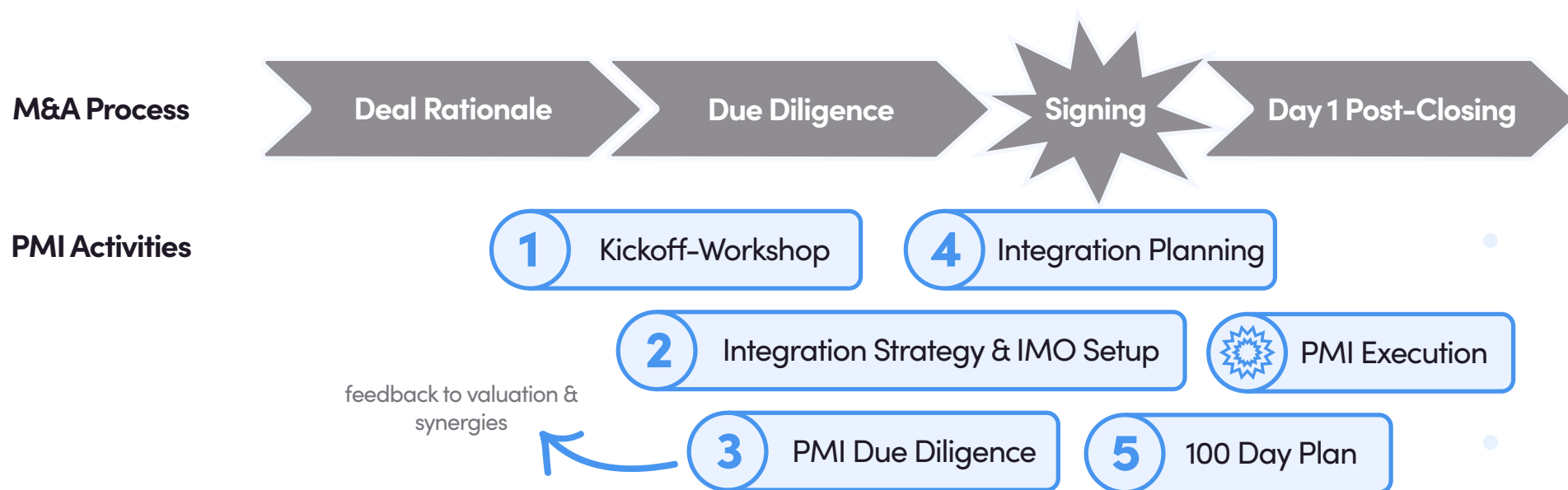
The market for integration services is evolving, with a noticeable trend toward hiring skilled practitioners for mid-sized and smaller integrations. This reflects a growing recognition that effective integration - and by extension, successful inorganic growth - requires a blend of strategic oversight, operational efficiency, and organizational change management, areas where seasoned professionals excel.



RICHARD PARRY

Even on the PMO side, where typically a larger number of helping hands for the project management is required, large consulting firms cannot necessarily deliver more value, says Richard Parry. "Twenty years ago, you hired an army of juniors that often came straight out of university from the Big4 firms. Today, these jobs are taken care of by technology, and it makes much more sense to have a very selective number of experienced PMI practitioners in the process to steer the ship."

Timeline Of A PMI Project



All experts report "i usually get involved too late". But of course buyers don't want to start with PMI too early – because who wants to overspend on consultancy fees for an uncertain deal? In reality, PMI professionals usually get involved when the deal starts to become more serious – 1-2 months before signing.

How Integration Influences Deal Rationale

I've seen both: M&A deals where the chiefs communicated the glory of the deal throughout the organization, and an attitude of "I paid so much money to buy this company, why should I invest into integration now?"
You can imagine which deals created value and which didn't.



TIMM KELLERMANN

Few PMI professional get involved when a company sets up their M&A strategy, or even the strategy and synergy planning for a given acquisition.

However, that often creates an unhealthy dynamic, where PMI teams and Business Units are tasked to pick up the pieces and leverage synergies that weren't there to begin with.

Our experts described the way PMI can get integrated into strategy with some practical pointers:

The only have a chance to materialize if sufficient PMI effort is spent to build a combined sales team and align Go-To-Market approach with product development while actively supporting change activities.



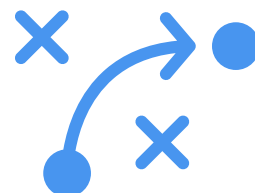
MICHAEL MAIER

Especially the communication of the deal rationale needs to be executed well on all levels:

I was involved in an integration where the strategy and deal rationale wasn't clear to anyone on the ground. Even my managers didn't know the details of it. So there was a disconnect between the M&A department and the rest of the organization.



MATT GUILLAUME



Acquiring a company in many ways is a black box. It's difficult to navigate. So the moment you don't have a strategy in place, you don't know what to focus on. You try to do everything a bit and then nothing gets done.



BRANKA DESSENS

I look at the deal value drivers and translate them to functional charters. That is the layout that describes how you're going to deliver that deal value, what the roadblocks are, what additional resources are, and an outline of a plan. But everyone that is involved needs to have access to it at all times, to develop ownership.



RICHARD PARRY

Key Takeaways:

- Strategy provides focus for PMI value drivers
- For a successful PMI phase strategy and goals need to be converted to actionable tasks
- Create a feedback loop that updates valuations and deal rationale when information gets uncovered during diligence
- Translate value drivers to functional charters
- Communicate deal rationale and strategy clearly to the integration teams and business units
- Assign ownership to identified synergies

Due Diligence

Diligence is where integration becomes a key component of the M&A process.

During diligence, modeled synergies and cultural fit can be critically analyzed, while it also offers an opportunity to revisit the investment thesis and pricing.

For Michael Maier, this especially means looking at modeled synergies in the product portfolio.

If synergies in the product portfolio are expected, this should be investigated already during due diligence in order to derive the best approach for the PMI implementation. As changes in product design are quite costly and take a long time to realize, an early validation in the PMI phase is advisable.



MICHAEL MAIER

Addressing Cultural Misalignments

Branka Dessens highlights the significance of addressing cultural misalignments during diligence. Utilizing a checklist to gauge employee perceptions can serve as a starting point for discussions, revealing diverse organizational perspectives.

PMI enables you to look more at culture during due diligence, and the operational and IT aspects. The majority of acquisitions that I see look at the fit simply from a commercial and financial angle, and the problems that pop up later could have easily been figured out earlier in the acquisition process. So in a way, thinking with PMI in mind from the get-go would in many cases lead to abandoning a deal altogether. I don't think it's too late to fix cultural misalignments when a deal is in diligence. I have a checklist that asks employees on all levels 10-15 questions on how they perceive the company, and start that as discussion point. People on different levels often have a vastly different perception on the organization.



BRANKA DESSENS

Involvement of Integration Management Office (IMO)

Richard Parry stresses the involvement of the IMO during due diligence, ensuring alignment with the value delivery objectives of the deal.

Whoever is responsible to the deal delivery value has to be involved during due diligence. I would recommend is that the integration management office that they get involved during that due diligence phase, that they are actually involved in the due diligence of the organisations that you're going to buy.



RICHARD PARRY

Michael Maier shared his opinions on the importance of using PMI as a feedback loop during diligence:

Q: MICHAEL, HOW DOES INTEGRATION WORK DURING DILIGENCE IMPACT DEAL STRATEGY?

Michael: Integration related work during diligence takes a critical look at modeled synergies and integration approach and thus can influence valuations and negotiations. We also conduct more cultural diligences as understanding both corporate cultures in advance is important for the integration. In that way, PMI considerations can provide an additional perspective in terms of implementation requirements. If these topics are incorporated early, they ease the transit from the deal phase to the integration phase, thereby providing more clarity and reduce risk.

Q: DOESN'T A POTENTIALLY LOWERED BUYING PRICE RECOMMENDATION CONFLICT WITH THE DEAL ADVISOR?

Michael: I do not see this as a conflict. The deal advisors want to make the deal happen. For the most part, experience-backed arguments on realistic timelines and implementation efforts for synergy capture are well received by the deal team. In practice it's one or two validation meetings and a slight adjustment of the model and there we go.

Q: SO INVOLVING PMI AS EARLY AS POSSIBLE IS THE BEST RECOMMENDATION?

Michael: Involving PMI too early might slow down the process in the early stages of a deal. I like to see PMI as a gatekeeper with the responsibility to create the most realistic picture of an acquisition, who tries to minimize risks as early as needed.

Key Takeaways

- PMI should be involved during diligence to sanity-check the investment thesis and inform buying price
- Cultural diligence is growing in importance
- Early ramp-up of integration management office allows for a smooth transition from deal to integration phase



MICHAEL MAIER

«The ideal time for me to join is when the transaction is 1-2 month before contract signing. The biggest red flags have already been removed in due diligence, and we can think about the setup of the integration. This timing is ideal, as it's close enough to the finish line to create a sense of urgency on both sides to start preparation for the PMI phase but allows enough time to get organized. »

Michael Maier

The PMI Workshop

Integration advisors start the actual integration process by getting all relevant stakeholders together to define priorities and key integration levers.

The goal: Assessing the available information and potential pitfalls for the integration process. This workshop typically takes place during diligence, and thus also serves as a primer for a cultural due diligence process.

In the initial workshops we define the main priorities we're working on; financial, operations, IT level, change management, people. That defines the inventory of where we're at and where we want to go. It's crucial to be honest with the board and really understand the assignment in depth. I have to challenge every board on what the real problem is. And often, they will need something else than PMI expertise and I don't get the assignment, but it's a better overall solution.



BRANKA DESSENS

The integration that I was involved in was led by a senior leader, but there was no blueprint. So integrating the knowledge from the different firms was a messy challenge, because people left and the documentation wasn't there. So we couldn't go through the documentation.



MATT GUILLAUME

Attention to differences in business culture in a cross-border transactions is certainly a key aspect for planning and implementing the merger. But corporate culture, also within the same country, can vary widely. As a PMI Manager I have to be able to mitigate these differences and find common ground. What has worked well is to do interviews or surveys on corporate culture. These results can then in turn raise awareness of existing differences between the two organizations. One might be more autocratic and top down in decision making, the other one more consensus oriented. Having this out in the open helps to navigate through the differences and use the integration work as a catalyst to form a new corporate culture.



MICHAEL MAIER

Key Takeaway:

The initial workshop is a critical phase to identify priorities and potential pitfalls for the integration.

Example Questionnaire For PMI Readiness Assessment

How could a typical questionnaire for the intake of a PMI consultant look like?

The intake questionnaire aims to understand the basic alignment in values and working methods between both companies. While it doesn't cover the full setup for IMO, it serves as a primer to examine potential deeper, underlying issues.

PMI Intake Questionnaire

1. Do you consider your company's culture to be formal or informal?
2. Is your company more entrepreneurial or professionally managed?
3. How would you describe the communication style within the company? Open or closed?
4. Does the company encourage taking risks or is it more risk-averse?
5. How are decisions made in the company? Are they centralized or decentralized?
6. What is the level of bureaucracy in the company? High or low?
7. How would you rate the company's approach to innovation?
8. How is performance typically measured and rewarded in the company?
9. What is the level of collaboration between departments or teams?
10. Is the work environment more competitive or cooperative?
11. How does the company handle conflict or disagreement?
12. What is the company's approach to work-life balance?
13. How are new ideas or suggestions treated within the company?
14. How does the company support professional development and career growth?
15. What are the core values that the company emphasizes and how are they reflected in day-to-day operations?

Integration Planning & PMO

The project management within an integration boils down to basic project management – which has had enough books written about it.

So instead, we'll dedicate this section to the nuanced details that the senior integration leaders we talked to have come across over and over again – and show how they can add value beyond pure “PMO manpower”.

Branka Dessens points out the importance of deeply understanding the acquired company, before planning integration:

I love understanding the USP of the acquired company, because there's a reason the other company bought it, and we need to know this so we know what to take extra care of and not lose it during the integration. You need to involve the acquired company and give them sufficient attention.



BRANKA DESSENS

For Richard Parry, creating the right sets of meetings is crucial:

First set of meetings: I like to call them hygiene factors: Having the right people in the right meetings at the right time with the right frequency. You need a clear cadence with the steering committee, the deal sponsor, CEO, CFO, whoever is involved. You meet once a week, and you have a very targeted, shorter report out to them every week about the program and its health.

Second set of meetings: Two in a box is the key for each function: One person from the acquiring, one from the acquired side, and get them working together.

Third set of meetings: Working meetings – they vary in length for each function (20mins-1h). But you need to be cognizant about people's time, because they still have their ordinary work to do.



RICHARD PARRY

Matt Guillaume highlights the importance of sharing knowledge:

Integrating tools and technology and financial systems, that is of course a backbone of an integration, but it's not the hard part. The hard part that makes or breaks an integration is transferring knowledge between the different departments of the different organizations.



MATT GUILLAUME

And for Timm Kellermann, it's about bringing the different game plans together:

Every organization has a certain way of doing things, so when it comes to bringing them together, the main question is always: How can we bring both plans together to create one cohesive plan for the entire project, while not neglecting the individual interests of parts of the organizations?



TIMM KELLERMANN

Checklist: Finding The Right PMI Consultant

As opposed to M&A freelancers, PMI freelancers typically are very senior industry experts with many integration projects under their belt.

However, for companies enlisting external support outside of traditional advisory firms for the first time, it might sound tricky to identify a consultant who fits their needs well.

Ultimately, the right post-merger integration consultant for an organization boils down to the seniority and industry experience they can deliver, the network they can access, and the style of work and communication.

The following checklist will provide you with a starting point to find the right PMI consultant for your needs.

An outstanding PMI leader should be well rounded in his business experience and a wide array of functional, organizational and cultural topics. An ability to quickly grasp complex data and situations is also helpful to navigate a multi-faceted integration program. Being a good people manager with high sensitivity for team dynamics and politics is vital. And a PMI leader needs to be able to transform strategic plans into concrete actions – getting the job done!



MICHAEL MAIER



1. What are the **objectives** for the post-merger integration?
2. What is the **scope of work** for the external consultant?
3. What is the available **budget**?
4. What is their **sector-specific integration experience**?
5. Does their **seniority** align with the needs of our project (do we need a senior lead or medior IMO support?)
6. Do they further have experience with **change management and/or transformation**?
7. Can they provide case studies or **references** from similar projects?
8. What **methodology** and tools will they use for the PMI process?
9. Are their **resources** adequate to meet our timeline and needs? Do they have access to additional staff if needed?
10. What are their **fee structure** and any potential additional costs?
11. How detailed and clear are the contract terms, including **deliverables and timelines**?
12. Do their **communication style** and cultural values align with ours?
13. What **timeline** do they suggest for the PMI work?

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- Associate: €130
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What are the payment terms?

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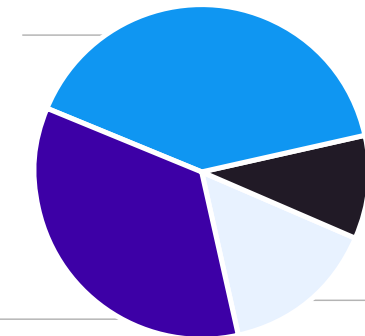
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The typical project length on our platform is 3-6 months, but shorter and longer projects are of course possible.

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