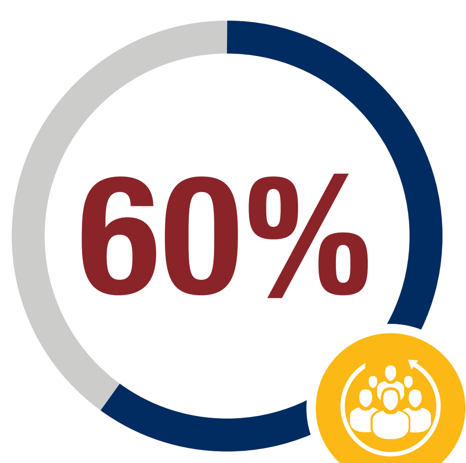
SPOTTING DEAL KILLERS

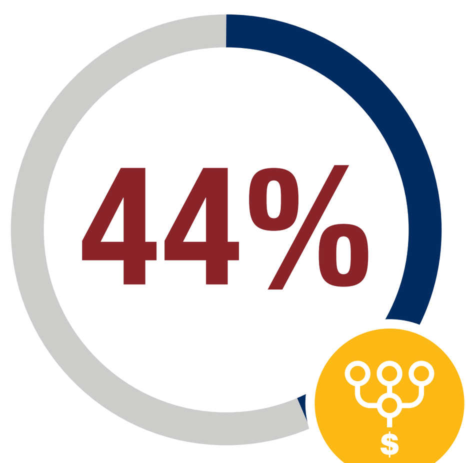
Eight Early Warning Signs of Trouble for Strategic Acquisitions

About half of all strategic mergers and acquisitions (M&A) actually destroy value. There is a natural distrust of the acquiring company, leading to fear and morale problems. Could these failures have been detected early on and potentially avoided? This infographic looks at early signs of trouble and the steps that acquiring firms can take to help avoid failed M&A pitfalls.

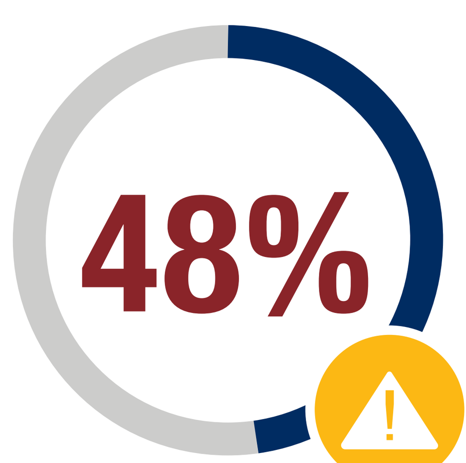
M&A MISGIVINGS



of senior executives rated integrating people and culture as one of the most common reasons for an unsuccessful M&A deal.



of companies believed that they execute deals at the right price and structure to meet their strategic needs.



of senior executives don't do a good job clearly defining a deal's potential risks.

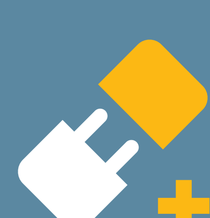
EIGHT EARLY WARNING SIGNS OF A TROUBLED DEAL

STRATEGIES FOR DETECTING AND AVOIDING M&A TROUBLE

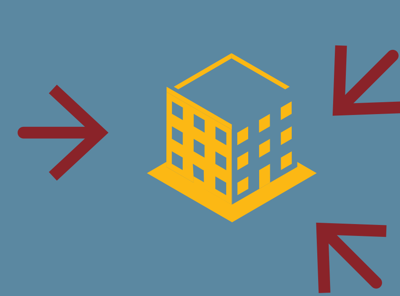
Acquiring companies can take appropriate measures designed to reduce the chance of failure.

Establish a simple stage-gate process for deal review and stakeholder coordination.

Utilize a deal scorecard and an integration blueprint.



"Hard wire" the connection and continuity between diligence, planning, and execution.



Prioritize transition issues from customer interface back into the business.

Use rigorous prioritization to highlight the synergies that will drive biggest early impact.

Establish an employee organization structure with names early, then populate as soon as possible.

Invest upfront to "certify" deal resources in an M&A playbook and periodically refresh listed skills.

The critical distinguishing factor between success and failure of a merger is a sense of objectivity on the part of executives.

Crowe Horwath.

www.crowehorwath.com

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