

## CONTEMPLATING A MERGER OR ACQUISITION – CIO CHECKLIST

### PURPOSE

Recent research shows that the importance of IT in the M&A field is growing and the role of the CIO becomes even more important than ever before.

- What are the key things that the CIO must do?

The following lines capture the essence of the tasks that he or she must do

### CHECKLIST

- ***Have a clear IT strategy and plan before you start.*** This factor alone can make a significant contribution to the success or failure of the IT integration work. If you have it everything is much easier. If you do not, decisions become very difficult and costs and risks can escalate. The IT plan should be linked to the merger or acquisition's strategic objectives.
- ***Get the business to make early decisions.*** IT will be rightly seen as critical to becoming operational but getting the business to decide on business rules, processes and priorities comes first. Do not waste any time in getting the business to make these decisions at the beginning of the integration process.
- ***Remain involved.*** Non-IT managers may not understand the complexities or consequences of merging the two IT operations. In guiding business management as it works through the disruptions and changes that a merger is bound to create it is vital to provide a bridge between the IT and the non-IT sides of the business.
- ***Be responsive to cultural needs.*** In the IT integration team use people of the same culture as that of the merging company. Use the right language - cultural, linguistic and technical - and do not impose your own unless there are very good reasons for doing so.
- ***Keep the right level of resources.*** Ensure the availability of IT staff to support both merger-related integration projects as well as "business as usual" projects.

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- **Be prepared.** Mergers and acquisitions integration projects are different from typical IT projects, you only discover it after you have done one, so be prepared for the unexpected.
- **Think strategically.** Do not concentrate exclusively on infrastructure cost reduction; couple tightly the company's post merger business vision with the IT vision
- **Communicate.** Open communications are better than trying to guess. Be honest and upfront with people. Tell them where they stand and encourage trust. Being too clever with people does not pay.

### CIO'S ROLES

- **As an influencer** – Have you got the reputation for being a strategic thinker? How good are your relationship and communications with your board? Do they count on your strategic contribution when planning an M&A transaction? If not, what do you need to do to get their perception and behaviour towards IT and you personally to change?
- **As a technical expert** - Does your organisation have clear technology architecture to integrate any new acquisitions? Is the balance between technical innovation and technical risks about right? If not, what do you need to do to achieve this objective? How good and up-to-date are your technical skills? Do you feel comfortable with making big decisions on the technical side?
- **As a 'making it happen' manager** – How good are your leadership, planning and execution skills? Are you comfortable with ambiguity and change? How good are you at dealing with cultural sensitivity issues? Do you have a reputation for getting things done?