



Mergers & Acquisitions

A European cable-industry giant merging with an American competitor

A major European cable firm had announced a merger with a US competitor to create a world leader in energy and telecom cable systems. The merged company would have a turnover of more than €11 billion, with around 30,000 employees in over 50 countries.

The CEO of the European firm asked us to support a large, complex due diligence exercise for the transaction. Korn Ferry was chosen for our deep experience of working on mergers and acquisitions, and our ability to deliver outstanding results at scale, much faster than our competitors.

The challenge

With the price of acquisition at an 81% premium, return on capital calculations had to be accurate. The client needed to confirm that the \$130 million of cost synergies they anticipated would be realized.

Once the deal was signed, and awaiting regulatory approval, the next job was to rapidly unify the culture of the new organization. An integrated management team was also needed to deliver on the deal's promises.

Speed was of the essence. The firms had publicly stated their synergy expectations, and committed to putting the new executive team in place by the time the deal was signed – which would be only five weeks after announcing the merger.

The Korn Ferry team worked with the two CHROs on several critical areas:

- Conducting an in-depth HR due diligence review – in just two weeks.
- Creating an organizational structure for the new executive team.
- Formulating success profiles for the new executive positions, which would reflect the scope, complexity and strategy of the new organization.
- Assessing executives across the two companies to determine who would be most suitable for each role.
- Eliminating redundancy.
- Reducing uncertainty and encouraging retention with clear and honest communications.

Integrating the two companies' cultures, business segments, geographical markets, production facilities and staff functions. Protecting our business and creating value. These were our priorities.

Our approach

We worked closely with the European firm's CEO and both CHROs to establish the vision for the merger, and to set up and deliver the due diligence process.

With the deal signed, we then partnered with the CEO and global HR team to decide the ideal organizational design for the new company. We created success profiles for each executive role, based on the new firm's value drivers.

We then assessed over 450 executives – across 22 countries in 11 languages – against these profiles, and provided development feedback to each of them. And we conducted meetings with the executive team to put the N1-3 management levels in place.

Finally, we set up outplacement services for around 1,000 executives who were leaving the organization. They were given access to the Korn Ferry Advance digital platform, and our Professional Search team helped them to find their ideal future careers.

Results

Our work helped the client establish a management team that would drive value creation, enabling the new company to meet its cost-reduction goals.

We delivered this complex and far-reaching project on time – i.e. in just 10 weeks – ensuring that the merged company would meet the promises given to shareholders.

With the aim of identifying and retaining top talent, we conducted a thorough selection process based on the 'best people for the job' principle, ensuring equal opportunities to people from both companies.