

# Human capital considerations in M&A

## Transcript

### SPEAKERS:

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**WADE KRUSE:** Let's shift over to M&A really quickly. It's part of growth. Let's talk about human capital considerations when doing a deal, when buying a company. And maybe we can also touch on integration. We touched on that earlier in a previous session, integration considerations, obviously people are a big part of that. Tell me about, when you're helping a client through an acquisition, what are the big areas of focus?

**ANGELA NALWA:** Your key talent. Really assessing and understanding who your key talent is. Creating retention strategies for retaining that key talent, and I think succession planning and leadership development are really the key focuses at that time.

**WADE KRUSE:** And then through the integration process, people being a big focus there as well, where do you see that causing trouble when you don't focus on it? What will happen if you don't focus on it?

**SCOTT MCGURL:** Bottom line, people kill deals. You have to get the people part of the equation correct. You can have all the numbers, but if you don't have the people with the accountability, the drive, the understanding of what the vision is for the combined entity and are enrolled to bring it together, they feel like they're a part of the journey, it doesn't work. We see two-thirds of deals fail to reach their expected value. There's a reason for that. People don't have that vision. They don't understand their place. They don't understand what the opportunity is for their corporation or for themselves. And so that communication strategy, bringing together the cultures between two entities is absolutely critical.

ANGELA NALWA: There's a running theme of culture being critical both in M&A, in a transaction, and just ongoing business. There's a decline in culture right now, and in order to be successful you have to demonstrate your culture.

WADE KRUSE: Great. So culture eats strategy for breakfast, they say. How about, culture eats deals for breakfast?

ANGELA NALWA: Yes.

SCOTT MCGURL: It certainly can, yes.

WADE KRUSE: Deal value capture.

SCOTT MCGURL: Deal value capture.

WADE KRUSE: There you go. That's the sound bite. All right. Well, thanks for your time. I really appreciate you making time to talk about these important issues and share your insights. Thank you so much, and thank you for joining us.