

Standing Up an Integration Management Office (IMO) for a Consumer Products Post-Merger Integration



The [integration of two entities](#) following a merger is a complex endeavor that demands strategic coordination and meticulous planning. Central to this process is the establishment of an Integration Management Office (IMO), a dedicated unit tasked with [orchestrating the integration efforts](#). This piece provides guidance on standing up an integration management office for a successful post-merger integration within the [consumer products industry](#).

KEY RESPONSIBILITIES OF THE IMO

An IMO serves as the nerve center of post-merger integration, providing a [structured and centralized approach](#) to managing the myriad tasks and challenges that arise during this transformative process. It's a cross-functional team responsible for planning, executing, and monitoring integration activities, including:

- **Strategic Planning:** Develop a comprehensive integration strategy that aligns with the overarching goals of the merger.
- **Stakeholder Communication:** Facilitate transparent communication with stakeholders, both internal and external, to manage expectations.
- **Program Management:** Oversee and coordinate various integration workstreams, ensuring they are executed in a timely and efficient manner, leveraging a consistent set of tools and templates to ensure efficiency as well as ease of KPI reporting.
- **Risk Management & Issue Resolution:** Identify potential risks and develop mitigation strategies to minimize disruptions during the integration process, whether it be related to resourcing, budgetary, or timeline.
- **Resource Allocation:** Allocate financial, human, and technological resources effectively to support integration initiatives.

BELOW, WE OUTLINE THE STEPS FOR SUCCESSFULLY STANDING UP AN INTEGRATION MANAGEMENT OFFICE:

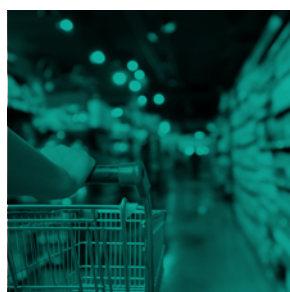
1 Build a Cross-functional IMO Team

Assemble a team from both the acquirer and acquired with diverse skills and expertise to address the multifaceted aspects of [post-merger integration](#). This may include leaders in core

business operations, such as Finance, Commercial, and Supply Chain, and representatives from IT, Human Resources, and Legal. Ensure that team members are not only skilled in their respective domains but also possess strong collaboration skills. Keep this team nimble but connected.

Pro Tip: Build this team early and engage them in the [due diligence process](#) so they can help shepherd the vision of the M&A throughout the integration.

Case Study: Clarkston supported a regional snack company's integration into a global food and beverage company by guiding the leadership team on the development of the Integration Management Office in support of the integration journey. It was critical that the role of the IMO was made clear and that the team comprised individuals with functional know-how, decision-making capability, and influencing power for each key functional area.



2 Establish a Clear Leadership and Governance Structure

Design a clear leadership and governance structure within the IMO. Define roles and responsibilities for team members and establish regular reporting and decision-making mechanisms to maintain accountability and transparency, including ownership of functional workstreams, risk escalation, and resolution paths. Designate a leader or chief integration officer who oversees the entire integration process. The IMO will determine membership within the extended teams, including Functional Integration Leads and supporting teams. As the IMO structure and governance are defined, think about the holistic governance structure of the integration.

Pro Tip: Ensure that not only does the IMO include representation from the acquired and acquirer, but that the extended teams include members from both companies as well. This ensures a depth of knowledge of existing ways of working for the child company, as well as perspectives of what the equivalent future state processes and systems should look like.

Case Study: In the CP post-acquisition integration engagement mentioned above, the Clarkston team defined team structures and working norms for the integration journey that allowed for swift identification of risks and issues, forums to discuss and mitigate risks within the appropriate workstreams with a clear escalation pathway, as well as dedicated weekly time to celebrate successes and those team members who went above and beyond.

3 Design an Integration Roadmap and Timeline

Lead the development of a detailed integration roadmap that outlines the various process, system, and organizational integration workstreams, with clear sequence of activities, milestones, and timelines. Engage the Functional Integration Leads in developing the timeline to ensure feasibility and buy-in. This roadmap should serve as a guiding document for the entire organization, providing clarity on the integration process and expectations. More detailed workstream-level work plans are crafted based on and in support of this integration roadmap.

Pro Tip: *When delays and issues surface, this roadmap can help determine mitigation strategies based on cross-functional dependencies and critical path activities.*

Case Study: *In the same post-merger integration described earlier, even with a thoughtfully defined scope of technologies for a Wave 1 integration, there were unforeseen technical challenges identified during the implementation that required the IMO to help make trade-offs between business acceptance of system functionality vs. timeline delays. The IMO worked closely with business and IT leaders within the impacted workstream to carefully review the Integration Roadmap, identify what configuration was feasible within the current timeline, and gain acceptance for a Phase 2 roll-out shortly after during the hyper-care period.*

4 Focus on the Cultural Harmonization

When two companies merge, the cultural differences and people's ways of working determine the success or failure of an integration. The IMO guides the development of a [change management strategy](#) to help employees navigate the changes brought about by the integration and [align them with the organization's vision](#). Craft a robust communication plan that ensures timely and transparent [communication with all stakeholders](#) within the acquired and acquirer, including the various milestones planned and achieved. Create forums for teams to engage and problem-solve as one unified team.

Pro Tip: *Foster an “open door” policy, a [safe environment for feedback and voices to be heard](#), but one that also facilitates productive conversations.*

Case Study: *In this integration of the two consumer products companies, the different cultures of the two organizations were apparent from Day 1. The acquired had a start-up culture where one role wore many different hats, and the acquirer was a global behemoth where each role's responsibilities had a definitive start and end. This difference caused team dynamic challenges when attempting to define the future state Ways of Work for the acquired company; the IMO was engaged to help promote behaviors to protect the enterprise thinking without sacrificing synergies across the two entities.*

5 Execute with Precision and Flexibility

Throughout the integration journey, the IMO should have a direct pulse of the integration activities through the governance and feedback mechanisms defined above. Through regular meetings (e.g., monthly IMO meetings), as well as more frequent functional workstream connects, the IMO regularly assesses the progress of integration initiatives, gains foresight to risks, gathers feedback, and is flexible to adjust, as needed.

Pro Tip: *How the IMO approaches issue resolution during the integration journey is telling for the rest of the organization – be mindful to reward positive behaviors, provide recognition to those who go above and beyond, and be thoughtful in providing constructive feedback.*

Case Study: *In the CP integration journey described above, one of the key challenges faced by the IMO was the heightened demands of the various integration workstreams that rely on the same functional team members. The teams sought guidance from the IMO on prioritization and resourcing support. The IMO acted swiftly to deprioritize non-critical systems into a Wave 2 integration for the following year and brought in consultant support to alleviate the bandwidth concerns expressed by the team. How the IMO demonstrated their openness to hear the feedback of the teams and their adaptability and decisiveness were integral to the successful integration without causing mass-scale burn-out.*

FOCUS ON THE CULTURAL HARMONIZATION

Within the intricacies of a post-merger integration, the IMO plays a pivotal role in orchestrating a harmonious transition of systems, processes, and operating models of the acquired into a unified entity with the parent organization. This guide outlines the key steps and considerations in standing up a successful IMO, exploring one of Clarkston's integration success stories within the [consumer products industry](#).

For further guidance on standing up a successful Integration Management Office for post-merger integration, [connect with one of our experts today](#).

ABOUT CLARKSTON CONSULTING

Businesses across the consumer products industry partner with Clarkston Consulting to enhance strategic decision-making, improve operational efficiencies, implement new technologies, and promote business growth and market diversification. Leveraging deep functional and industry expertise, our people discover, design, and deliver solutions that fit your business, your goals, and your future. At Clarkston, your purpose is our purpose.

For more information about how we can help your company, [please contact us](#).

