

# IT-driven change and communications management in post-merger integration projects



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# Summary



Post-merger integration projects lead inevitably to far-reaching changes, both for organisations and for employees in IT functions and business units.



Organisational changes for employees brought about by workforce transitions and technology-driven changes caused by consolidation of IT infrastructure and application landscapes need to be managed.



The change management personnel and communications teams responsible for these transitions have to meet very high expectations.



Experience has shown that successful structural change in companies undergoing reorganisation is particularly dependent on three elements:

- IT organisation change management
- Programme-specific change management and communications management
- IT end user communication

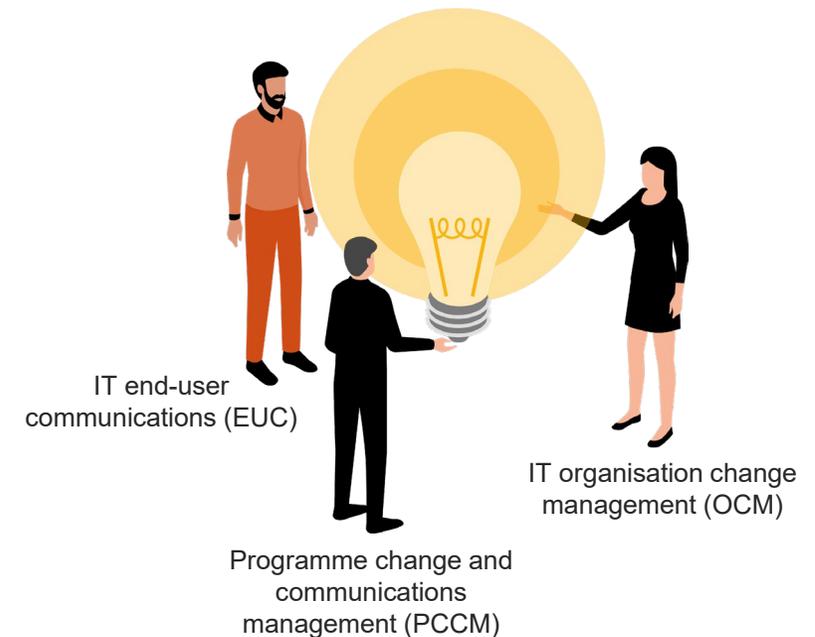
In this paper, we will explain these three elements in more detail, highlighting how they are interconnected, and we will introduce five practical success factors for effective change management and communications management that companies should consider when carrying out post-merger integration projects.

# Introduction

When managing the IT integration subsequent to the merger of two (global) organisations, IT-driven change and communications management (C&C) needs to be at the forefront of all measures that come into consideration. C&C consists primarily of the following three integrated building blocks:

- **IT end-user communications (EUC):** EUC can be defined as C&C work targeted towards groups of end users in IT and in the business who are directly affected by the changes being made to infrastructure, applications, workplaces, IT service processes and so on. Changes resulting from the integration of the two companies, such as merging systems and applications, need to be communicated to the end users in a unified and constructive manner. This process of communication also needs to take the differences between the legacy organisations and cultures into account.
- **IT organisation change management (OCM):** OCM refers to C&C measures targeting IT leaders and employees who are affected by organisational changes such as new or adapted roles and responsibilities, new ways of working and new reporting structures.

- **Programme change and communications management (PCCM):** PCCM covers all C&C work targeted towards the programme ecosystem to enable external and internal communication relating to the integration programme. It also includes the establishment of C&C standards to ensure that everyone involved in implementing EUC and OCM is on the same wavelength. For successful integration, it's essential for PCCM to support IT programme management and individual workstreams – such as IT sourcing, infrastructure integration, application integration, cybersecurity and risk management.



# Introduction

The three building blocks of C&C should be managed in an integrated way so that IT integration is perceived as a coherent effort by all affected stakeholders in IT and in the business.

Hence, EUC, OCM, and PCCM need to be assessed early and addressed in a unified manner across all workstreams. This creates an image of the programme as a single, coordinated project, and thus ensures sustainable adoption of changes within the business.

Close alignment between the different workstreams and the responsible units of both legacy line organisations is crucial. If this is not the case, it will be difficult to gain a detailed overview of the technical changes under the integration programme and their inherent benefits for the combined organisation. Having this overview is essential for determining subsequent impacts and the overall integration storyline.

**EUC, OCM, PCCM – these three building blocks of IT-driven C&C need to be managed successfully during IT integration projects**



## IT end-user communications (EUC)

For EUC, emphasis should not only be placed on providing updates about changes to systems and processes, but also on highlighting the added value of the changes resulting from IT integration – both for end users and for the organisation as a whole.

Users of new or updated systems and/or applications should be provided with adequate information and holistic training to ensure stable performance.



## IT organisation change management (OCM)

With OCM for IT staff, it is important to jointly develop an approach to change management that leverages strengths and good practice from each of the organisations being merged – in fact, this is crucial to the success of all subsequent measures.

When formulating and communicating an integrated change story, it is essential to get the relevant IT stakeholders, the broader IT organisation and the global company audience involved.



## Programme change and communications (PCCM)

PCCM plays a central enabling role for EUC and OCM by setting C&C standards.

It also lays the foundation for successfully directing C&C by conducting solid initial stakeholder analysis and change impact analysis for all integration workstreams, targeting go-lives and key milestones.

# Change and communications: from approval to the target state

The diagram on the right shows an example of C&C activities from the approval of the merger, through Day One and Day 100 to the target state. These activities are carried out in three phases. PCCM serves as a link between EUC and OCM, and is therefore shown in the middle.

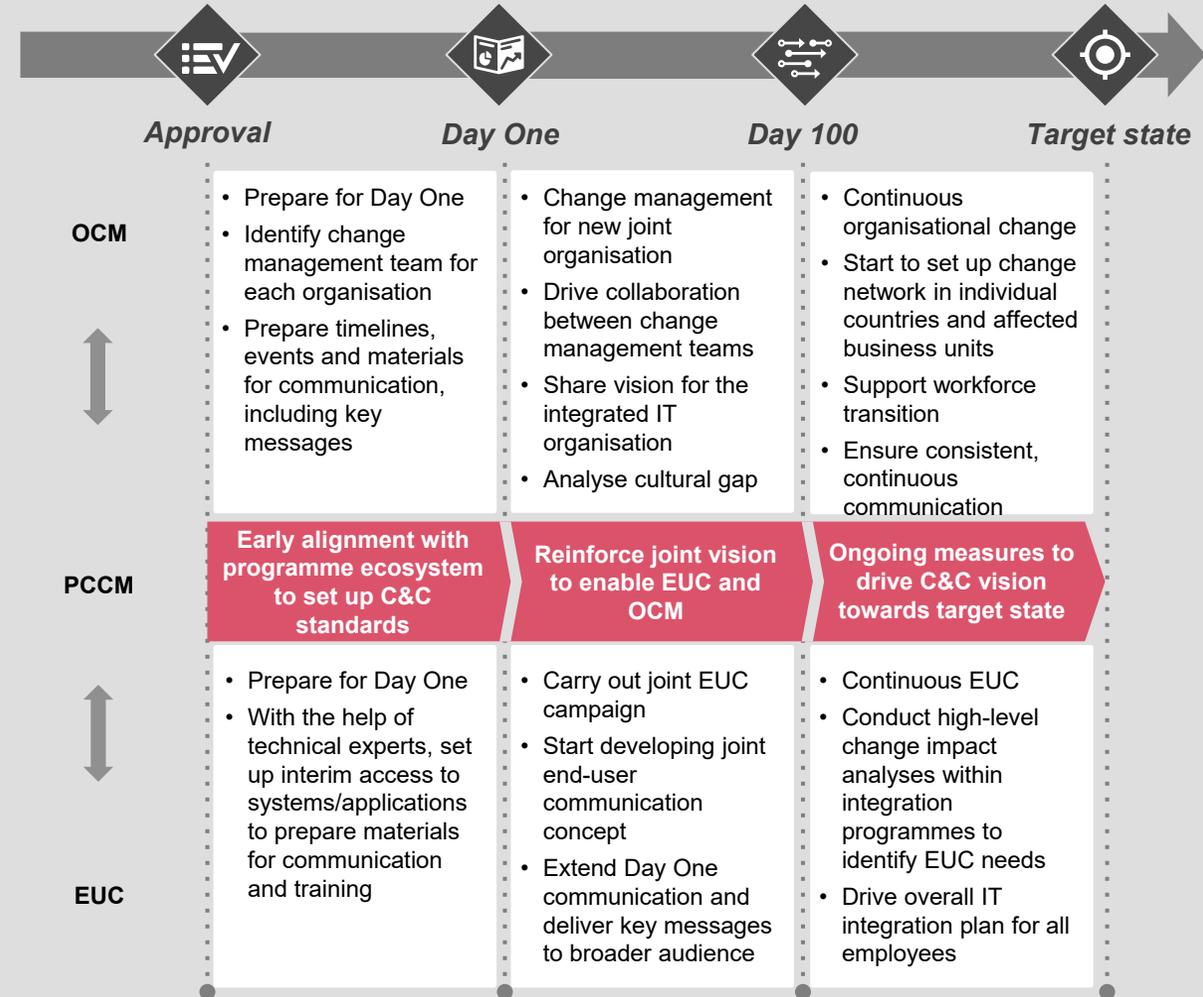
## 1 | Adding value during preparation

In the phase between approval and day one, the focus is on preparations for day one. The employees of both IT organisations prepare for the official first day of the new integrated organisation. To comply with regulations, this is achieved by coordinating work across the independent OCM teams.

Legal frameworks usually dictate how the teams will work together to produce materials for communication. The same applies to the production of EUC materials, which are designed to help the end users in both organisations with issues such as accessing systems or applications from day one.

A joint information portal is normally set up at this stage, accessible to employees from both organisations and serving as a central point of contact for integration issues.

Example C&C measures for post-merger IT integration



OCM and EUC need to be managed across all phases outlined during IT integration. Both of these elements are enabled by targeted PCCM.

## 2 | Reinforcing the joint vision

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From Day One onwards, the C&C teams begin to collaborate. The main focus here is on carrying out further OCM and EUC activities following the C&C activities around Day One.

The goal of OCM is to create a common understanding of the Day-One organisation by means of regular communication with significant involvement of joint leadership. In this phase, EUC remains in close contact with the service desk in order to work out consistent methods of communication to solve frequent questions and technical problems that arise at this stage.

At the same time, stakeholder and change impact analyses and change and communication plans are detailed in the IT integration programme workstreams, creating the foundation for C&C that will take place during the next phase of integration.

## 3 | Making the change sustainable

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From Day 100 until the target state is achieved, C&C measures are implemented based on the joint C&C framework and guardrails for OCM and EUC, aligned with the timelines of the IT integration programmes.

“ Close alignment between our change and communications approach and the phases of IT mergers and acquisitions generates maximum impetus for adopting changes.



# Five key success factors for change and communications management

During the course of post-merger integration projects, we have identified five key success factors for effective and sustainable change and communications management. In this section, we will take a closer look at these factors.



**Develop a common approach to change and communications management**



**Engage senior management**



**Tell a clear and integrated change story**



**Align communication channels and leverage the best of both worlds**



**Maintain regular communication**



## Develop a common approach to change and communications management

When integrating two organisations, it is important to integrate the two legacy approaches to C&C so that the new company can apply the best of both worlds to its new joint approach to C&C.

This includes assessing existing change management strategies, communication needs, and the different communication platforms frequently used in the legacy organisations, as well as the processes, structures and narratives related to this. Naturally, the decision as to which legacy IT infrastructure is to be retained or retired will determine which communication platforms are used during the ongoing integration programme and beyond.

A joint approach can only succeed if it takes existing differences into account and subsequently combines best practice from both legacy cultures.

This approach needs to ensure adequate use of available communication channels in order to reach and holistically inform all stakeholders. Likewise, the company's joint approach to C&C should enable IT leadership to properly drive changes and communicate them to the business in order to ensure that these changes are actually adopted.

Close alignment of PCCM with OCM and EUC is key when developing a joint approach to integration. The overall programme and the individual aspects of integration regularly result in changes relevant for both legacy organisations, which have direct effects on the approach to be taken and on subsequent strategy.



## Develop a common approach to change and communications management (continued)

OCM should be considered alongside EUC – with a focus on certain activities – without detaching it from the overall vision and C&C standards. Organisational change can have unpleasant results, such as layoffs, relocations, or even closure of entire sites. This requires a high level of sensitivity in communication and change measures. It is essential that C&C events are planned in detail in order to streamline the impact of possible conflicting messages – for example, the conflict between announcing layoffs and celebrating the new organisation. It is also essential that all key stakeholders (especially enablers) are involved in the conversation from an early stage: management, human resources (HR) teams, communication teams and the workers' council (if applicable).

Post-merger integration is a complex process, involving many individual projects and sub-projects. C&C needs to closely follow the programme milestones in order to consistently provide end users with the information they need without creating any gaps or overlaps in the overall integration narrative.

To achieve this aim, holistic involvement of both legacy IT communications departments is important. This will ensure sustainable collaboration and transfer the different cultures, needs and approaches from the legacy organisations into the new joint company, growing together and complementing each other until the two organisations are fully integrated. This applies particularly to IT support and service issues, the accompanying communication around this is very important, both in the run-up to Day One and after Day One. This should be conducted via various channels and needs to evolve with the ongoing changes to system access or application access within the organisations being integrated. Technical guides, support channels, feedback channels and timelines should also be taken into account.





## Engage senior management

Post-merger integration projects usually result in a large number of significant IT-related changes. For successful adoption of these changes, it is essential that senior management consistently engages with the project.

In order to successfully reach senior managers and ensure their commitment, it is important to gain an understanding of the political and/or diplomatic dimensions of the legacy organisations. A structured approach should offer the highest possible level of transparency. This means that executives need to be clear about the target state and their plans to achieve it before they can provide transparency on the upcoming path to their employees.

After having gained their commitment, the senior management needs to be empowered to perform two core roles. Firstly, senior managers need to be able to communicate which key changes are being made, presenting them to IT and the business. Secondly, it is important to communicate the relevance of these changes to avoid neglect or misinterpretation within the business. Hence, senior management has to be able to perform their change and communication role by providing them with speaker notes, communication guidelines and key messages. Transparency, easy-to-understand answers and regular updates provided by management help improve understanding and shape perceptions within the business of the changes being made.

## Senior management

Ensure commitment.

Gain an understanding of the political and/or diplomatic dimensions of the legacy organisations.

Enable and safeguard maximum transparency

Present the key changes to IT and the business

Communicate the relevance and value of the programme

Avoid neglect or misinterpretation of changes



## Tell a clear and integrated change story

When implementing the joint approach to change and communications, another important success factor is to quickly gain clarity about the changes being made and subsequent topics for communication in order to deliver consistent key messages and create a common vision. This common vision requires the articulation and visualisation of changes, the target state (i.e. how the organisation should work after the changes have been implemented) and change-related milestones in order to reduce complexity and increase transparency, both for end users and for the programme's internal audience. Topics that may need to be included range from details of the new IT workplace setup to changes in document storage, HR systems, email programs, and governance or new standards for cybersecurity and risk management.

The employee transition journey focuses on change management activities in the IT organisation. Colleagues of affected employees – as well as these employees themselves – must be involved. Clarifying the changes and demonstrating the greater meaning behind the changes are essential to help promote understanding and acceptance among employees on the journey to the target state. This particularly applies to any changes being made to cornerstones of legacy systems or procedures that employees perceive as successful and effective.

Thus, a clear and integrated change story is key. An effective change story will holistically convey the information necessary to empower and inform all stakeholders, and will subsequently support a unified approach and common vision for C&C.





## Align communication channels and leverage the best of both worlds

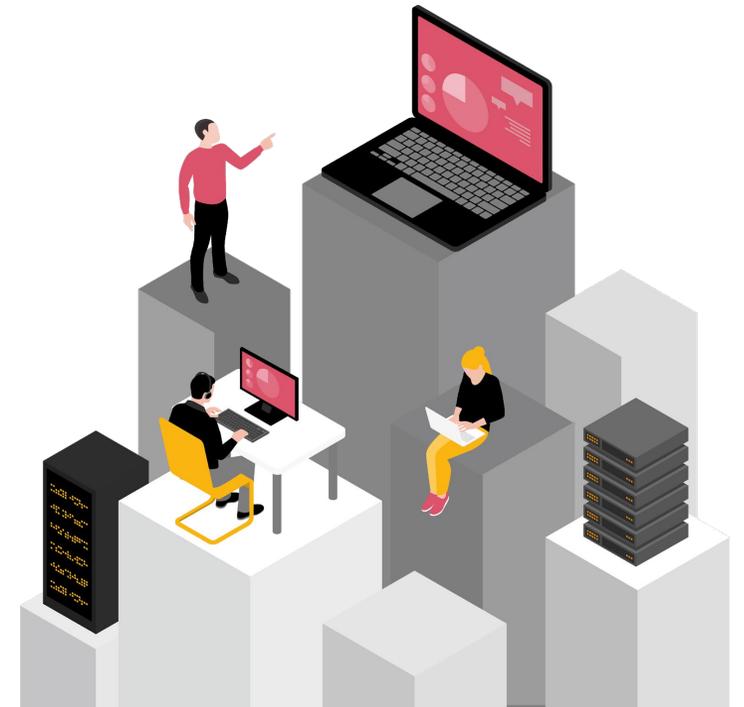
Another success factor we have identified is getting the two legacy organisations to use a common set of communication channels. Best practice should be leveraged wherever possible in this process.

The newly combined groups of employees from the merged organisations need to rapidly learn about the inherent benefits of the various information platforms and communication channels available, and must be granted quick access to these channels and platforms in order to maintain engagement and ensure change adoption. Using proven, established methods and integrating best practice into IT communication is therefore essential going forward. Doing this requires close collaboration between communicators from both legacy organisations right from the start of the integration project.

Propagating a consistent, integrated change story is only possible by creating consensus on best practice from both legacy organisations and ensuring that a commonly accepted set of templates, designs and communication channels are used. The change story can be communicated using methods such as regular updates on new or altered IT services and applications, or by providing user guides.

When changes to the IT organisation are being made, direct communication with affected employees should be handled by the future line managers and department leads, working closely with the HR team and legacy managers to ensure a positive transition to the new team. Situations such as an integrated employee having no direct manager must be avoided at all costs. Changes should be presented in an open and accessible way; for example, through town hall meetings moderated by IT leaders and division leaders. Integration of interactive elements such as live Q&A sessions or digital voting tools will help increase acceptance. It is also a good idea to record these events and make the recordings available to employees afterwards, together with further written information on the upcoming changes.

In parallel, communication channels can only be made sustainable by leveraging digital technology, so it is very important to use future-proof channels and tools providing state-of-the-art functions and interfaces. For international companies, taking the culture of each country into account is a critical success factor. Effective communication is not just a matter of language, but also of cultural norms – for example, how to show recognition and appreciation towards employees. Both the content of a message and the communication channel selected can prevent a message from creating its intended impact – for example, some employees prefer to be addressed personally by their superiors, while others are happy with digital communications through company intranet or email.





## Maintain regular communication

The final success factor for IT-driven change and communications management is sustaining a regular and reliable communication process.

The integrated change story needs to be communicated using the common set of channels, following the joint approach agreed, and getting the commitment of senior management to represent the messages in the change story.

To achieve the desired level of regularity and reliability, it is essential to constantly check the various integration streams and keep them aligned at all times. These regular “health checks” help identify any need to alter messages and/or modify the communication process based on recent integration activities, adjusted timelines or altered targets.

Furthermore, the creation of a central information platform to serve as a one-stop shop for all information relevant to the programme itself and to end users can be beneficial. However, it is essential that platforms of this nature undergo regular maintenance and development.

Similarly, a central info package around program goals, strategy, timelines, and activities enables the education of programme-external audiences, if maintained regularly.

Consistent, long-term communication should support employees from the beginning to the end of their transition journeys. Transferring an employee to a new department also requires consistent and sensitive communication on the various aspects of IT organisation change. This can best be achieved through regular, target-oriented communication events.



# Our Experience

When merging two or more organisations, business continuity is key in the early stages but also in the subsequent integration phase. C&C makes a significant contribution to achieving this goal by providing regular, stakeholder-specific communication and targeted organisational change management. Our experience in IT mergers and acquisitions (M&A) has shown that it is very important to establish these elements early in the integration process, both for stakeholders within the IT organisation and for end users in the business units who are in contact with IT and use IT services, devices or applications.

Our projects have also demonstrated that a very specific skill set is essential for successful C&C. In our view, IT-driven changes in IT M&A projects require strong change management expertise, in-depth knowledge of IT organisations, technological know-how and extensive experience in IT transformation projects.

A solid understanding of how things work within IT organisations helps when setting up communications, where it is important to ensure close interaction between the IT communications department and other units of the IT organisation which communicate with business users, such as the service desk.

We believe that these skills are essential to correctly assess changes regarding the integration of IT organisations, IT services, processes, tools, systems and applications. This assessment is necessary to work out the appropriate C&C measures for the affected stakeholder groups within both organisations being integrated, both in the business and in IT.

Finally, management of the affected stakeholder groups can be organised and performed more successfully when the managers in question have at least a basic understanding of IT organisations.



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