

# 5 steps to winning over employees after an acquisition

Concrete actions can move people from wariness to warm embrace

By Joyce Bosc



A few years ago, the human resources staff of a large government contractor wanted to give a surprise welcome to a company the contractor had just acquired. Over the weekend, the HR

staff went into the offices of the acquired company, removed the existing company materials from the walls and lunchroom, and put a new company coffee mug on each person's desk.

The real surprise came Monday when the HR staff faced a backlash from outraged new employees. They had intended to send the message, "We are happy that you've joined our company." The message employees heard was, "We are wiping out the corporate brand and culture you worked so hard to create."

Getting employees to embrace a new corporate identity after an acquisition can be a tricky process. Typically, they are proud of their old company and its brand. In fact, the company's reputation and performance are probably what made it an attractive acquisition. The last thing the buyer wants to do is diminish the value of its new asset by undermining the commitment and morale of the employees.

Every acquisition is unique, but I have found that buyers can help employees make this transition and transfer loyalties to their new company by following five mutually reinforcing principles:

**1. Include new employees in the rebranding effort.** Create a team of executives from both companies to brainstorm ways to capitalize on the new

face you present to the market. The team can conduct research and interview customers and industry partners to get an understanding of how the combined company is perceived and how best to approach the market. Your new executives and employees will have much to contribute, and they will become invested in their new company through this effort.

**2. Polish your internal brand.** Employees pay close attention to the culture and personality of their new company, often taking cues from its benefits packages, HR processes, payment and reimbursement policies, internal communications, etc. Assist them in making this transition by explaining new procedures, listening to concerns and helping them understand all aspects of the change.

**3. Go slow, but not too slow.** People need time to settle in and grow comfortable with their new identity. Acquired companies with a strong brand may need up to 18 months to complete the process. The company will have to go through contract novation and employees will need time to transition to new insurance plans, organizational processes and other institutional changes. Some acquired companies use a hyphenated name for a specified period, so both firms can capitalize on the merger with their customers.

Nevertheless, don't let the transition drag out. Otherwise customers may become confused and your employees will remain wedded to old habits. Establish a timeline that specifies when, for example, the new company name will be used, new corporate style guides will be enforced and new processes will be adopted. This gives employees time to adapt and internalize the new brand, but it also makes it clear that these changes will be made.

**4. Show empathy and compassion.** I saw a CEO intervene with his company's insurance provider when one of his new employees was having trouble getting needed medical services following the acquisition. The fact that the CEO personally went to bat for a new employee created invaluable good will throughout the acquired firm.

**5. Communicate, communicate, communicate.** Being acquired can be a frightening experience. Employees want to know: "What does this mean for me? Will I still have opportunities for advancement? Who will take care of my customers? How will I file insurance claims? Can I still telework?" New questions and concerns will arise regularly. The best approach is to communicate promptly and often. Remember: The most important aspect of communication is listening.

Many CEOs are extraordinary dealmakers; but buying a great company is only the first step. Successful CEOs also know how to merge two companies, especially how to win new employees' commitment and loyalty. In fact, most CEOs have integration plans laying out specific steps and schedules to make the transition run smoothly. In the government market, buyers are often acquiring people—their skills, experience, values, contacts and customers. Your deal pays off when your new employees embrace your company as ardently as they did their old. **B**

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