

Effective Business Integration

Course Outline



Many organizational changes such as mergers, acquisitions, consolidations, divestitures etc. fail due to differences in operations and difficulty in integrating or separating the operations. In fact sources report as many as 75% of mergers fail in some manner usually due to operational differences involved with integrating the various business components.

Even if you are not considering a structural change in the business you often want to know if your operational expectations can be met.

With proper operational analysis, the current or expected enterprise performance can be validated, improving the chances of a successful outcome.

Matching Performance with Expectation

This seminar is intended for people who want to put the ideas and concepts of business integration into effective use in their enterprise. In this course the techniques of financial, quantitative and descriptive analysis are explored and applied with the emphasis on descriptive as a means of operational assessment. The result of such an analysis coordinated with the quantitative and financial numbers provides the business with a more complete situation assessment and reduces the risk of change. There are extensive exercises based on the techniques shown in the lectures.

Effective Business Integration

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Section 1: Overview – Integrating the Business

- Course Objectives and structure
 - The integration concept
 - Types of integration
 - Motives for integration action
 - Techniques of operational analysis
 - Operational performance validation
- Exercise – Strategy and integration*

Section 2 Integration Motives

- Strategic thinking and integration
 - Investment opportunity
 - Mergers and acquisitions
 - Consolidation and integration
 - Divestiture and privatization
- Exercise – Motive for integration*

Section 3: Operational Performance – The business delivery system

Performance systems
Business processes
Process enablers
Operational reporting
Infrastructure and IT
Management and leadership performance

Demonstration - Process Simulation

Section 4: Expectation of change or improvement

Synergy approach
Economies of scale
Redundancy removal
Process improvement

- Integration concerns

Exercise – Defining change expectations

Section 5: The operational assessment idea

- Operational goals and measures
 - Product architecture
 - Process architecture
 - Organization structure
 - Policies and procedures
- Exercise – Operational goals*

Section 6: The investment perspective

- Selecting investment candidates
 - Identifying expectations
 - Developing alternative scenarios
 - Making the decision
 - Selecting the reference model
 - Doing the integration for operations
- Exercise – Setting the integration approach*

Section 7: Quantitative analysis of operations

The quantitative approach
The throughput view
Process performance
Enabler performance
Infrastructure numbers

Exercise – Analyzing operational performance numbers

Section 8: Financial analysis of operations

The cost approach for infrastructure
Process cost – activity costing
Labor and other costs
Return on operations

Demonstration – Simple financial analysis

Section 9: Descriptive analysis of operations

Analyzing operations with models
Types of model used
Comparative model analysis
Impact analysis with inference
Context analysis
Quantitative, financial and descriptive analysis together

Exercise – Ranking performance opportunities

Section 10: Comparative operational analysis techniques

The need for comparative analytics
Operational model similarities
Operational model differences
Reference model analysis
Best fit analysis

Demonstration – A descriptive analysis tool

Section 11: Complexity analysis

Complexity and integration
Model complexity
Operational context complexity
Integrating complex operations
Degree of complexity and results achievement

Exercise – Can you achieve the expected results?

Section 12: The integration chain

Product architecture integration – the platform approach
Process architecture analysis
Infrastructure integration
Organization and skills

Exercise – Assessing the degree of integration opportunity

Section 13: Consolidation

The components of consolidation
Combining two operating units
Combining many operating units
Federating the back office

Exercise – The opportunity cost of consolidation

Section 14: Disintegration - Divestiture and privatization

Operational separation
The cloning approach
The package approach
The clean sheet idea

Exercise – Choosing an approach

Section 15: Problem and issues of integration

Managing expectations of performance
The limits of synergy
Culture push back
Structural failure
The limits of integration efforts today

Final Exercise – Wrap and Final Question Session