

Don't overlook your IT in the Merger Guide



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IT is the backbone of a successful organisation and charities considering mergers or those who have just merged should take careful account of the benefits and hazards involved in merging IT systems - failure to do so will hinder their re-launch and could result in costly mistakes and lost revenue.

The following are points to consider to enable the process to be as seamless as possible:

Assess the value of the current IT infrastructure

As IT becomes ever more critical to the effective operation of an organisation, it is advisable for the IT Director / or appointed IT Consultant to assess the value of the IT systems before the merger. This is known as due diligence and requires documentation of the systems, processes, software assets, outsourcing commitments and business plans. It could be more cost-effective to use an independent consultancy providing IT Consultants with expertise and knowledge of all systems to carry this out.

Consider IT at the earliest stage of the merger

It is essential that the senior IT Manager / IT Consultant provides input into the merger decision-making process at the earliest stage. This will limit any technological issues being inherited and will reduce the overall upheaval that is involved in a merger.

Have a clear IT strategy from the start

The IT plan should be linked to the merger and acquisitions' overall strategic objectives.

Take a structured approach to evaluating potential suppliers

Separate systems, such as human resources and payroll, will probably have separate maintenance contracts, licences, and incompatible data. A structured approach to evaluating potential suppliers of systems and service is essential to moving forward.

It might be useful to develop a scorecard system for comparing potential suppliers and holding tendering / pitching processes to ensure a fair price. The return on investment of conducting such a process would be realised in terms of smooth transitions and process improvements throughout the business.

Keep the IT Manager/IT Consultant involved at each stage

This will help to guide management through the disruptions and changes that a merger can create in terms of IT, and how this can affect the whole of the business.

Ensure sufficient levels of resourcing

'Business as usual' projects can sometimes be overlooked when new projects arise due to a forthcoming merger. It is important to resource all projects efficiently.

Think strategically

It is very easy to concentrate on cost savings and reducing the overall cost of IT. However, it is important to consider the overall strategic vision aims of the merger with regard to IT.

Set timelines

Monitor each stage and the actions of suppliers carefully.

Choose the system as soon as possible

It's sometimes tempting to run two systems, or parts of the system in parallel and then try to merge them stage by stage. But.....be aware that putting together different parts of a jigsaw may not work and it may be more cost effective to choose one system over the other and even to scrap one, ruthless as this sounds. This decision should be taken as early in the process as possible.

Communicate

Good communication is essential throughout both the planning and implementation stage. When IT Managers/IT Consultants are dealing with non IT staff, ensure that jargon is limited and clear instructions, updates and information is given at all times, to all involved.

Merger of Age Concern England and Help the Aged

'After two years of very detailed work and a huge amount of consultation, the two charities, which both had a mission to improve the lives of older people, merged at the beginning of April 2009.

The objective of the merger was to create a NEW charity, building on the best of the "old" charities, with a new identity, strategy and culture. The Change Programme to achieve this is considerable with a multitude of work streams covering all aspects of the new charity.

One of these work streams is related to IT and a great deal of work was done prior to the merger to create an IT Integration Plan. Most of the components of this are fairly obvious and included infrastructure, suppliers, licences, key finance and HR systems and critically, the donor databases.

But for me the most important role IT had to play was in helping to establish the NEW charity on day one with new effective communication channels, including a new domain name, linked web sites, a new email address for all staff, and very importantly a new shared intranet for staff communications.

Effective communication, both internally and externally, is a vital component of a successful merger and IT has a major role to play in enabling this.'

Jo Connell, Master, Information Technologists.
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