



M&A SCIENCE
ACADEMY

ARCHITECTING MODERN M&A

How to build a collaborative process
across the deal lifecycle.

Introduction

Though technology and communication tools have evolved exponentially, M&A practitioners have remained static in their approach to deals. For companies who have invested in modern methodologies, the payoff is evident. Not only are deal cycles more efficient, but they are losing fewer people in the process. Agile M&A is a modern solution being used by big-name companies to increase efficiency and flexibility throughout the deal cycle.

About the author

Before founding DealRoom in 2012, Kison Patel was an M&A advisor for 10 years at a boutique consulting firm. He experienced issues across the industry first-hand and became obsessed with improving the M&A process.

His main motivation to found DealRoom was a desire for standardization. He sought to develop an evidence-based approach by reaching out to practitioners across the industry. His interviews developed into a podcast, M&A Science. With now over 20k listeners, this podcast demonstrated an industry-wide desire to open the dialogue about best practices.

This interest deepened and led to the creation of M&A Science Academy, an educational resource to help M&A practitioners, project managers, and corporations improve their ability to execute and achieve better outcomes on M&A deals. The Academy offers online courses taught by experienced M&A practitioners regarding all aspects of a deal along with a library of templates and other resources.

In 2020, Kison published “Agile M&A: Proven Techniques to Close Deals Faster and Maximize Value,” a collection of case studies from practitioners such as Atlassian and Google. In 2021, he published his handbook “M&A Tactics: Advice from Corporate Development Practitioners for Each Stage of the Deal Lifecycle” which features proven techniques and best practices from M&A professionals that move the industry forward.



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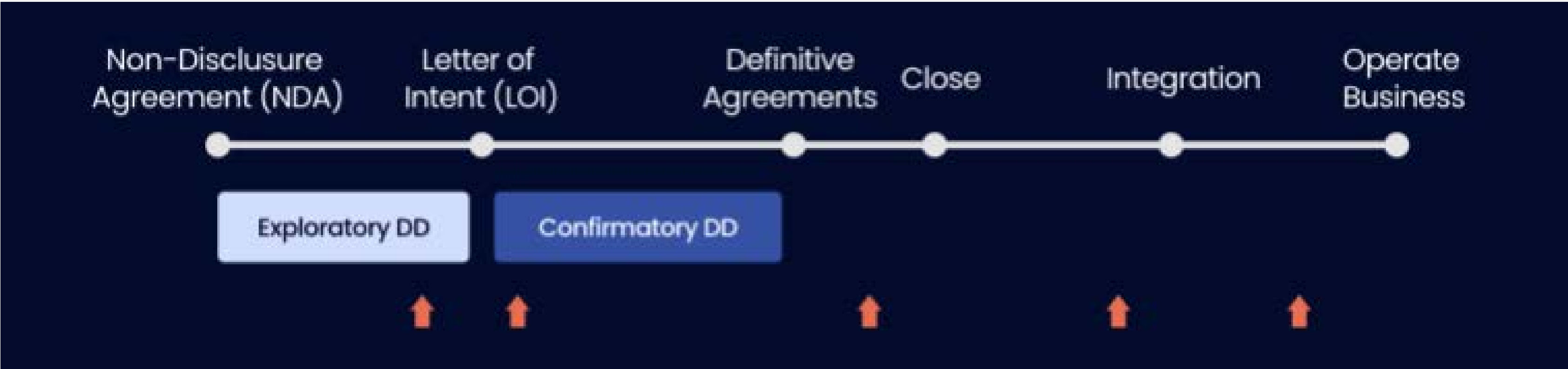


1. Traditional M&A

a. Value Leaks

There are five ways in which the traditional M&A approach falls short:

- 1. No early integration planning
- 2. Functional lead silos
- 3. Knowledge chasm between due diligence and integration
- 4. Siloed workstreams during integration
- 5. Lack of big picture alignment



No early integration planning

Currently, integration is an afterthought in the deal process. Rather than be an initial priority, it is left to be worried about after due diligence. This lack of prioritization directly affects retention as employees feeling confused, disconnected, and under prioritized will leave their roles, along with their value. It also leads to cultural inconsistencies post-close. The integration lead can assess and prepare the best approach to integration if given target information before the LOI stage.

Functional lead silos

It is easy for functional leads to perform their specialized duties with little cross-collaboration. Out of principle, dots that could be connected are ignored. If these leads had to provide updates weekly or even daily, discrepancies or issues may become clearer and easier to overcome. In the case of due diligence, it may even uncover underlying risks that would have otherwise gone unnoticed.

Knowledge chasm between diligence and integration

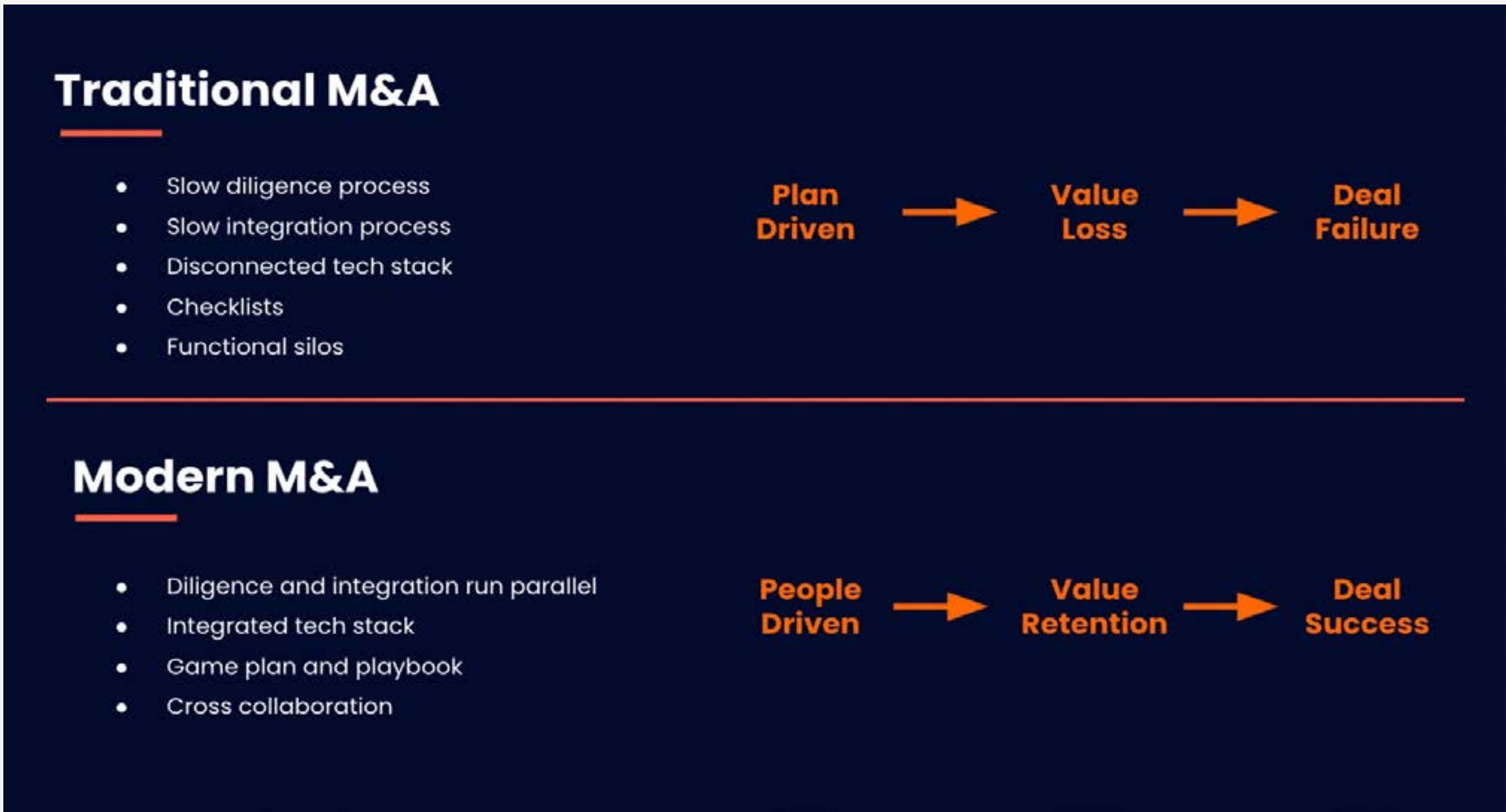
There is a knowledge chasm between diligence and integration. These two inform each other when performed in tandem and ensure integration is treated as a priority during the deal process. Many diligence items directly impact integration methods, and integration leads can also raise questions about diligence items. Collaboration between both teams not only allows for a more successful and streamlined integration process but also creates an opportunity for more comprehensive due diligence.

Workstreams are siloed during integration

Workstreams collaborate most efficiently when they engage in constant communication. While it makes sense to specialize by department or task, allowing teams to retreat to their own tasks causes an unnecessary amount of redundancy. The target may end up drowning in duplicate requests or email threads. Priorities become hazy, leaving the most important tasks overlooked for less concerning ones. It creates gaps that lead directly to delays in closing and potential gaps in diligence.

Lack of big-picture alignment

Before considering a transaction, it is crucial to first outline your company’s values and goals. What markets does your organization want to grow into? What products or services are lacking in your organization? After you’ve established the current state of your organization and mapped a clear vision for the future, your organization can approach deals with the right questions. Does your deal expand upon the value offered by your company? Does the deal fit culturally? This minimizes the risk of letting the excitement of a deal cloud your judgment regarding its actual potential.

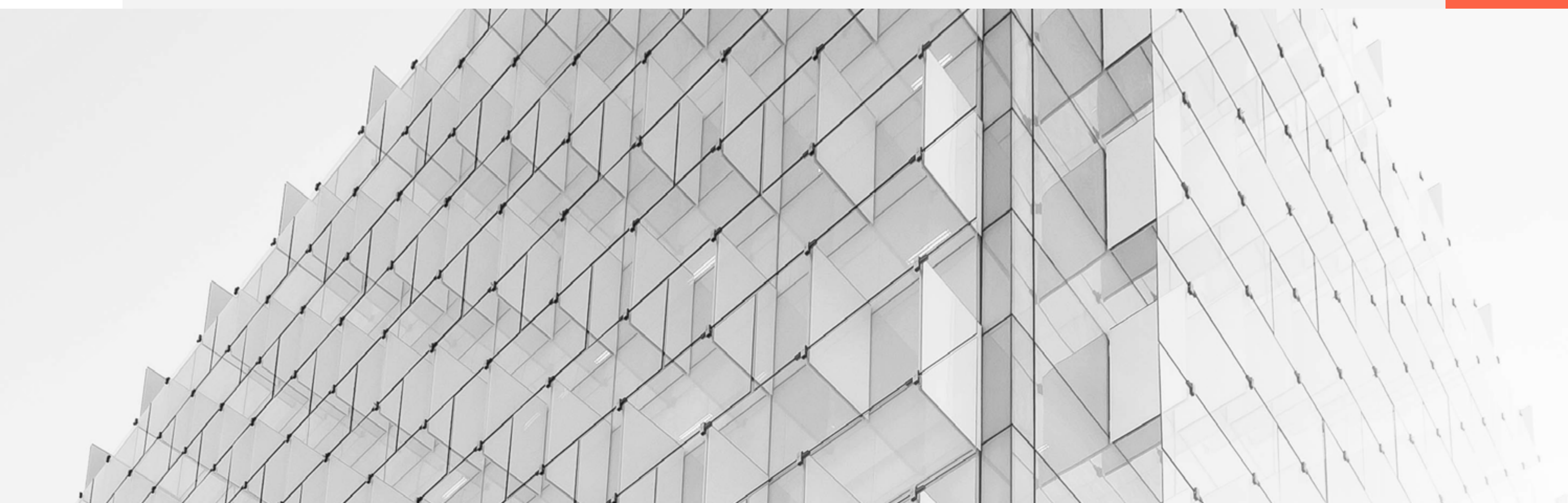


b. Traditional vs Modern M&A

“Think opportunity and not just continuity. Think transformation value and not just transaction value. Above all remember this: the transactional approach to M&A will not deliver transformational results” - Toby Tester, Senior Consultant and Project Manager at BTD

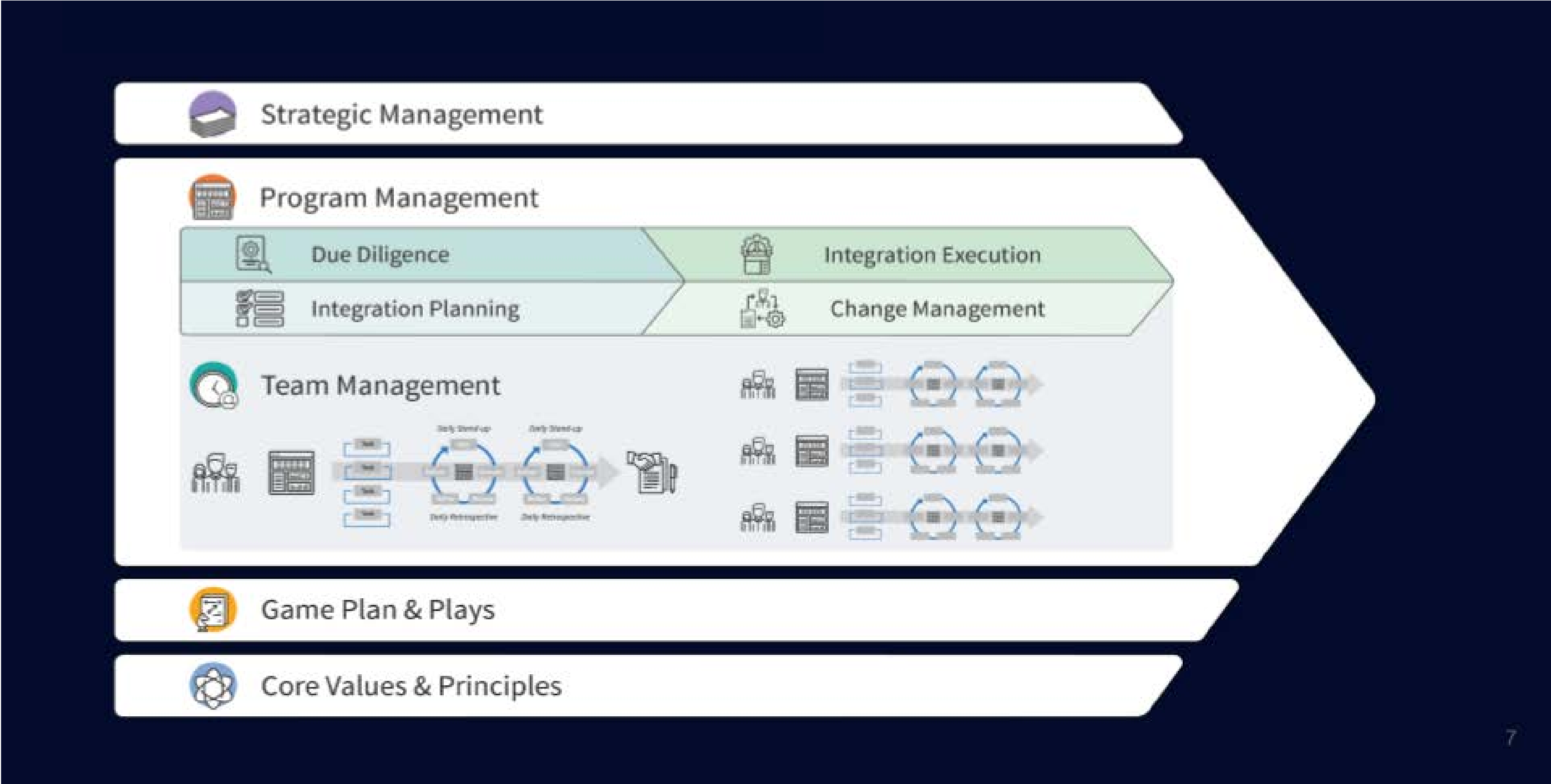
The issues that arise out of traditional M&A approaches all relate to people and collaboration. It encourages time to be wasted on non-value items. Being plan-driven limits the scope of the employees working on the deal and stifles opportunity. Deals are increasing in size, transaction amount, and information density. The same approaches taken in the past cannot match the complexity needed to execute a successful deal.

Modern M&A has adapted to keep up with the current needs of deals. If the focus is shifted to streamlining communication and emphasizing the people involved, processes will become more efficient and value will be retained.



2. Agile M&A

a. Agile M&A Framework



Medium-to-large M&A engagements frequently encounter challenges regarding the organizational strategy for utilizing team resources in the most effective way. Some deals are too large and too complex for a single project team to manage. To accommodate this, the Full-Scale Agile M&A Integration Model is specifically tailored to support M&A initiatives involving many project teams. This model provides corporate development teams with a single framework from which to plan, coordinate, and execute activities across all functional departments. It enables seamless collaboration and the fluid transfer of knowledge across as many as 20 project teams.

The framework is broken down into four parts: strategic management, program management, game plan and plays, and core values and principles.

Strategic Management:

This process starts with the leadership team providing strategic directives that define the priorities and initiatives of the Agile M&A integration. These directives will be reflective of the organization’s overarching goals and relate to the “big picture”.

Program Management:

This guidance drives program and project teams to collaborate in the execution of projects. This framework encourages simultaneous integration and due diligence planning. All workstream leaders will be in constant communication to encourage effective knowledge transfer. Having integration present during due diligence not only helps raise concerns early but allows for smoother execution and a higher rate of retention post-close.

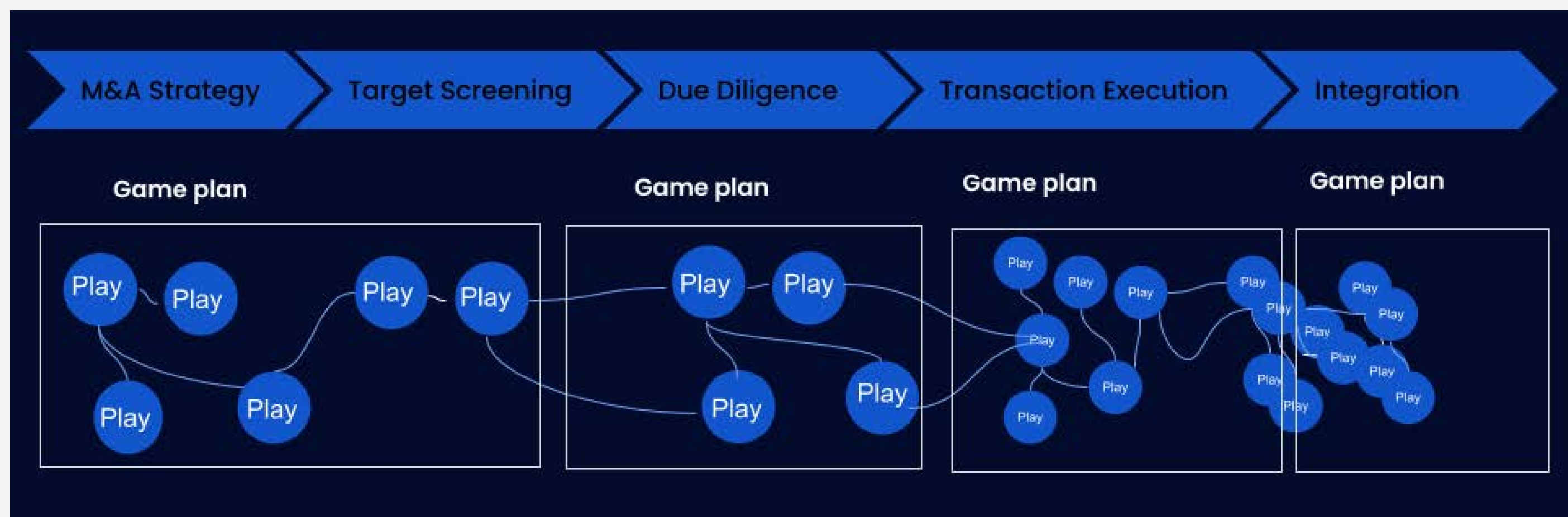
Game Plan & Plays:

Game plans are developed in alignment with the goals and objectives outlined by both leadership and the program management team. These game plans allow for several teams to work together to plan and execute initiatives. The due diligence stage in traditional approaches is often where teams fragment. Instead, structuring this system where they continue to collaborate helps retain critical domain knowledge after the deal closes. All gameplans are tailored to the team and scalable to each new deal. They emphasize preparedness and this helps reduce risk. All game plans allow for space to respond to changing conditions.

Core Values & Principles:

A key aspect of this framework is having clear core values and principles. These values will shape how the deal is approached. They are extensions of the organization's existing cultural values. When values are clearly defined and put into practice by a team, team actions will be naturally collaborative. When actions are compatible, the process becomes streamlined.

b. Agile M&A Game Plan



So what does Agile look like when forming game plans and plays?

As stated above, the Agile framework emphasizes responding to changes. Make sure your game plans and plays involve space to notice and adapt to what is happening as it is happening. A game plan is an operating framework. It maps how teams are organized, work together, share information, conduct meetings, and manage dependencies. Game plans ensure there is coordination. They are not too specific, but rather ensure the team is working towards a common goal. They promote change-oriented culture and allow teams to be ready to quickly realign as unexpected interruptions or changes arise during the deal.

A collection of plays becomes the Game Plan. Think of it like creating a football playbook. They are a unique set of techniques for your team and scope. Checklists live inside plays. Remember to keep checklists as dynamic, changing documents. They are not static, so adjust them as needed in relation to each new deal.

Need help starting? Templates for plays can be found on mascience.com/plays

What is your operating framework? Is it documented? How are you continuously driving improvements?

c. Modern M&A: Top Practices

What does this look like in practice?

It starts by creating and documenting an operating model. Then using this operating model against each specific deal, you'll define your game plan, plays, and playbooks. Within these tasks, you'll restructure integration planning to run parallel to due diligence.

Next will be having a priority backlog that's trackable and flexible. You will implement frequent stand-up meetings to ensure everyone is on track. Teams will be cross-functional and not siloed. The tech stack will align to PM methodology.

Lastly, be retrospective. Gauge the effectiveness of deal processes and tools to determine and then implement a plan for future improvement.

3. Case Studies

To see what Agile looks like in practice, let’s review a variety of case studies from M&A practitioners. Each case study will provide background on the practitioner, the aspect of Agile they are implementing, its corresponding play, along with examples of tech stacks that make them possible.

Disclaimer: This eBook is directly related to DealRoom. Case study examples will predominantly use DealRoom for tech stack demonstrations. However, DealRoom is not the only software curated for M&A. It is encouraged to shop around and select the tech stack most appropriate for your team.

a. Christina Amiry - Cross-functional Collaboration

“Integration is not just something that’s off to the side. It should have cross-functional visibility across an entire company. And how we leverage that into not only building organic value for this particular deal but for the company overall.”

Christina leads M&A integration at Atlassian. She is a huge believer in the Agile approach. In fact, a conversation between her and DealRoom’s CEO Kison Patel encouraged him to turn his book “Agile M&A” into this framework.

In her work, she encourages transparent, cross-functional collaboration. Staying “in the know” is a point of emphasis. As an integration lead, knowing as many details as possible regarding the deal is important as they translate directly into integration. Therefore, while everyone is gathering data, she can ensure the goals of the deal are preemptively being included in her integration execution plan.

[Watch her interview here.](#)

Play: Cross-functional Collaboration

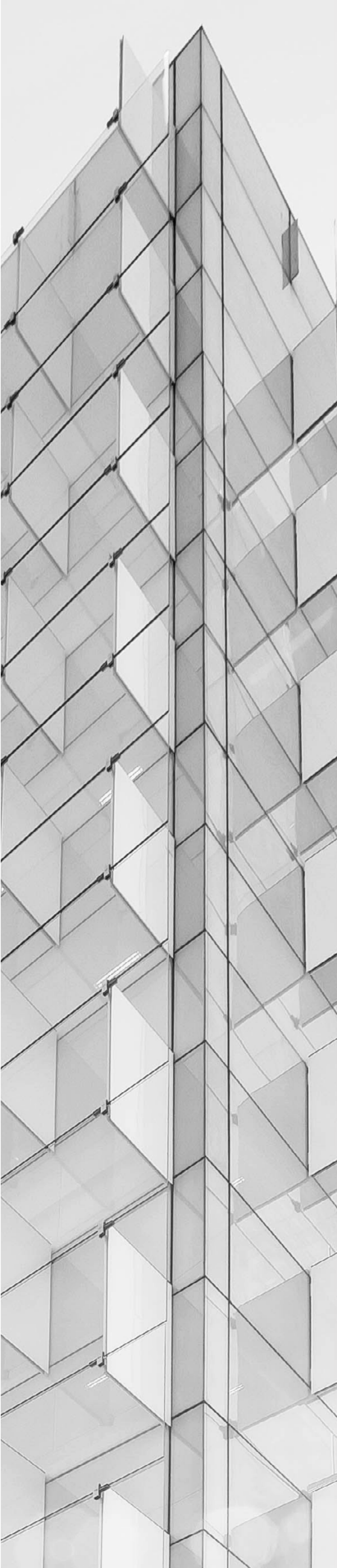
Script:

Challenge: Different workstreams working in silos

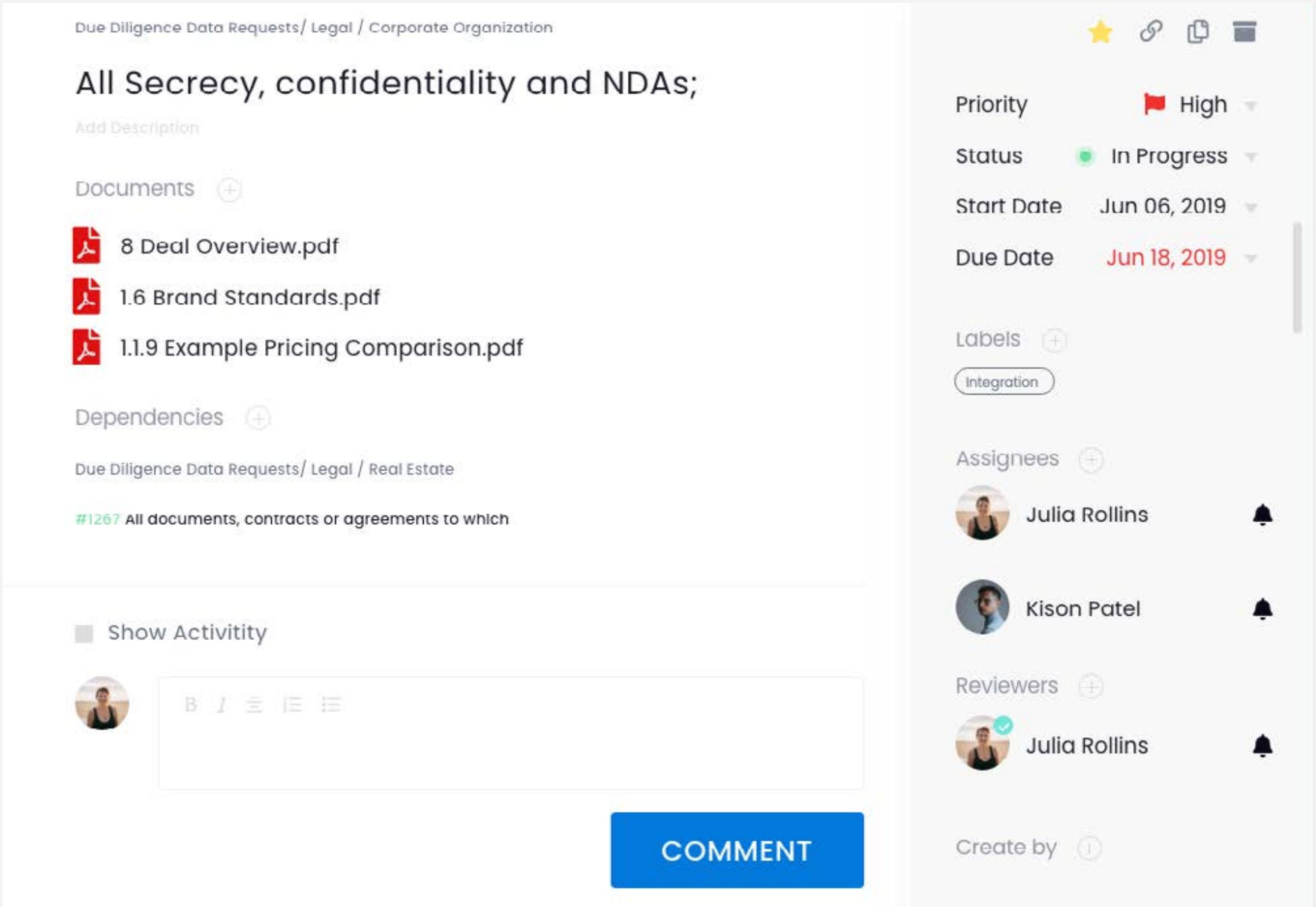
Steps:

- 1. Select and utilize project management platform
- 2. Map out high level tasks
- 3. Track progress and manage dependencies
- 4. Representatives of each team meet regularly
- 5. Communicate changes made.

An issue of traditional M&A is that functional leaders do not work together on a regular basis. Modern M&A encourages you to connect the dots and identify the underlying risks and opportunities. When collaboration is emphasized, it limits duplicate requests and avoids burnout. Once again, this practice underlines the importance of utilizing project management software.

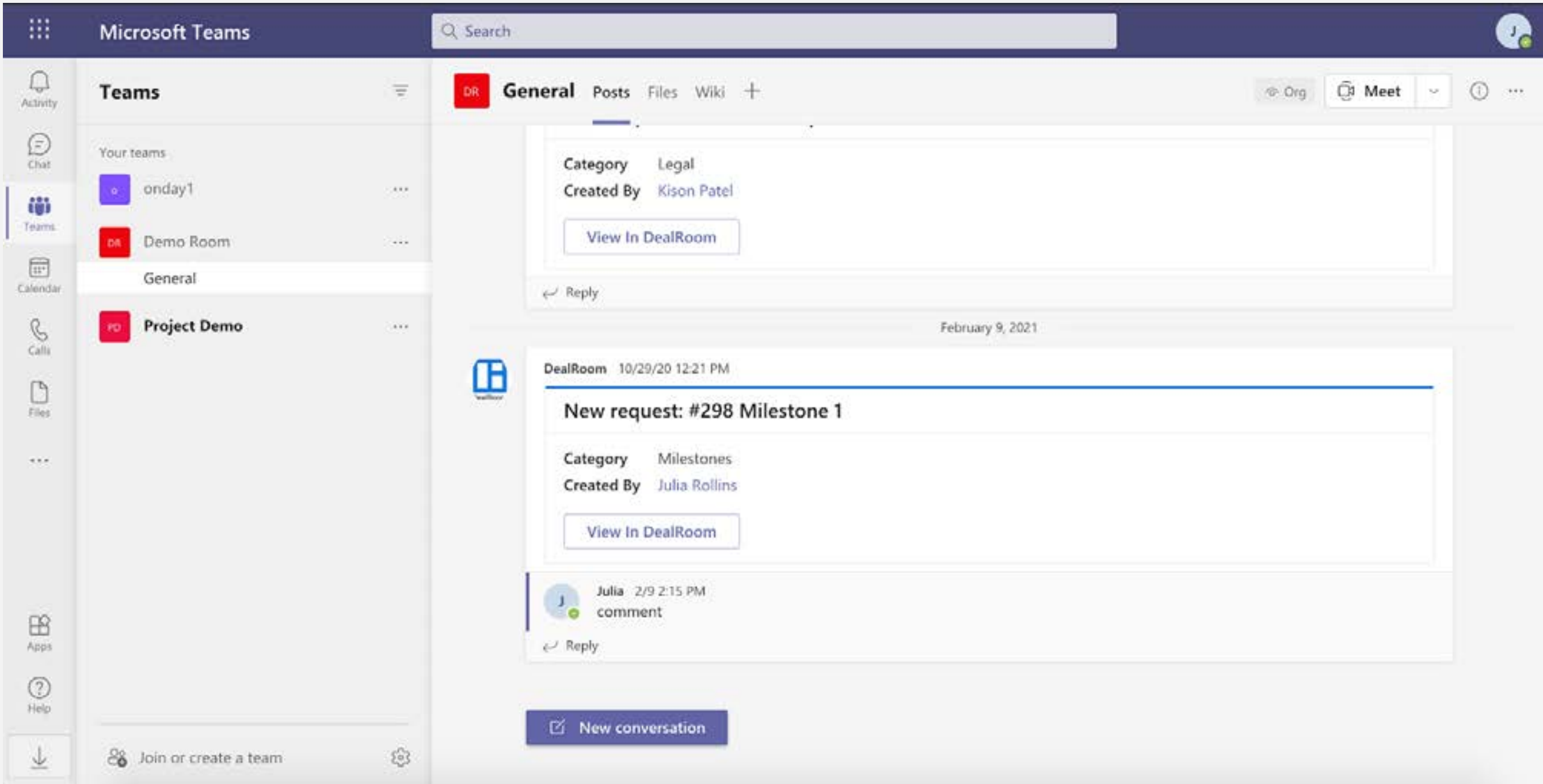


DealRoom Example



In DealRoom you can report findings in real-time without leaving the document in review. You can also see everyone else's notes.

Microsoft Teams Example



Microsoft Teams helps provide faster responses between team members. It also allows for better distribution of information and documents to get everyone up to speed.

b. James Harris - Prioritized backlog

“No deals are the same. It’s a non-stop case study. That makes it interesting for me... you’re always learning.”

James Harris at Google is another practitioner that advocates strongly for Agile techniques. In an interview with him, James Harris spoke about Agile M&A practices that produced results for his teams. One that stuck out the most was applying a priority backlog to the diligence and integration process. In diligence, they kept their requests in descending order of priority. He conducted daily morning standups. He and his teams quickly updated plans as they discovered new opportunities to capture value.

Let’s look further into this play.

[Watch his interview here.](#)

Play - Prioritized Backlog

Script:

Challenge: keep teams focused on the highest priority tasks

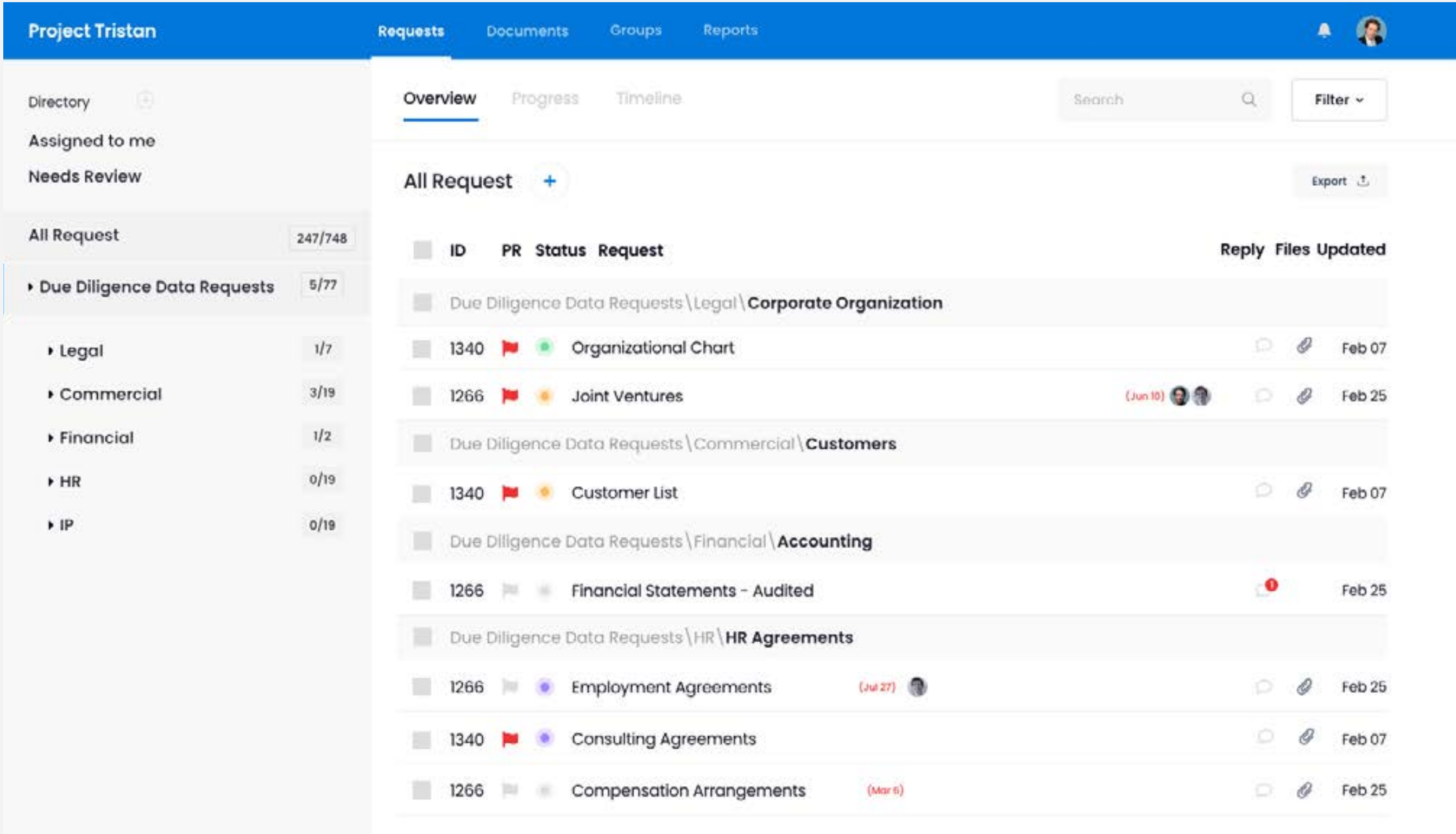
Steps:

1. Consolidate and centralize List
2. Descend order of priority and adjust
3. Get team up to speed

The priority backlog is essential to ensure everyone is working on the highest priority tasks. Batching causes delays; 20 to 40% of requests waste time. Find a project management tool to clearly iterative process and stay focused on what is important.

[Access the play here.](#)

DealRoom Prioritization Example



DealRoom allows you to prioritize your diligence and integration tasks. It keeps everyone focused on what really matters throughout the deal.

[Check out a demo here.](#)

c. Carlos Cesta - Integration from the beginning

“I like to start discussing integration as early as possible, even before we bid. Because then, I’ll know where I can and can’t go. It’s also a conversation that is tied to synergies. The more synergies I can realize, the more I can bid.”

Carlos’ career started in Verizon, continued to Dentsu, and led to his current role at Presidio. Carlos highly recommends meeting with the CEO of the target to outline a Go-To-Market strategy. He believes that Go-to-Market strategies are more effective than integration plans. A huge emphasis of his is aligning on post-close vision.

Find his interview [here](#).

Play: Integration Planning in Parallel with Diligence

Script:

Challenge: Enabling a better knowledge transfer between diligence and integration

Steps:

1. Corp Dev includes integration lead during targeting stage (pipeline reviews)
2. Integration lead and target CEO outline a go-to market strategy before LOI
3. Integration planning is a separate workstream in parallel to diligence

This play emphasizes including the integration lead during the targeting stage to jump-start the integration process early. It also suggests the integration lead and CEO outline a go-to-market strategy even before the LOI-stage. Lastly, he suggests integration planning works in parallel to diligence.

Check out his full play [here](#).

DealRoom Parallel Planning Example

The screenshot displays the DealRoom software interface. At the top, there's a blue header bar with the text "Demo Room" and a dropdown arrow. Below this, there are four tabs: "Requests", "Documents", "Groups", and "Analytics". The "Requests" tab is currently selected. On the left side, there's a sidebar with a "LISTS" section. It includes a plus icon and two items: "Assigned to me" (2/6) and "Needs Review" (1). Below these, there's a section for "All Requests" (13/36). This section is expanded, showing a list of categories: "Due Diligence Data Requests" (6/19), "Legal" (2/8), "Commercial" (3/6), "Financial" (1/4), "HR" (0/1), "IT", "Tax", "Integration Plan" (7/16), "Overall Schedule", "HR" (0/1), "Procurement", "IT", and "Finance". The main panel on the right shows the "OVERVIEW" tab. It has a "NEW REQUEST" button, an "Import" button, and an "Export All" button. Below these, there's a table with columns: "ID", "PR", "Status", and "Request". The table lists several requests, including "Due Diligence Data Requests \Legal \Corporate Organization", "1266", "676", "Due Diligence Data Requests \Legal \Management", "34", "Due Diligence Data Requests \Legal \Capital Structure", "100", "Due Diligence Data Requests \Legal \Real Estate", "677", and "1267". Each row includes a status indicator (a small square) and a date or time indicator (a small circle).

How can this be enabled with technology?

Let's see how M&A-gearred software can assist. M&A software grants users permission management. DealRoom in specific tracks who access documents, for how long, if they've downloaded it, and who they've shared it with. It allows for control over who can access all of these functionalities to really have full control over document security. This also provides one environment for communication, document modification, and knowledge transfer. It provides a better experience for the target as it creates fewer redundant requests.

[Check out a full demo here.](#)

d. Jeremy Segal – Retrospectives

“Involving an integration lead form very early in the diligence process is important because there are many things we learn that can have integration implications...

Having that visibility that early in the process as we are building up the integration plan makes us smart across each of the functions”

Jeremy is a corporate development executive with 20+ years of experience in the technology industry focused on M&A, Strategic Planning, Joint Ventures, Divestitures, International Expansion, and Strategic Partnerships. He has led all aspects of 35+ acquisitions, divestitures, and strategic investments with an aggregate value exceeding \$8B.

Listen to his interview [here](#).

Play: Retrospective

Script:

Challenge: Continuously improving processes

Steps:

1. Set time to meet with your team
2. Send questions ahead so they can collect their thoughts
3. Summarize conclusions and commitments from the meeting

It is important to set aside periodic time to meet and form questions ahead of time. Meetings should be dynamic and encourage openness. While they should be frequent, they do not have to be long or in depth.

Check out the full play [here](#).

DealRoom Example

Deal Pipeline						
DealsMembersActivitySettings						
ListTableTimelineProspects-Natural ResourcesAll Views Q SearchPhaseDeal LeadDescriptionGeographyAll filters						
	Title	Phase	Start Date	Last Note	Last Note Date	Deal Lead
1	Blue Sugar Pipeline	Closing	Mar 03, 2020	Temporarily on hold until January	Nov 04, 3:07PM	Marsha Lewis
2	Green Mecha	Unknown	Jun 1, 2020	Next meeting scheduled for January 26...	Jan 06, 8:44AM	Kison Patel
3	Project Nilson	Due Diligence	Apr 14, 2020	Request submission on December 12, 20...	Feb 05, 10:05AM	Marsha Lewis
4	Summer Indenture	Due Diligence	Nov 2, 2020	—	—	Marsha Lewis
5	Green Mecha	Sign and closing	Oct 3, 2020	—	—	Marsha Lewis
6	Admiral Solutions	Integration	May 13, 2020	—	—	Marsha Lewis
7	Black Panda	Initial Analysis	Jul 4, 2020	—	—	Marsha Lewis
8	Milton Deal	Closing	Apr 12, 2020	—	—	—
9	Project Augutus	Closing	May 23, 2020	—	—	Marsha Lewis

As you find ways to improve, update your workflows in your tech stack. Keep improving the deal process across the lifecycle. This is the power of a single database.

See a full demo of this [here](#).

e. Aaron Whiting - Standup Meetings

“Internally and externally, one of the key ‘must-haves’ is a weekly meeting with the owners of all your various workstreams. These meetings will be getting together and hitting on the major red flags of what needs to be taken care of prior to closing.”

Aaron Whiting is the Corporate Development and Acquisition Integration Director at ContinuumCloud. He has over a decade of experience with scoping, designing, and quarterbacking the delivery of solutions to the end-user through various roles and focuses. Though passionate about streamlining the business process through the use of technology, he focuses on the end-user experience and seeks to fully understand the end-user problem before designing and prescribing a solution.

Play

Script:

Challenge: A lack of collaboration and communication during deals creates roadblocks

Steps:

1. Stand-ups: short status meetings
2. Run 15 to 20 minutes, ideally weekly
3. Focus on key objectives and obstacles

Standups ensure that team members remain updated and collaborative. Stand-ups are short which means the team stays engaged and actively listens. All team members participate and provide solutions.

f. Gina Sandon - Driving Purpose

“In the due diligence process, there are only three questions that really matter:

1. Should we do this deal?
2. Can we do this deal?
3. How would we do this deal?”

Gina Sandon is the Director of Corporate Development at IBM. She is another practitioner that is a long-time implementer of Agile methodology. She urges you to remain true to your organization’s values. She also emphasizes the importance of key questions during the targeting phase. While she has a spreadsheet with over 1,600 diligence questions, she says ultimately they all boil down to the above three questions.

Listen to her interview [here](#).

g. Karen Ashley

“We develop value drivers with our business leaders. Typically, we focus around technology integration, the go-to-market route, and our people. We are an acquirer to grow. We are not a consolidator

and so retention and actual engagement of that talent to achieve those value drivers are absolutely critical. Therefore, in terms of engagement and retention, people are part of the value drivers.”

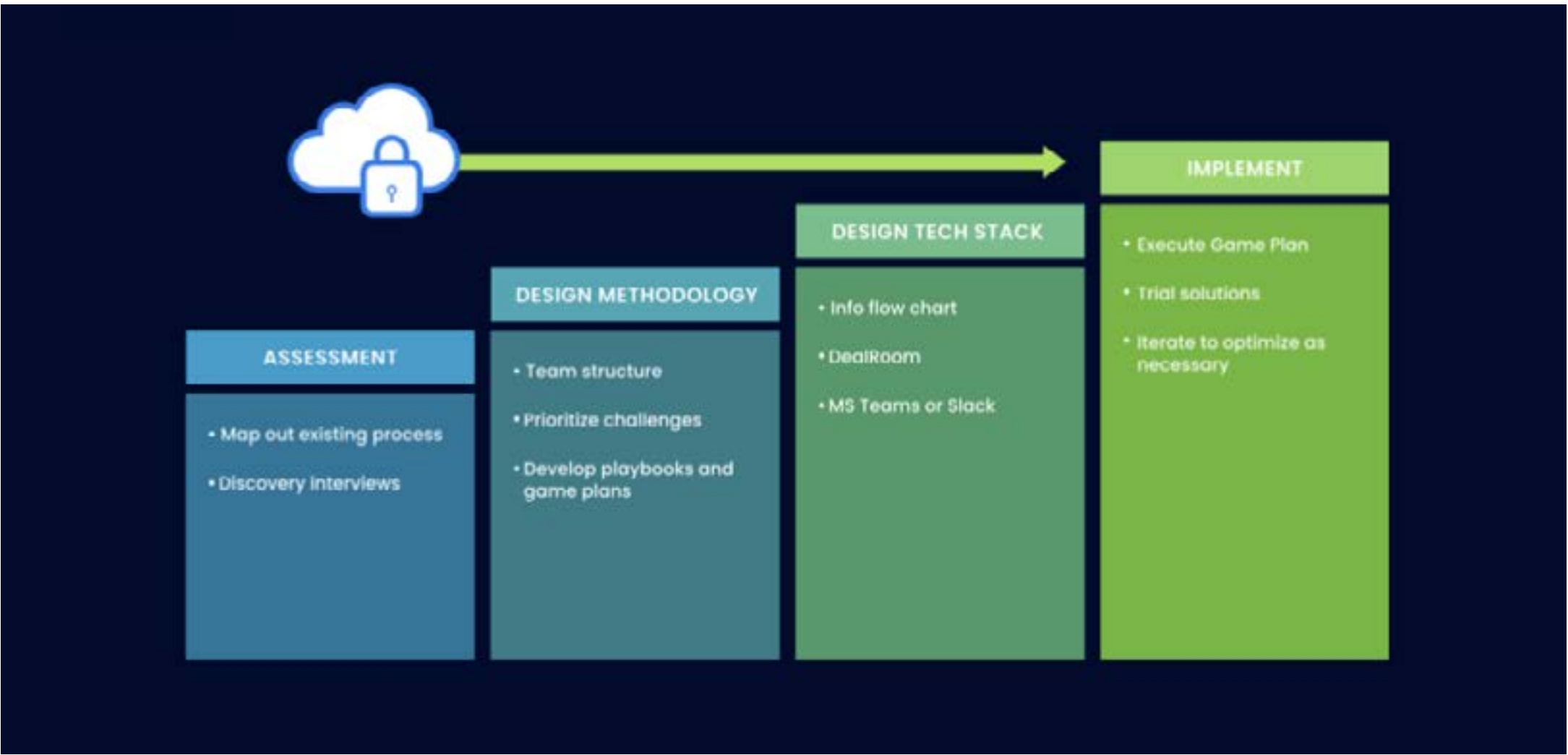
Karen Ashley is the Vice President of Corporate Development Integration at Cisco.

Modern M&A focuses on the value of people. Retention is a big concern during integration as value loss occurs when experienced personnel leave. Prioritizing these future team members will ensure that people feel supported and motivated to stay and bring with them all their knowledge.



4. Agile M&A Implementation

a. Unlock M&A Value



How to Implement Agile M&A:

Moving from a plan-driven approach to Agile requires re-thinking. A deep discovery to clearly identify points of inefficiency is critical to identify compelling reasons to change. Once you’ve made the decision to change, implementation involves mapping your existing processes. Identify the key people involved in the lifecycle. Take the time to document your current workflow.

Next, perform discovery interviews. Interview key personas. Focus on existing challenges and pain points expressed by your team. Use those challenges and pain points to find solutions. Incorporate your solutions into developing a new operating model. Use the operating model and pain points to find the appropriate tech stack. Once it’s developed, implement it!

Using your operational model and tech stack, start training your team members. Ensure they understand Agile methodology and techniques. Knowing the reasons for change will help your team remain consistent and engaged in their new approach. Update your kick-off checklist as it applies to the unique deal you are tackling. Continuously implement a feedback loop to make improvement a priority

b. Modern M&A: The Approach



What does an Agile approach look like?

Modern M&A emphasizes collaboration and flexibility. It removes secrecy and encourages open communication. It focuses on incorporating a secure and efficient tech stack that works in



tandem with teams. Most importantly, it is equipped for cross-collaboration! Agile M&A encourages adapting to each new deal’s needs. Every deal is different, so the same checklist will not apply to each one. It requires continuously reviewing and improving the deal process.

c. Start with questions:

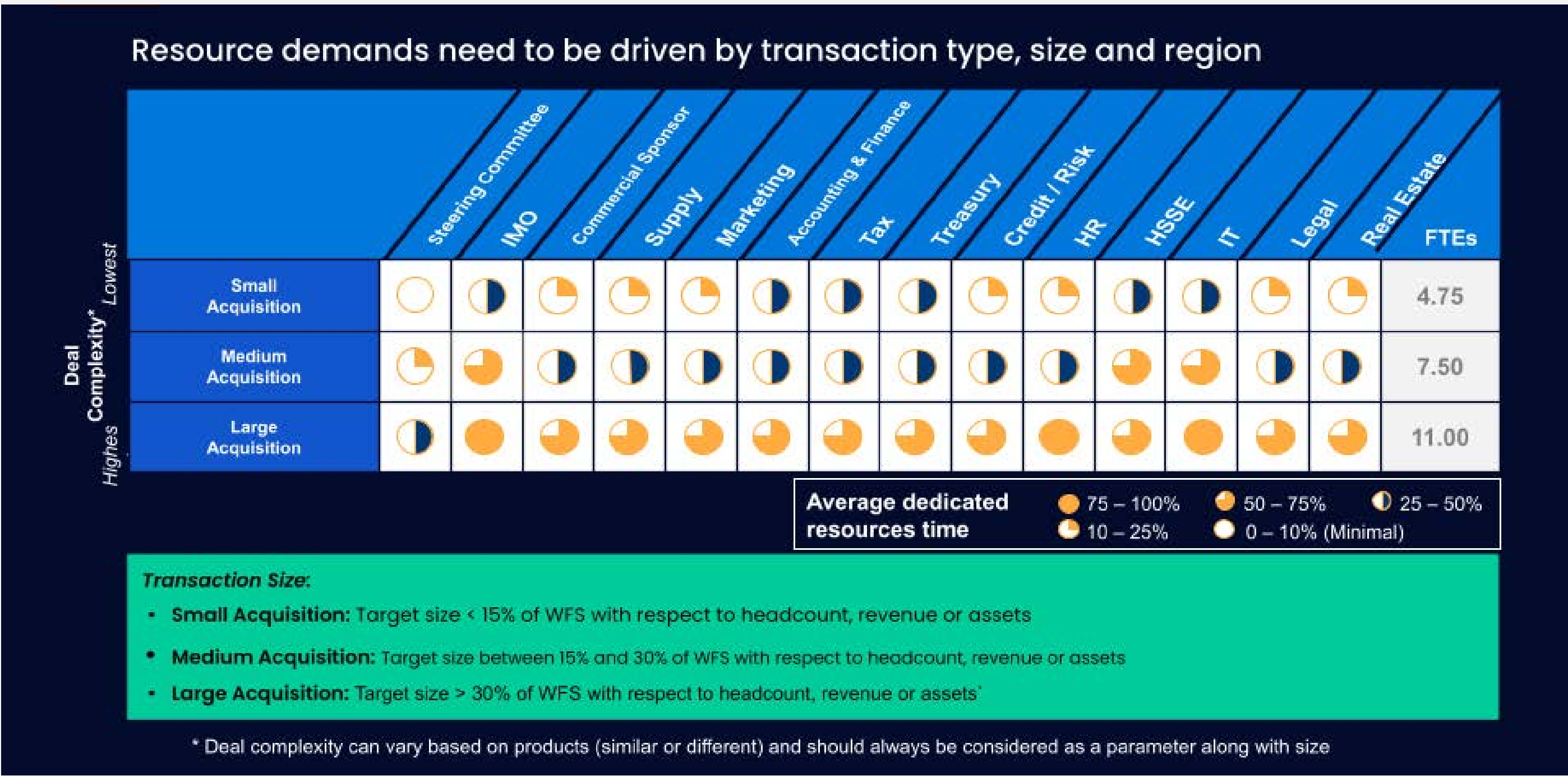
Do any of your current practices cause value leaks? Is there a need for an updated methodology in your team?

- How are you prioritizing?
- How are you developing plans?
- When do you start integration planning?
- What does your structure/governance look like?
- How is information passed around?
- How are meetings conducted?
- What are your mechanisms for accountability?
- Organization of teams? Functionally?
- Currently follow a formal methodology?
- Biggest pain points and challenges?

d. Prioritizing your pain points

Forming your operating model around your pain points will actually work to solve issues surrounding communication and processes. This approach also engages your team and motivates them to actively participate in changes made to operations.

e. Roles and Responsibilities

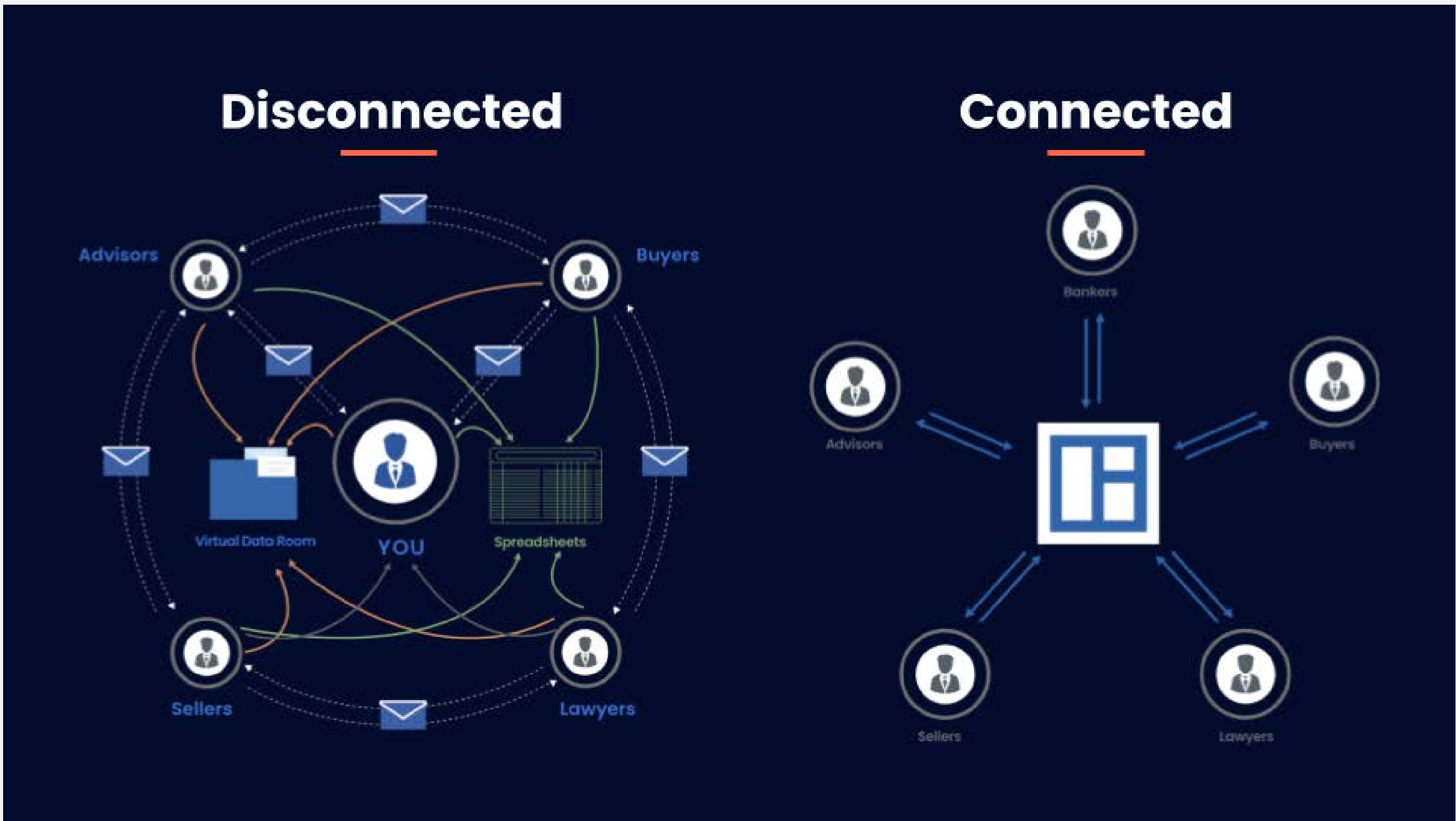


When forming Agile processes and tools, ensure you’re paying attention to your players. Ask the question: What does your current structure and governance look like? Who are the people/personas? How is information distributed? It’s important to know your people, and to understand how these players can change from deal to deal.

f. Integrating M&A Tech Stack

Modern M&A requires a modern tech stack. To assist cross-collaboration, prioritization, and communication, you need the right tools to perform.

One of the most important tools to ensure the deal stays on track is having one database. One database discourages duplicate files or multiple versions of documents. Time is not wasted looking for the most up-to-date document.



It allows access to documents to be controlled. Some databases can also track who has viewed or downloaded which item. When information is auto-updated and organized, deals won't get dragged out due to administrative issues. It also promotes a collaborative environment both internally and externally. Some databases feature communication tools that also allow emails to be left out of the process. Communication, document sharing, and prioritization can all happen in the same place. There is no need to download the software being used by external players. Modern examples of software like this are DealRoom and Microsoft Teams.

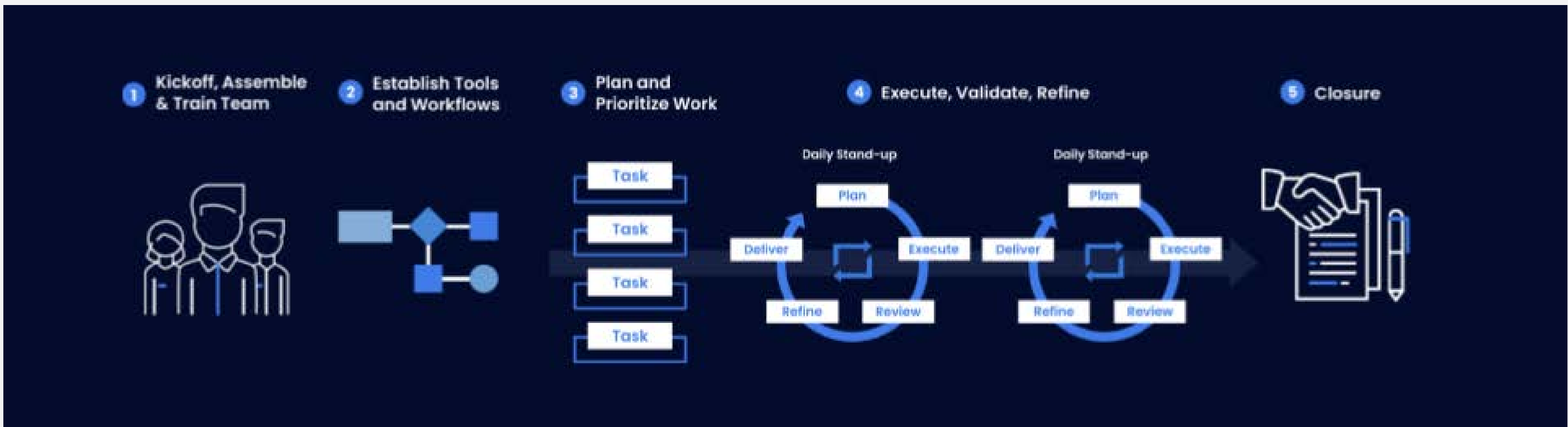
g. Deal Kick-off Checklist

Your kick-off is the time to get aligned on an approach and the corresponding tech needed to accomplish it. This checklist is modifiable and made to help develop your unique approach.

Deal Kick-off Checklist:

- Overview of deal and strategy
- Define conditions for success (go/no-go definition)
- Meeting cadence
- Comm tools, task management
- Milestones
- Goals for next meeting

h. Agile M&A Flow



Now you know the concepts, framework, and what implementation looks like. But how does Modern M&A flow as a whole?

It focuses on responding to changes instead of building and following a detailed plan.

There is less up-front planning. Rather, you update plans continuously as new information arises. It invites room for change. As the priorities shift, the team is prepared to be realigned. Kick-off should be the introduction of techniques rather than going through old checklists.

Make sure everyone is on the same page in terms of priorities. Keep all team members involved and up to date to avoid attention being placed in the wrong direction. Set up a feedback cycle to drive continuous improvement and communication. Experiment with methods and measure results.

5. Summary

As deals grow and become more complex, adopting modern project management techniques is key. Using an Agile approach helps to build a strategic operating framework that will cater to current needs. Make sure to integrate your tech stack to stay on priority and encourage easier access and communication. Most importantly, adopt the desire to improve continuously with a feedback loop.

Tip: Create a compelling reason to change.

6. Resources

M&A Science

M&A Science offers countless free resources and tools to help you improve your M&A process. Check them out below!

M&A Science Newsletter: mascience.com

M&A Science Podcast (access to all episodes): mascience.com/library

M&A Science Plays and Templates: mascience.com/plays

Ebooks: dealroom.net/library

Industry FAQs and guides: dealroom.net/resources/faq

Checklists and Deal Templates: dealroom.net/resources/project-management-template-boards

Academy:

If you're looking for more, M&A Science Academy offers even more exclusive content. You can work through practitioner-led courses related to all aspects of the deal and earn competition badges.

www.mascience.com/academy

Use code 'summerdeal' on the payment page for 30% off your subscription - forever!

Tech resources:

[DealRoom](#) is a lifecycle management software for M&A that enables teams to manage various transactions such as buy-side, sell-side, and fundraising, on one platform.

[FirmRoom](#) is the world's most intuitive virtual data room that complies with public company security standards.