
The Role of Training in the Acquisition Integration Process

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Many of the industry's consolidators have purchased construction companies in an attempt to add value to their overall organizations. But if stock price is any indication, that strategy hasn't worked as well as many had hoped. Some consolidators decided to pursue a "no integration" strategy and let each company continue to do its individual business as usual. In some situations, this approach worked well until the accumulation of companies came to a halt and earnings no longer increased simply as a result of adding revenue. Now many of the consolidators are attempting to improve performance by focusing on more internal issues, such as operational productivity, business development improvements, and overhead cost management opportunities. Training can play a critical role in the success of this integration process.

Most integration efforts begin with a plan to identify the overall strategy that will be used to extract or create value from the different business units. This strategy may involve an economy-of-scale model, a national account orientation, or a brand management program. Regardless of the integration model pursued, a variety of changes will ultimately be required throughout the organization, and training is often the best way to facilitate those changes.

The identification and adoption of best practices as part of the overall value-creation methodology is an increasingly popular strategy aimed at improving functional processes of a company. Best practices — the things that the most successful companies do — may take the

form of project management systems and procedures, financial measures and controls, or reproducible business development processes. Once these critical functional processes are identified and tested for validity across other business units, those practices can best be implemented through a well-designed training program. This program must be designed to build stakeholder support for the new processes as they are being taught and to communicate the benefits of the new way of doing things. The stakeholders are the individuals who will ultimately be responsible for carrying out the new processes. Several companies have learned from experience that forcing best practices on employees without their buy-in simply doesn't work.

For years, FMI has used training to help companies facilitate changes in procedures and processes. First, we rely on representatives of each business unit to inform us about the history and culture of the individual unit, so that we can design customized training that will introduce new systems and procedures with as little disruption as possible. Our goal is to educate everyone as to why the best practice is, in fact, best for all. Once the eventual implementers have bought into the concept of changing their current way of doing things, we then introduce the new practice by developing an implementation action plan with the business-unit representatives. This action plan also calls for a periodic measurement system that will be used to gauge improvements seen as a result of the new practice. Subsequent training sessions include feedback from the

previous best-practice implementation efforts in order to highlight improvements and build further support for change.

The amount of training required to implement a best-practice change will depend on the scope of the practice itself. For example, a new project management system will require more training to implement than a change in the way sales leads are processed for follow-up. To a large extent, the success of the implementation of best practices is dependent on the quality of the training effort. A company will have more success with the adoption of best practices in an integration process if its training program:

- emphasizes the results required to build internal support
- has internal champions to lead the implementation process
- uses a format and method of delivery that transmit the appropriate information to the audience in a way that is most easily accepted
- includes a back-end measurement system to provide feedback on improvements that result from the integration of the new practices.

In an integration effort, training plays a crucial role in implementing company-wide strategy and operational changes, developing future managers and leaders, creating a consolidated culture, and building a national accounts strategy. In any of these situations, training can help individuals and business units to change their behaviors and practices for the better. The training must be tied into the overall strategy of the company and follow a specific plan for implementing change if it is to result in the creation of value for the entire organization. To ignore the training component itself will lead to plenty of strategy and talk, but poor results.