

The Riskiest Days in Every Deal

M&A Lifecycle Milestone	Primary Risk Factors	Examples
1. Announcement Day	<ul style="list-style-type: none"> Market risk Adverse share-price impact Competitive risk 	<ul style="list-style-type: none"> Analyst community may reject or discount deal value proposition Negative impact to buyer share price may persist over long period Continued share-price pressure may cause management to be overly aggressive in providing earnings guidance based on value-capture objectives Competitors likely to target buyer's key accounts and key talent during pre-close period due to high degree of uncertainty unaddressed by buyer
2. Day 1*	<ul style="list-style-type: none"> Organizational risk Leadership credibility risk Cultural flashpoint risk 	<ul style="list-style-type: none"> Lack of Day 1 readiness often freezes or disrupts organizations: <ul style="list-style-type: none"> Unresolved me issues New decision approvals / purchase authorities required Conflicting workplace or cultural practices Inability to access buyer's network and systems Need to operate parallel systems / processes during transition
3. Operational cut-over	<ul style="list-style-type: none"> Customer defection risk Brand damage Business performance risk 	<ul style="list-style-type: none"> Customers expect seamless service during transition – if not, they defect Acquirer's tend to take their "eye off the ball" at the worst possible time due to largely internally focused integration efforts Unanticipated negative synergies or outright brand damage severely impacts financial performance and deal economics

* We define Day 1 as the first day of operational control, post-closing. Typically, the first day after legal close.

On announcement day you must...



- **Visualize**
 - What the deal is about
 - Competitive / market implications
 - Compelling opportunity
- **Stabilize**
 - Customers
 - Organization
 - Me issues
 - Talent
- **Mobilize**
 - Integration strategy framework & governance
 - Communications process
 - Leadership expectations
 - Timeline / roles
 - Resources for support and more information
 - Establish broad integration objectives