

# efios communities during M&A

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In the case that two organizations become one through merger or acquisition, collaboration through working communities or team-working can make a significant change. Collaboration can drive the common knowledge of the new organization to be larger than the sum of the two original ones:

**Knowledge (A+B) > Knowledge A + Knowledge B**

Especially if the two organizations are dispersed and operate in the same business, allowing staff to work together has obvious high level advantages: shorten the cycle of the merging process, reduce the time to establish common best practices, develop and share common HR policies to the new organization and reduce travel cost.

## **Establishing a platform**

Sharing knowledge through collaborative tools also allows in a more general perspective the transformation of intangible knowledge to tacit information, which is invaluable in the changing organization where staff will be replaced or even reduced.

In comparison to common applications such as telephone meetings and the usage of e-mail, virtual collaboration can deliver a true distinctive advantage. Moreover, founding a collaborative platform can feed the new corporate identity since the usage of the platform is alike for both companies. However, it does not replace the need for face to face meetings, that are required to establish trust between the members.

## **Additional considerations**

Other reasons for introducing collaboration may include:

- Support change in business deliverables or services  
If due to the merger overlapping products, deliverables or



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services are discontinued, collaboration can help in providing supports commitment during the transition phase.

Example: in the merger of HP and Compaq, some of the Alpha-server products will be discontinued in due course; collaboration tools between the two companies will ensure adequate support in the transition period for existing customers using those servers.

- Solve problems

Collaboration in communities can allow people to post their issues and problems and receive answers from their peers across both companies. In the situation of merging companies, helping communities will take advantage of the joint experience domain of the two companies.

- Learn about other's problems

One of the most compelling reasons for taking part in a collaborating community is not to get problems solved, but to learn about other people's issues and to increase knowledge about things that are going on 'in the business'. In a merger problems and issues from one company allows the other one to anticipate on problems in certain business processes.

- Create ideas

The communities will allow people to get in contact with colleagues in the same practice (peers) from the other company and also allow them to work on a more creative basis sharing ideas, which will finally result in more innovation.

- Distribute knowledge across the companies' units

The communities will provide cross business unit fertilization of ideas and workarounds, because it will be easier to 'reach out' into different parts of the business processes.

Example: in the merger of Chase and JP Morgan investment banking, a collaborative platform was used to allow external partners quickly to find expert information and identify knowledge experts in different practices and to run their investment business plans by.

- Develop best practices

The communities will allow designated people to develop best practice models based on the procedure and problem solving issues that come forward in the communities of practice.

Though the communities are not designed to extract automatically best practices, it can deliver important details on what 'common knowledge' and what 'best practices' are in the business, and it will enable people to keep improving existing practices as well.



"Collaboration lays the foundation between future business processes and deliverables "

## Conclusions

All in all, the usage of a collaborative platform can support the merging process in different ways:

- Supports management effort in reducing merging cycle and loss in producing
- Helps to establish new corporate identity
- Takes advantage of existing knowledge between the companies
- Lays foundation for future business processes and deliverables



efios is an independent consultancy company that focuses on implementations of web based collaboration inside the enterprise. We work with and have been working across the globe with Borax, Shell, P&O Nedlloyd, Dutch Ministry of Public Works, SDI media, Rio Tinto mining, Solvay, and many others in the oil and gas, medical, chemicals and manufacturing industry.

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