

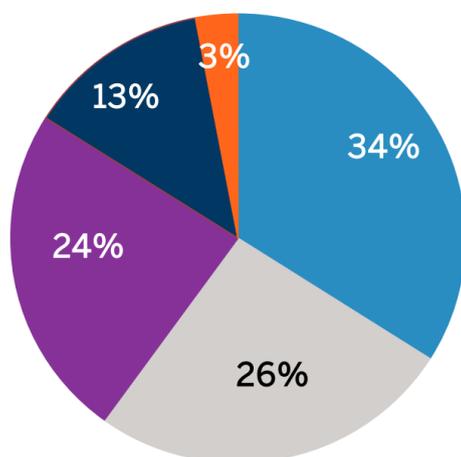
# HUMAN CAPITAL | M&A INSIGHTS

## TECHNOLOGY SECTOR

Results are based on surveying several business, M&A integration, corporate development and HR functional leaders in the technology sector.

### Ability to align cultures

was cited as the highest measure of success for HR M&A.



- Culture alignment
- Employee retention
- Other
- Employee engagement
- Executive Retention

**Critical employee retention** appears to be the biggest challenge during HR M&A integration.

**33%** of companies' critical employees separated faster than non-critical employees soon after M&A.

**42%** said retention bonuses were not effective in Silicon Valley.

Acqui-hire deals did not result in the expected transaction value.

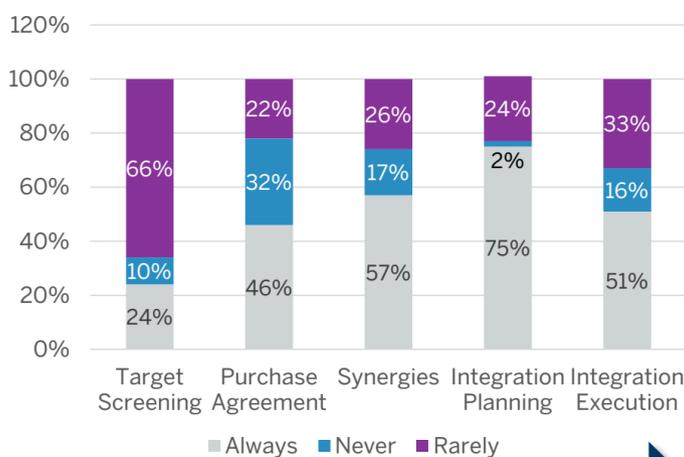
**38%** respondents were involved in an **acqui-hire** transaction over the last 12 months.

**77%** did not believe that NPV of acqui-hire > organic hiring.

**61%** of HR Executives would not execute acqui-hire transactions again.

HR leaders felt that their **ability to influence** deal issues was lowest during **target screening** and highest during **integration planning**.

Influence of HR



**66%** of companies reported that they did not have a specific approach to assessing and integrating culture in a deal. Reasons included:

- › Lack of leadership support to invest enough in culture during M&A
- › Light culture due diligence often glossing over integration risks
- › Lack of internal resources to assess or manage culture

**81%** felt de-risking pensions was the biggest risk area during due diligence while executive compensation was rated lowest.

Improving **Change Management** practices was cited as the biggest opportunity during HR M&A integration.

Opportunity	Percentage
Improve Change Management Practices	39%
Leadership Selection	25%
Enhanced HR due diligence rigor	24%
Misc. Factors <sup>1</sup>	12%

<sup>1</sup>Miscellaneous factors include: headcount, budget, bandwidth, accountability, process, people strategy, etc.

#### Survey Methodology

FTI Consulting conducted an informal and online survey in 2016. Audience/participants (>80 individuals), included leaders from corporate development, M&A integration and functional specialists in the technology industry

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