

CRH - Successful post merger integration

Background

Some years ago, global Irish construction material group CRH acquired three distribution companies in Switzerland, partly competitors with different cultures. The task was to develop a strategy under the umbrella of the new owner and to unfold the high synergy potentials. The period of time immediately after a merger is considered particularly unstable. If quick action isn't taken, it can result in the loss of executives, managers and employee. Also, it's important that the operational business must not suffer. In such cases, active support from professional management consultants can greatly enhance the chances of success.

Approach

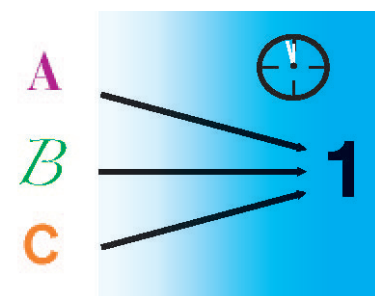
ARCOM Management Consulting developed a customised project structure. The key personnel in the three companies were involved and work groups for different subjects established. The small team of consultants guaranteed objectivity and were able to moderate differences of interest. The work progress was presented monthly in the steering group and solutions were discussed. After four months, the new organisation structure emerged and the synergy potentials – mainly in the area of logistics, IT and finances – were quantified.

Outcome

The new owner was able to re-organise and position the acquired business without loss and its supremacy in the market was achieved quickly. There were no single unwanted resignations and, the business went from strength to strength. The management consultants helped the acquired companies to feel the confident in their future and accomplished the integration process successfully.

Testimonial: «During the unstable phase immediately after the merger, ARCOM's team of consultants was a huge support. The suggested integration process fitted exactly. The ARCOM consultants offered efficient and clear orientation to all employees within the different companies. Thanks to the objective moderation, the integration was completed effectively and quickly».

Richard Wachter, past CEO of one of the acquired companies, later member of the board of directors



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