Importance of M&A integration

Considered as one of the most important aspects in an acquisition, M&A integration has increasingly drawn attention from enterprises.

Most investors focus on business stabilization and synergy realization when managing post-merger integration in the western world

Integration principles

Delivering the benefits while ensuring that focus is maintained on core business growth opportunities, business as usual activity and other change programs

Balancing integration with driving core business performance

- Effective management of people through a time of uncertainty
- Objective challenge and robust processes to minimize expected risk
- Maximize the expected value through focus on areas of benefit

Managing key stakeholders through the change, your employees, your clients, your regulators

Maintaining strong control over the costs, benefit delivery, quality and scope of the program

Ensuring there are clear objectives and targets to focus activity and critical resources on areas that add the most value

Different M&A modes present different challenges

The majority of M&A challenges lie within the first two modes, where the third mode involves less integration complexity

Integration Success Factors

M&A integration plan

Early communication on integration strategies

Link company’s future objectives with customers’ benefits

Stabilize business organization

Effective M&A integration management

Identify and resolve culture differences

Integration Methodology

Pre Close

Plan for Day One

Identify and execute Day One requirements across all functions

Identify and resolve Day One risks

Develop 100 Day Plan including quick wins

Secure resources and implement retention plan

Execute 100 Day Plan

- Deliver tactical integration projects
- Deliver quick wins

Design the Future State

Create Detailed Integration Plan 5

Maximize value through future state implementation

- Implement, track and monitor integration execution to ensure deal value capture

Change Management and Communication

Integration Management Office (IMO)

Transition to business as usual

Specific challenges and issues need to be managed for post-deal integration in Indonesia

Integration Management

- M&A due diligence
- M&A strategy
- M&A integration

Day One Readiness

- M&A due diligence
- M&A strategy
- M&A integration

Synergy Analysis

- Integration challenges

Future State Development

- Different modes

Frequently...

- No systematic compensation and forecasting mechanisms
- Lack of systematic planning and forecasting mechanisms
- No standardized business processes (e.g. finance, distribution management, procurement, etc.) nor sufficient documentation
- Different manufacturing requirements
- Managed by “people” instead of “policies” and “procedures”
- No standardization of business processes
- Integration execution

Manage integration to create value through four guiding principles and five key elements

- Culture
- Strategy
- Process
- Controllership
- Value
- Resource
We have strong capabilities in Indonesia

**Market leader**
The largest professional service firm, with more than 50 partners and 1,600 people in Indonesia.

**Value proposition**
We help organizations to work smarter and grow faster. We consult with our clients to build effective organizations, innovate & grow, reduce costs, manage risk & regulation and leverage talent. Our aim is to support our clients in designing, managing and executing lasting beneficial change.

**Indonesia knowledge & international experience**
Our team consists of Indonesian nationals with overseas work or study experience, and a few expatriates who have been in Indonesia for at least 3 years, and with some more than 10 years. We are familiar with Indonesia business practices and experienced in dealing with local companies, their management, and employees.

**Dedicated**
A team dedicated to and familiar with pre-deal and post deal integration and carve-out issues and management.

**Industry expertise**
We have sector specialization in key sectors to eliminate up-to-speed time and add insightful value.

**Integrated service**
Our teams work alongside Corporate Finance, Due Diligence, Valuations, Tax and structuring, and system integration colleagues to provide an integrated service.

**Our values**

<table>
<thead>
<tr>
<th>People</th>
<th>Approach</th>
<th>Insight</th>
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<tbody>
<tr>
<td>A team that is about implementation, tactics and execution</td>
<td>Understanding of what makes an integration successful</td>
<td>Deep integration experience</td>
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<tr>
<td>A team you’ll enjoy working with</td>
<td>An approach that is flexible and tailored</td>
<td>Industry sector insight and functional specialist</td>
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<tr>
<td>Our reputation as a trusted advisor is built on the strength of relationships we form with our clients. We will deliver honest and pragmatic advice throughout projects to avoid any ‘nasty surprises’ and ensure program success</td>
<td>Our team has taken other large organizations through similar journeys with proven positive results, and we bring this wisdom to each project</td>
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<tr>
<td>We respect that our client is the lead for integration therefore we will act as the facilitator and as the “arms &amp; legs” supporting you throughout the project. We also assemble a team who is familiar with the cultural challenges at the target</td>
<td>We recognize that goals for each integration are different and we tailor our approach to provide a solution that will work for you</td>
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