

Marketing Integration

*Enabling growth through
coordinated Marketing efforts*

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At a glance

Access to new markets, channels, brands, and products are often top reasons for pursuing a merger or acquisition.

Marketing integration plays a significant role in stabilizing funnels, supporting revenue growth, and aligning brand value propositions.

Sustaining lead generation and conversion through effective customer communications and strong lead management increases the probability of success for capturing long-term revenue growth anticipated by the deal.



Introduction

In the race for growth, competitiveness, and relevance, companies are using M&A to add new capabilities and expand into new markets, channels, brands, and products. These go-to-market (GTM) deal objectives are consistently among the top reasons cited by executives and senior management for pursuing a merger or acquisition. Yet GTM goals are getting tougher to reach and typically have low success rates.¹

Immediately after deal announcement, companies enter a time of high uncertainty. Customers often question the life of products and impact to them of the future roadmap for the combined company. Marketing can mitigate the revenue risks from customer uncertainty through consistent communications to drive lead generation and conversion, and to fend off competitors that will take advantage of any uncertainty to win customers.

When integrating the Marketing functions of two companies, the First Commandment is: There shall be no disruption to the lead or sales funnels. Sustaining lead generation and conversion through well-executed customer communications, stable lead management, and a rigorous focus on converting to sales increases the probability of success for capturing long-term revenue growth anticipated by the deal.

¹[PwC's 2017 M&A Integration Survey Report](#)

The issues our clients face, the actions we help them take

An effective integration process emphasizes the importance of getting the fundamentals of integration in place as quickly as possible during a deal to help minimize disruptions and achieve synergies. Rapidly launching integration efforts to Set the Course, Plan for and Execute Day One, and Design and Maximize Future-State Operations is a critical success factor. Figure 1 illustrates the integration process.

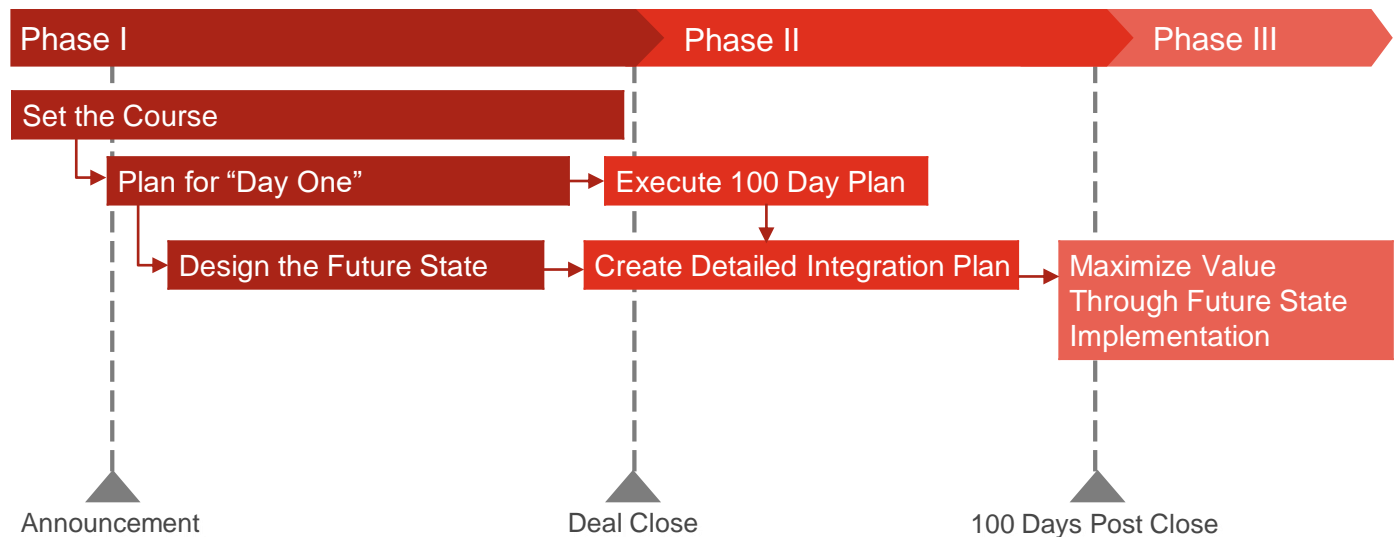


Figure 1. The PwC integration process follows a sequence of coordinated steps to focus resources and capital on the right activities at the right times.

Set the course

An acquisition, like other large scale corporate change, is an excellent opportunity to set a new course, both operationally and across the various support functions of the newly combined business. Setting the course involves defining clear objectives and establishing clear leadership and role clarity during the transition. This empowers members of the integration team — including Marketing — to communicate effectively and take decisive action.

The Marketing integration plan should align to the deal thesis and acquisition strategy to increase the likelihood of success for completing GTM milestones, achieving synergy capture, and mitigating business continuity risks. Setting the course for Marketing requires immediate attention to address critical objectives significant in the early stages of a merger or acquisition, and typically include the following areas.

Influencing the narrative through communications – In a digital world, word travels fast and it is imperative to get ahead of speculation to mitigate customer confusion and concerns. Management should create an external communications playbook focused on timely, proactive, and transparent communications via digital and print mediums to external stakeholders regarding their value to, and future with, the combined organization. Internally, management should develop communications and trainings to enable front line employees to field questions from customers and partners.

Defining and communicating the combined brand value to customers – A “one-size fits all” approach to branding is dangerous and can potentially confuse employees, vendors, and most importantly customers. Before defining the corporate or product portfolio brand strategy, management should conduct a comprehensive review of internal and external brand equity (e.g., focus group and/or market studies on brand effectiveness with customer bases), brand positioning (e.g., premium versus value offering), and how the former aligns with business strategies and initiatives. Once the brand strategy is defined (e.g., consolidate brands or keep separate), a clear brand value proposition paired with the deal value and rationale should be communicated to internal and external stakeholders through promotions and campaigns.

Developing an interim marketing strategy – As early as due-diligence, preparations should begin for an interim marketing strategy. Marketing can use test-to-learn or pilot approach to quickly identify the most effective strategies and evaluate against defined metrics (e.g. ROMI). Even if information is limited by anti-trust laws, it is still possible and prudent to perform significant up-front planning for the interim period between deal announcement and close, and continuing through future state operations.

Establishing a foundation for the future-state Marketing organization – Marketing will need to define a holistic marketing strategy and model that aligns to the deal thesis and acquisition business case. A GTM Fit Analysis should be completed to evaluate similarities and differences between the target and buyer organizations, and include organizational structure (e.g., centralized vs. decentralized), use of third parties (e.g., agencies), target customers, customer segmentation, the customer journey map, campaign management, channel alignment, digital / social engagement, marketing technology and partner alignment, key performance indicators, and operational tactics and tools. Finally, a combined marketing plan and roadmap to achieve targeted synergies should be developed.

To manage the myriad of Marketing integration activities, it is important for company leadership to promptly identify a Marketing integration leader, who should then establish a Marketing integration team, governance structure, and program management office. The Marketing integration leader should select a team with institutional knowledge of the buyer organization (and target company, if possible) in areas of focus for the integration strategy.

Often times a Marketing integration team can and may be launched prior to deal announcement, focusing on areas such as Marketing capability assessment, customer communications strategy, and deal announcement positioning. The Marketing integration leader can then build upon the preannouncement team and expand activities to include detailed Marketing operations and Marketing strategy areas, among others. Please see Figure 2 for key areas of Marketing integration focus.

| | Phase I – Planning & Day One | Phase II – Interim | Phase III – End State |
|------------------------------|--|---|--|
| Market and customer research | Preliminary (and separate) market research on branding, demand generation, and product integration | Define new KPIs, metrics, and customer research focus areas; customer re-segmentation performed | Acquired product, service, and industry included in market and customer research plan |
| Advertising and promotions | Interim advertising and media function established | Integrated approach to campaign execution and communications | Coordinated approach to demand generation; campaign portfolio aligned with GTM plan |
| Digital marketing | Plan for Day One digital media messaging or re-directs announcing the deal close (website and social media); digital marketing platforms inventoried | Interim website and social media messaging reflecting the value proposition for the deal; social accounts and websites aligned with the interim branding strategy | End-state web strategy executed (e.g., single website) and integrated social media channels / messaging; SEO/SEM optimized |
| Event marketing | Inventory of marketing and sales company events | Dual representation during Buyer and Target events, where relevant based on industry and product / service focus | Single budget and coordinated marketing and sales event calendar, based on company strategy and GTM plan |
| Lead nurturing and routing | Perform risk assessment on qualified leads to determine requirements for Day One | Coordinated interim lead nurturing and routing (e.g., by territory and account) | End-state processes for lead nurturing, scoring, lead capture, and lead routing |
| | Announcement | Deal Close | 100 Days Post Close |

Figure 2. This chart outlines key areas of integration focus for Marketing, along with their typical timing across the PwC integration process.

Marketing integration strategy should also align to cross-functional areas that are part of the enterprise-wide integration. Please see Figure 3 for key cross-functional areas that involve the Marketing organization and their typical timing across the integration process for large-scale and middle market transactions.

| | Phase I – Planning & Day One | Phase II – Interim | Phase III – End State |
|--|--|--|---|
| Marketing led cross-functional integration areas | | | |
| Brand integration | Acquired company's brand equity assessed; combined interim branding strategy defined; inventory of branded assets developed | Interim brand strategy executed; soft branded assets rebranded (e.g., whitepapers), hard branded assets in process (e.g., signage) | Long term branding strategy developed and informed by phase II pilot programs; end state brand portfolio actively managed and maintained |
| Cross-functional integration areas | | | |
| Communications, and customer experience (includes public relations) | Develop external stakeholder engagement and communications plan, and customer facing talking points; targeted outreach based on risk assessment of accounts, qualified leads | Recurring communications cadence established with key stakeholders; public relations team to monitor any needs for reactive deal related messaging | Execute longer-term sales and customer stakeholder engagement activities; integrated PR team and approach; inbound and outbound communication practices established |
| Business process and systems integration (BPSI) | Sales systems, tools, and technology assessment, alignment, and roadmap | Interim CRM, reporting, and pipeline management systems solution | Integrated sales infrastructure systems, tools, technology, processes, and data |
| Product integration | Inventory legacy and acquired product value propositions and marketing collateral | Rationalize product branding and roadmap against target market and customer segments | Execute plan for product re-branding; remap products by segment and update print and digital collateral |
| Revenue value drivers and synergies | Initial revenue synergy analysis and revenue synergy capture plan | Validated value driver initiatives and revenue synergy capture plan | Revenue synergy tracking |
| Go-to-Market plan and roadmap | Initial marketing plan based on GTM roadmap and Day One marketing readiness plan | Alignment of interim marketing plan based on GTM plan and product portfolio | Marketing mainstreamed and aligned to end-state offerings and GTM plan |
| Organizational and workforce transition | Overlapping marketing coverage, consolidation opportunities, and defined reporting relationships | Marketing organization structure, role mapping, and responsibilities defined | Marketing team optimized |
| | Announcement | Deal Close | 100 Days Post Close |

Figure 3. This chart outlines key cross-functional areas of integration focus for Marketing, along with their typical timing across the PwC integration process.

Plan for and execute Day One

Even if the best decisions are made as you Set the Course, much can go wrong at deal close without proper planning and execution. While Day One is a milestone for celebration, it is also the time for smooth transition of essential operations.

The Marketing integration team should define what is in and what is out for Day One, along with an interim and go-forward vision for the combined Marketing organization. The primary goals for Day One are to have no disruptions in customer-facing processes and to establish revenue continuity.

The level of Day One preparation traditionally includes planning for brand changes and identifying opportunities to achieve synergies by eliminating redundant activities and vendors. The Marketing integration team should also begin to develop the overall product, channel, pricing, promotional, and advertising strategies to support the plan for coordinated external communications – describing the combined company’s value proposition and deal rationale to key accounts, customers, and partners.

It is important to recognize that brand identity will mean a lot to members of the Sales organization. These are the people who carry the banner in the marketplace, and a sudden disappearance of a brand can be seen as an attack on their identity, resulting in a traumatic effect on morale. When this is a concern, more gradual modifications may be appropriate.

Focus areas for Day One integration

| | |
|------------------------------|--|
| Market and customer research | Survey the acquired company’s competitor and market landscape to develop an understanding of how this may shape the go-forward landscape. Identify gaps in the Target or Buyer brands that could be filled to gain more market share. Leverage this understanding to define the combined company’s Marketing strategy with input from Sales and Executive leadership. Gather insights to better understand the expanded customer base. Identify customer-related synergies (e.g., acquisition costs, retention, loyalty) by understanding the Target and Buyer customers and by reviewing existing customer targeting strategies. Define customer re-segmentation strategy and new KPIs, metrics, and customer research focus areas for the combined company. Map customer overlaps and seek opportunities to up-sell or cross-sell. |
| Advertising and promotions | Understand the current and planned ad campaigns and promotions, and determine if a change in course or reallocation of spend is required to align with the interim Marketing strategy. Launch targeted Day One advertising and promotion programs to communicate the value of the deal and take advantage of the positive momentum created by the deal. Enable promotional campaigns required to mitigate against potential customer and/or partner churn (e.g. incentive SKUs, discounts, MDF). |
| Digital marketing | Develop a detailed inventory of digital marketing platforms, including websites, blogs, and social media accounts. A Day One digital marketing strategy should be developed to leverage the most impactful digital platforms of the combined entity and be informed by the Day One and interim marketing and branding strategies. Day One social media messaging, posts, and website updates should be orchestrated in advance of Deal Close and designed to drive awareness of the deal, key communications (e.g., press releases), and combined offerings of the integrated entity. |
| Event marketing | Perform inventory of post-close Buyer and Target Marketing and Sales events (hosted and attended). Develop a coordinated plan for event coverage, attendance, branding, and messaging, all of which should align with the interim GTM strategy. Understand opportunities to reduce event spend / presence (e.g., non-strategic events, dual registrations). |
| Lead nurturing and routing | Review all qualified leads to determine at risk opportunities and develop and execute targeted communications (e.g., calls, meetings, emails) to mitigate the risk. Review existing lead nurturing, qualification, and routing processes. Identify synergies and develop interim approach for lead nurturing. Define common scoring criteria for new leads, and coordinate management of customer-initiated communications. Develop interim process for delivering qualified Leads to Sales. |
| Reporting and analytics | Develop executive dashboards with common sales KPIs to manage during the interim state. Align on common sales reporting methodology and tools to enable selling efforts and ensure effective coordination, development, and support of essential sales and account management enablers. Critical reports for Day One sales include (but are not limited to) total bookings, sales bookings, deal desk, order backlog, and forecast visibility. |

Design and maximize future state operations

Achieving a smooth transition for Day One is critically important, and often a key indicator to company management for how the integration is going. However, executing the go forward operating model is mission critical for realizing long-term synergies and transaction objectives. These results serve as the key measure for integration success (or failure) for external analysts and stakeholders.

To realize an efficient and effective future state Marketing operations, the Marketing function will frequently work hand in hand with the Sales, Product, Research and Development (R&D), and Information Technology (IT) functions to plan and prioritize overlapping areas related to Marketing capabilities and the Marketing organization.

Cross-functional focus areas for future state operations

| | |
|---|--|
| Brand integration | Assess the brand equity of the acquired company's brands and leverage this analysis to define the future state brand portfolio and strategy. In parallel, develop a detailed inventory of branded assets (e.g., building signage, invoices, uniforms, internal software applications). Once the brand strategy has been defined and brand inventory developed, Marketing should drive the approach to roll out the new strategy. Depending on the size and scope of the branding effort, a Marketing lead supported by functional leads from Sales, Legal, Finance, IT, and Facilities may be required. |
| Communications and customer experience (including public relations) | Manage the transition through communications tailored to each category of company-wide employee groups and to customers, partners, distributors, and the market. Day One communications (e.g., calls, emails, press releases, and posted FAQs) should be planned for each stakeholder, but also be delivered consistently through the subsequent phases of integration. This will require close coordination with Customer Support, Marketing, and Sales. Finally, a robust sales training program should be delivered for Marketing employees to adopt the integrated policies, processes, and systems as changes occur. |
| Business process and systems integration (BPSI) | Manage and coordinate BPSI related dependencies across functions and geographies. Marketing systems are critical to enable lead nurturing, qualification, and routing to deliver leads to Sales. The overall BPSI effort is driven by IT as part of the enterprise wide systems roadmap and migration efforts. Marketing plays a critical role in defining their business requirements, identifying systems, migrating data, and updating business processes to meet the capabilities required to run the combined business. |
| Product integration | Product integration is driven by the Product and R&D teams, but Marketing plays a critical role in revamping campaigns and programs to facilitate a smooth transition for customers. While Product and R&D develop a roadmap for the acquired company's products, Marketing provides key insights on target markets and segments to inform the roadmap's development. Marketing can also support in the identification of opportunities to rationalize, re-brand, and reposition products where appropriate. |
| Revenue value drivers and synergies | Marketing activities will directly impact the Sale team's ability to realize revenue synergies. These Marketing activities may include development of cross sell and up sell materials, demonstrations of products to legacy customers, and coordinated marketing campaigns. In addition to revenue synergies, Marketing may drive cost synergy realization through consolidation of public relation firms, marketing agencies, and marketing software licenses. |
| Go-to-Market plan and roadmap | The Sales organization defines the GTM plan and needs to align with Marketing and Customer Support integration teams to quickly adapt to changes that may develop in the plan. If the acquired product or service continues to be sold, Marketing will work with Sales to update positioning, advertising, branding, and other marketing tactics to align with the end-state GTM plan and product and service roadmap. |
| Organizational and workforce transition | Define newly combined Marketing management with reporting lines. The Marketing function works closely with HR to transition the Marketing organization to an interim state while designing the end state Marketing organization and operating model. Interim transition requires an assessment of work, people selection, and staffing process. An integrated roadmap detailing the timing of organizational movements, including workforce transitions, should be developed to manage the magnitude and pace of change so as not to disrupt the business and to ensure capabilities are in place when needed. Transition to the end state Marketing operating model by integrating process and aligning with changes in the overall enterprise wide integration strategy. Manage rewards and performance throughout the transition and integration. |

Conclusion

Marketing plays a critical role in mitigating uncertainty among stakeholders and sustaining lead generation during mergers and acquisitions to deliver on the combined company GTM plan. The Marketing organization will assist in driving important and timely communications to customers, determine and execute the go-forward brand strategy, and establish a combined marketing strategy and plan for long-term success.

Following the approach to Marketing integration articulated in this paper can guide companies along the path to a successful integration, achieve early wins, build momentum, and position the company to accomplish revenue growth objectives while instilling confidence among their stakeholders.

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