



People & Culture Management in M&A Transactions

HR input is required from the beginning

A company's greatest asset is its people, and engaging people is our passion. Embedding HR expertise and perspective at the start of any M&A transaction process will create better cohesion and harmony, manage the risks and ensure you are more likely to achieve the anticipated business benefits.

Where we add value in a company transaction

We add value from the initial due diligence phase by highlighting key risks and liabilities, but also potential synergies.

Whether via hard copy documentation, online data room review, etc. our due diligence process involves an interrogation of the information available to ensure mitigation of known and future unknown/undeclared risk.

We are making the assumption that the transfer of undertakings regulations (TUPE) apply. Should, for any reason, TUPE not apply, we will amend the process and plan accordingly.

Our M&A process has four key stages:

Planning and preparation

- Project plan meeting and review schedule where the overall manager and assigned sub-leaders agree actions, collaboration etc. and, once the project is underway, how these are progressing.
- Preparation of Day 1 Communications, the Company Presentation (to be shared with new employees), FAQs etc.
- Change management plans developed, assigning task and owners, with agreed 'drop-dead dates' (finite deadlines that if unmet result in some form of consequence).
- Risk analysis whether cost, legal, talent retention, reputational, client/service, operational etc.
- Agreeing any 'measures' (changes to terms and conditions) that may be reasonably applied.
- Stakeholder analysis, who are they, what position are they currently at, where do we need them to be, and how will we achieve that. This includes, where appropriate, recognised Trade Unions, Employee Representatives, etc.

Information and consultation

- Facilitating a group consultation session to ensure that the company makes the best first impression.
- Holding further one to one consultation meetings as required.
- Consulting on any 'measures' that may apply to the transfer.
- Developing and issuing of all communications, letters, presentations etc., including contractual documentation before and at the transfer date.

Transition and harmonisation

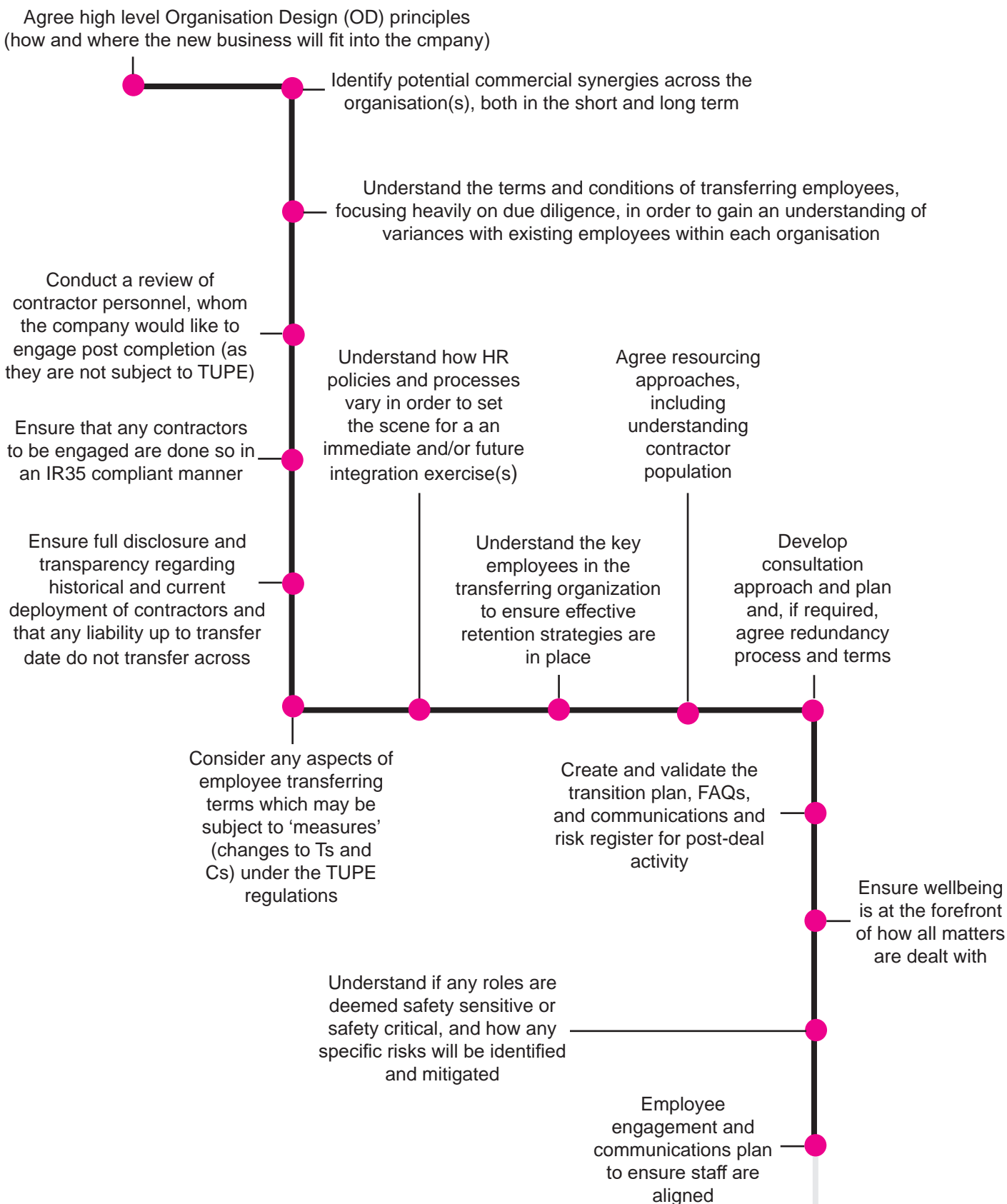
- Technical integration of all TUPE actions (onboarding, contractual and payroll, policies and procedures).
- Cultural integration so that new colleagues are given every opportunity to become part of the transformed organization.
- Execution of any agreed measures (changes to Ts and Cs)

Review

- Ensuring that all questions and concerns have been addressed to ensure meaningful consultation has taken place.
- Identifying any lessons learned from the transaction to improve company M&A processes.
- Ensuring all identified risks and liabilities have been mitigated in so far as they can be and appropriate stakeholders are aware of the outstanding issues.

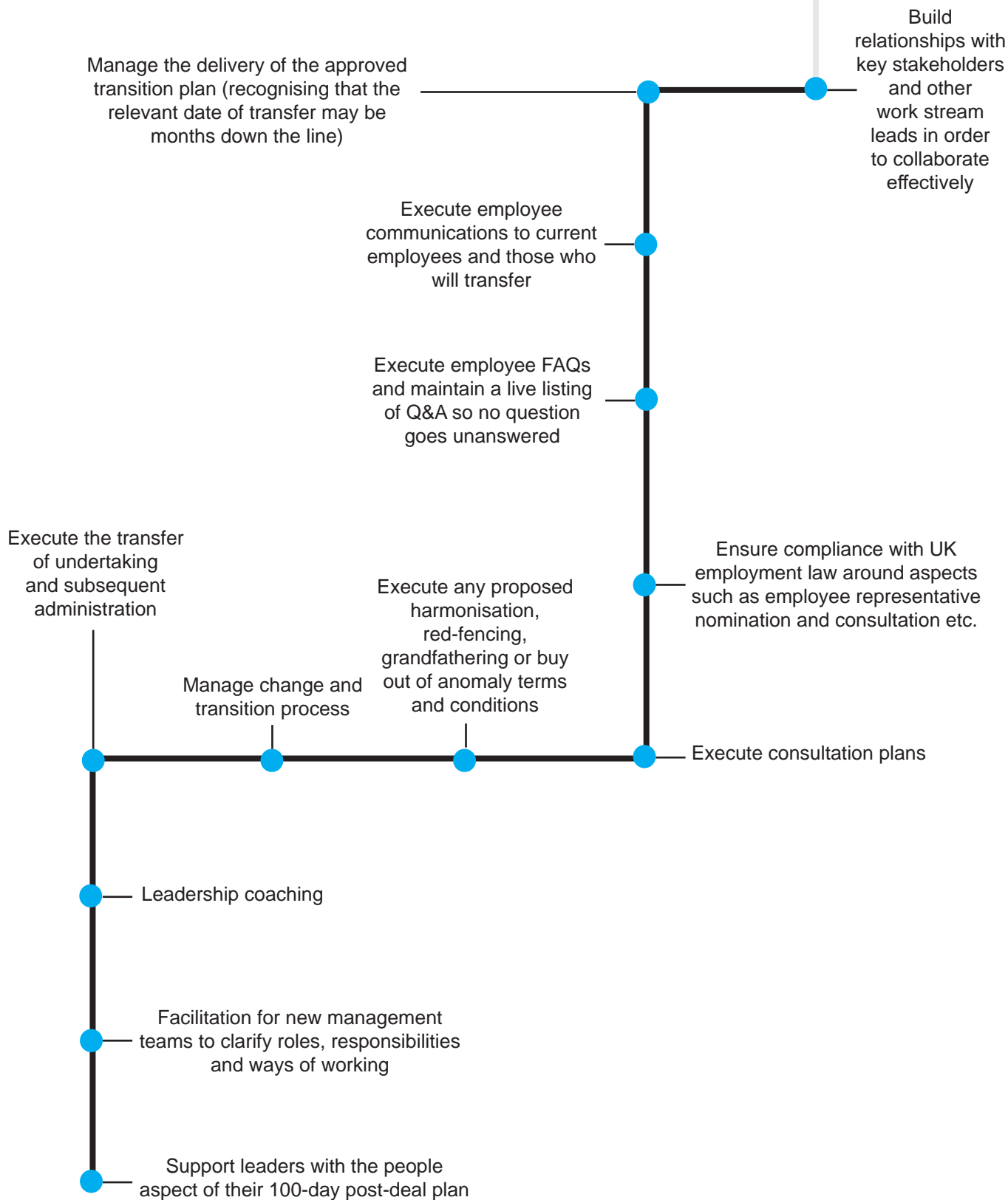
How we can support you at each and every stage

Pre-deal activity



How we can support you at each and every stage

Post-deal activity



Key risk areas to be aware of

Unsurprisingly, there is an element of risk to be aware of with any M&A-related change process. We've summarised these risks in the table below.

Reputation	Your hard-earned reputation is at stake (both internally and externally) if you fail to get the communications right and intended messages across. It's important to identify, evaluate and plan for the management of and communications to all stakeholders at the beginning of the process.
TUPE	Failure to inform and consult with staff in advance of a TUPE process can result in multiple claims being made to the Employment Tribunal office and subsequent awards could be as much as a quarter of your annualised transferring basic pay bill.
Economic, Technical, Organisational (ETO)*	Failure to inform and consult with staff before making changes to contractual terms and/or any potential redundancies can result in claims being made to the Employment Tribunal office and subsequent awards could be as much as a quarter of your annualised transferring basic pay bill.
Claims of discrimination	Throughout the process there is a risk of discrimination claims if any protected characteristic is deemed to have been inadvertently applied, for example during any redundancy selection. This could be in relation to absence or a health condition, for instance. The potential financial penalties could be uncapped and the reputational damage (internally and externally) immeasurable.
Employee engagement	As the new employer you will only have one chance to create the right impression. Failure to prepare properly could disengage new employees and increase staff turnover.

Up to **90%** of mergers fail to achieve **anticipated financial objectives, often due to factors such as lack of communication, loss of talent and poor cultural fit.****

* These are the three areas under TUPE regulations that allow changes to terms and conditions in certain circumstances and can potentially justify making a position redundant

** forbes.com, 2021

Our credentials and team

In recent years, we have managed numerous mergers, acquisitions and divestments. We have been responsible for writing industry regulations on the subject and are considered market experts in this area, both in Unionised and non-Unionised environments.

Acting as the seller and buyer (and on occasion, both), we have led all people-related aspects of several deals from interviewing and assessing the capabilities of company owners/managers, due diligence, population of data rooms, highlighting potential liabilities and risk areas and helping businesses to address critical issues prior to or post sale.

- Supporting the integration of Chrysaor and Premier Oil into Harbour Energy
- Leading the post-acquisition harmonisation and new company set up (and now outsource HR) for Serica Energy following acquisition of BP North Sea Assets
- Supporting the divestment of Five Noble Corporation assets as part of the Maersk Drilling acquisition of Noble Corporation
- Supporting Wood Mackenzie acquisition, including TUPE of employees, harmonisation of Ts&Cs and restructure
- Supporting acquisition of TI media by Future publishing
- Supported Hunting PLC with the acquisition of Enpro Subsea Ltd, including HR compliance audit and TUPE project lead
- Led the people aspects of the M&A activity where Enquest PLC acquired BP PLC assets.
- Supported the M&A activities and integration work of Sainsbury PLC.
- Sale to John Wood Group PLC of PSN Limited and subsequent merger of PSN Limited and WGENS Limited
- Sale of Viking SeaTech to Actuant US INC and subsequent restructuring
- Supporting the restructuring of Taqa's leadership team
- Supporting the acquisition/TUPE of Magnus Assets by Enquest PLC
- Integration/TUPE on behalf of Sainsbury's Bank PLC
- Acquisition/TUPE of Millar & Bryce by DMGI
- Fast growth support for several private equity-backed businesses post investment
- Approximate 'TUPE' of around 10,000 staff over past decade including oil and gas, banking etc.

Key team members



Jennifer Marnoch
Managing Director &
experienced HRD



Sarah Beamont
Director of HR



Dean Hunter
Hunter Adams Founder
& experienced HRD

Testimonials

“Hunter Adams supported us through our acquisition of BP assets from planning to execution. They remain as our HR department and the feedback from our team is great - they really appreciate the speed of response and the quality of support. The Hunter Adams team is first class.”

Mike Killeen, VP Operations, Serica Energy PLC

“A key part of the successful transition of the Magnus and Sullom Voe Assets to EnQuest was the quality and experience of the Hunter Adams team. The combination of considerable experience along with relevant and recent site knowledge meant that a strong process was used with good judgement to give the most favourable outcome for the individual and the wider business.”

Derek Liversidge, Transition Director, EnQuest

e: team.admin@hunteradams.co.uk | w: hunteradams.co.uk

Aberdeen

13 Rubislaw Terrace
Aberdeen
Scotland
AB10 1XE

t: +44(0)1224 900 760

Edinburgh

19/1 Manor Place
Edinburgh
Scotland
EH3 7DX

t: +44(0)131 285 0420

Manchester

5th & 6th Floors
51 Lever Street
Manchester
Greater Manchester
M1 1FN

t: +44(0)161 297 0001

London

184 Shepherds Bush
Road,
Hammersmith
London
W6 7NL

t: +44(0)203 714 4930