

WOBURN CONSULTING

## Consultancy poised to benefit 'deal fever'

Brian Rogerson talks to a new outfit with deep industry experience that aims to help companies manage cross-border integration as M&A activity booms

Industry consolidation continues apace as UK and continental European motor lenders and lessors seek to grow by acquisition.

Furthermore, many lessors and banks view acquisition as the best options for entering the recent accession markets of central and eastern European. The bullish economic climate has meant companies are awash with investors' funds awaiting investment in expansion.

However, as experience shows, the path of good intentions is littered with the remains of acquirer companies that failed to think the purchase through further than the stage of due diligence. To many chief executives the actual acquisition turns out to be the easy bit – and only then do the challenges of a less-than-thought-through integration appear and post-acquisition synergies fail to arrive reflected in poor performance of the new venture.

### Minimising the risks

To remedy this, a new enterprise, Woburn Consulting (Woburn), has been launched to maximise the expected synergies, speed up the transition to the new 'business entity, and minimise the risks associated with cross-border mergers and acquisitions.

The chairman of Woburn is Peter de Rousset-Hall the former managing director of Ford Credit and immediate past chairman of the Finance & Leasing Association and the European Auto Forum.

He said: "we recognise that many companies have growth strategies



Philip Atkinson, Terry Dann, Peter de Rousset Hall

based on acquisition, affiliations or new market penetration. Sadly, few go on to realise the full potential. Barriers are often cultural or technical and mean that gains planned through synergy and cost saving simply do not happen. Too often the story is of disruption, misunderstanding and disillusionment."

Woburn as a concept and an investment was designed and formed by Ed White and Dara Clarke of the White Clarke Group although exists as a separate trading entity. The Woburn team is comprised of de Rousset-Hall and Terry Dann, previously IT director at Ford Financial Europe. Philip Atkinson, an economist who specialises in cultural and behavioural change and has written many books on strategic change, completes the European team with Debbie Carroll and Larry Sherstad in Canada and the US to assist with trans Atlantic projects.

### Lack of blueprint

According to Peter de Rousset-Hall, "Currently, few companies have a

firm blueprint that can be applied when purchasing a company," ...further "It is usually an element of 'deal fever' that inspires the acquisition which often results in an inadequate road-map for successful integration."

Woburn's proposition is that traditional "due diligence" is an incomplete diagnostic in predicting performance of the new venture and concentrates on hard financials. The acquirer company often falls foul of cultural anomalies and systems inhibitors that eventually erode profitability for the new ventures. "Some 80 per cent of acquisitions," Atkinson stressed, "do not achieve the expectations of the investors. Similar failure rates apply to joint ventures and unchartered business expansion."

The Woburn team should know. Peter de Rousset Hall and Terry Dann have been the architects of cultural change and IT integration in the many business successes over their extensive time in Ford." They have operated throughout the UK, Europe and North America. They gained and applied their expertise over several decades at overcoming the challenges of leading multi-national, multi-cultural teams. They also applied similar techniques to the integration of the financial services business of Ford, Jaguar, Landrover, Mazda and Volvo. To complement the team Philip Atkinson's expertise has been on implementing strategic projects and change initiatives with many 'blue chips'. Specifically he has spent many years working with GE on the techniques that have allowed them to become the foremost purchaser

and integrator of businesses throughout the world.

Terry Dann states emphatically "Technology and cultural issues are critical factors for post acquisition integration which are largely ignored as the new venture evolves". They agree these are two major issues that many deals neglect. Due diligence is currently only a partial analysis of the risks the new venture will encounter. If you want to develop a safe strategy, energise the new business and materialise the synergies faster then you have to expand the mindset and the diagnostics from simple 'due diligence' to also include 'soft due diligence'.

This means focusing on management of the new business, creating a forceful performance driven culture. The benefits accrue quickly – the traditional association of confusion and ambiguity of the 'cocktail of cultures' so reminiscent of the orthodox deal is rejected in favour of a clear vision for the new business entity. That is achieved through their tailored strategies of post acquisition integration measured in blocks of 10, 20, 30, 100, 250 day post acquisition strategies that give control back to the investors. The European team agree, "We have been there, we have the knowledge, tools and techniques to offer companies a much better opportunity to add shareholder value faster than the orthodox route."

**Woburn can be contacted through their website at [www.woburnconsulting.com](http://www.woburnconsulting.com)**

□