



behind the **firewall**

Intranets & Their Role in Corporate Acquisitions

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the list of mergers and acquisitions continues to grow even in a time of economic uncertainty. On the day that I started work on this column, the *Financial Times* carried news about 11 mergers. About a decade ago, I was the CEO of a company that got acquired. My team moved out to the premises of our new company—along with our Apple Macintosh computers. Our new owner was not only a Microsoft user, but had also purchased another company a few months earlier. My job was to integrate the operations of all three companies.

Apart from some major IT issues, the cultures of all three companies were quite different, and I guess it took perhaps a year to fully integrate the companies so that the seams were all but invisible. Most of the problems were small ones, such as different ways of managing project documentation, the approaches to quality control procedures, and how expense and vacation forms were to be completed and authorized. The major problems lay in bringing the collective knowledge of the new company to the attention of the employees, and the clients.

Nowadays, it would all be so much easier because we all have intranets. But would it? The existence of intranets in two merging companies could raise more issues that it solves. Any company contemplating expansion through acquisition needs to develop an intranet integration strategy now, not when the deal has been done.

MERGING BUSINESS CULTURES

What I find fascinating in my work is the differences that I discover in the content and organization of the intranets of similar but competing companies. The differences reflect the business cultures. One may be U.S.-owned and have a very laissez-faire approach to content, and the way that staff post comments about opportunities and issues. The other may be European, with a concern over language issues and a more stringent legislation on employee rights.

“GOOD MORNING! MEET YOUR 500 NEW EMPLOYEES.”

In a not uncommon scenario, an intranet manager might wake up to discover that a merger has been announced, 500 new employees have just been added to the payroll, and shareholders are wondering where the synergy is.

A number of companies in the IT sector have put a significant investment into their intranets, and are now able to integrate acquired companies in the shortest possible time.

Cisco is probably one of the best examples, with its Cisco Employee Connection intranet. But unfortunately, most companies are not this organized. They will find intranet integration a significant hurdle.

This is not just because of technical integration issues. An intranet is not only shaped by the business culture, but is also a visible focus of the business culture. If the takeover is a contested acquisition, staff in the acquired company may well use their intranet in inappropriate ways. Discussion groups will flourish, key documents may

be quiet of business-as-usual, the easier any future integration will be.

There is typically some generic content, such as personnel policies, product/service information, staff directories, and an expertise database, that will make up any company's intranet. Probably the best route is to plan to put this information into a holding area within the current intranet, in such a way that as the top-level discussions proceed at Board Level the intranet manager can start to plan, on a secure server, the look and feel of the interim pages. Usually,

and development effort. Increasingly, R&D departments are subscribing to electronic journals.

There are three issues to consider. The first is that the terms of the agreement will need to be renegotiated, since they are usually based on parameters such as the number of users and/or the number of sites. If both companies subscribe to some or all of the same providers, these discussions can be difficult, since there will almost certainly be a net reduction in revenues for the vendor. Next, access routes to the data-

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go missing, and expertise databases may be subject to post-hoc revision.

AN INTRANET MERGER STRATEGY

Companies should immediately begin crafting a strategy in the event of a merger or acquisition where two intranets will need to be integrated. There are two givens. The first is that there is an intranet manager of sufficient status and responsibility that he or she can be involved in the merger planning at the same time as corporate legal and corporate personnel. If you have no such manager, then it is high time you appointed one. The second given is that your intranet is built around a content management system that enables you to make global changes (e.g., company name and trademarks) without having to look at every page individually. Without those two minimum requirements, you have no hope of being able to use the intranet constructively and may not capitalize on the assets of the acquired company.

The next step is to decide on what sections and documents staff of an acquired company are likely to want within the first day, the first week, and the first month. (After a month, the intranet integration will either be complete or a disaster!) Most of this analysis does not require there to be an imminent acquisition. Indeed, the more planning that can be done in the compara-

there is a period between the announcement of the acquisition and the completion of due diligence, leading to the formal acquisition. During the intervening period, providing information about your company, its policies, and its business objectives can be a very effective way of getting staff on side. A FAQ can be set up to deal with emerging issues.

Once the acquisition moves toward completion, your intranet manager and some colleagues need to conduct an intranet audit to identify issues about classification, metadata directories, and document management that will influence the speed of development of cross-intranet searching. It is important that there is an open mindset about what is found. There may be good ideas that can be transferred to your own intranet. Another part of this audit is to explore what the integration schedule should be. The best route may be not to carry out a total integration at once, but to do so over a period of time, using the holding area intranet as a test platform.

VENDOR CONTRACTS

Another important part of the audit has to be the development of a list of the contracts with external information vendors, such as Factiva or Moreover. This is especially important in any situation where there is a significant amount of research

bases should be considered, which may depend on IP addresses that are about to be changed. Finally, staff may have developed standard profiles and search screens on these services, and these may need to be changed to reflect the changes to the business objectives and activities.

START NOW, NOT WHEN

Your intranet represents potentially the most powerful tool in your corporate armory to ensure that an acquisition not only meets but exceeds the expectations of the shareholders and staff on both sides of the deal. For this to happen, it is of the greatest importance that the planning starts now, and not in the frantic days post-completion. Your intranet manager needs to be involved from the outset. Above all, the success depends on the recognition by the Board of the essential role that your intranet plays in the success, or failure, of your business. Remember the old adage of "Together we stand—divided we fall," and print it on the top of every page of your intranet acquisition strategy. 



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