THE ACQUISITION AND THE ROLE OF HUMAN RESOURCES **– Option 3**

Read the case study below and answer the questions, which follow.
You should conduct a detailed analysis (approx. 5 pages; 11-size font, single space between lines, double space between paragraphs; cover page and bibliography not included in page count)

PROFILES

Peter Wolfe has been the CEO and major stockholder of Scorecard, Inc., a privately owned company for 35 years. Having taken the reins over from his father, Peter has kept the legacy alive for the family. Peter is a conservative and risk adverse leader but has also been able to realize nearly 5% growth each year since he came aboard. Peter has created a "family" culture for employees and is a "shirt sleeve" CEO constantly looking for new ideas and products from staff.

Doug Franks is the VP of Operations for Scorecard, Inc. Doug is a quiet, unassuming man in his mid-fifties. He has been at Scorecard for 25 years and has watched the company grow from a small sports shop to the multi-building operation it is presently. Doug worked at two other manufacturing organizations before coming to Scorecard, Inc. Both were Fortune 100 companies.
Joe Heyer is the Chief Financial Officer of Scorecard. Joe joined Scorecard a year after his former company went bankrupt. Joe is a neighbor of Doug Franks, living several houses away. Joe is an excellent financial analyst and is able to "crunch" the numbers quickly and with unsurpassed accuracy. Joe, being the newest member of the executive team tries very hard to be accepted by them by sharing information prior to it being first reviewed by Peter.

Rudy Rothberger is one of the newest associates of the Board of Directors having replaced a family member who passed away after serving 20 years. Rudy is the Senior Partner of Rothberger, Stein, Simple, and Scheer, the largest public accounting and investment firm on the east cost.

Alan Flynn was hired at Scorecard, Inc. about a decade ago as the Human Resource Manager. At that time, the former Vice President of Administration and Finance, Jim Meyers, was preparing to retire. That would leave a large hole in the top of the organization representing Human Resources "at the table." Alan is a quick learner and Jim was an excellent mentor. The passing of the torch was seamless and when Jim retired three years ago the Board approved the promotion of Alan to VP of Human Resources and Quality.

Dave Willow is a Management Consultant and has known Peter for over 15 years. Dave worked on a few projects with Peter as Scorecard, Inc. grew and took market share from other competitors. Since a leader was needed upon completion of the acquisition of Partners, Inc., Peter asked Dave if he would take on the responsibility. Dave agreed, and became the General Manager when the deal was complete. .

Richard Pierce is the General Counsel of Scorecard, Inc. Richard is a Harvard Graduate and worked at a major Insurance company as Assistant Counsel prior to joining the team. For the most part, Richard keeps to himself and with Alan continues to keep Scorecard, Inc. out of court or litigation.

The Company

Scorecard, Inc., an organization located in the Midwest was founded 60 years ago. Americans, enthralled with the opportunity of being able to attend a professional sporting event on a Sunday afternoon also enjoyed being able to purchase the equipment and memorabilia generic to the games themselves. As the years passed and radio and television brought sports into a family's living room, Scorecard, Inc. was right there developing and manufacturing equipment for the team and the consumer who wanted to imitate their idol. Today, Scorecard, Inc. produces a full range of game and practice equipment for baseball, football, basketball, soccer, tennis, and hockey. The company continues to remain privately owned and it has seen financial growth of nearly 5% each year for the past 35 years.

It was also 35 years ago when the owner's son, Peter Wolfe, took over the position of CEO. Grandchildren, nieces, nephews, cousins, aunts and uncles chose not to become involved in the workings of the business. They did enjoy, however, the steady flow of dividends that came their way each quarter since their initial purchase of shares in the business. Scorecard is a three building operation located in York, Pennsylvania where the seasons allow for a variety of sports to be played all year round. One building is dedicated to the production and distribution of the wide variety of equipment and memorabilia for the sports themselves. Another much smaller building houses the research and development teams and the third site is dedicated to the administrative services of Sales, Marketing, Finance, Information Technology, Quality, Human Resources, Procurement and a myriad of other support functions.

Scorecard, Inc. is non-union and has remained so due to a Human Resource department that continues to stay well ahead of the curve regarding benefits, employee relations programs, and compensation for its employees. Scorecard, Inc. employs approximately 500 hourly workers on three shifts. During the height of each sport season additional temporary seasonal labor is needed so the number of employees can jump to 600 at any given time. The other parts of the business employ an additional 150 professional employees. Although not a major player on the Fortune 500 list, Scorecard, Inc. has not had any challenges locating employees to work for them. Reaching Employer of Choice Status has not been easy but the constant attention paid to Human Relations activities and programs pays off. Members of the same family are not uncommon on the payroll.

A Code Driven Business

Business in part is driven by a set of very specific codes depending upon the level of the equipment; professional, collegiate, high school, junior, municipal or pee wee. These codes demand perfection from the company due to the fact that a game or event can be called off and a team forced to forfeit if any piece of equipment is not 100% within specifications. The codes themselves are not difficult to follow. The challenge is some coaches always try to get the edge on their competition by pushing the limits with equipment specifications sent along to production. Scorecard, Inc. will not compromise. A compliance officer, hired by management, makes certain that these specifications sent in by customers are within the code limits. Every so often unfortunately, one slips by.

Due to constant changes in sports themselves and the codes placed upon the teams, along with injuries and lawsuits, Scorecard, Inc. cannot amass any significant amount of inventory of parts or sub-components. If something happens to change within the sport due to one of those unfortunate injuries, money hungry attorneys or township politicians grandstanding, all the remaining equipment for that sport becomes shrink for Scorecard, Inc. which is very costly. Close to 85% of its sales is “made-to-order. Productivity, therefore, always must be at its optimum and quality must continuously improve on a consistent basis. If a shipment is late or a product is damaged or out of specification, customers will almost instantly go elsewhere. This places a strain on almost every department. Any significant turnover or absenteeism would be devastating. Fortunately, Scorecard, Inc. has one of the most progressive Human Resource functions in the country. The Society of Human Resource Management recently awarded them the coveted Innovative and Creative Practices Award at their National Convention. This award is in addition to six others that have been bestowed upon Scorecard Inc.’s Human Resource team in as many years from the state, county and local Human Resource Associations. Alan has also recently been informed by the Society that he is in the running for the Human Capital Business Leader of the Year Award. This is the highest coveted honor bestowed on a HR professional.

Top Management Support, Yet Concern

Scorecard, Inc. prides itself on those Human Resource programs it has facilitated over the years. The foundation for such progress comes right from the top. The CEO, Peter, has attained advanced degrees in both Organizational Behavior and Business Management. Peter is a frequent keynote speaker at Management conferences throughout the country. Business owners and leaders in Human Resources travel from a distance to listen to Peter talk about the programs which have benchmarked Scorecard, Inc. as one of the Best Places To Work by the State Chamber of Commerce.

Last year Scorecard, Inc. closed their books with sales of $100 million. This was a huge achievement for this mid-sized organization given the market which contains two giants in the industry; Ruth Industries and Playoffs International. Both these organizations together have approximately 75% of the total market for sporting equipment. Each has inquired on numerous occasions as to purchasing Scorecard, Inc. The response has always been an emphatic “no.”

Peter though does realize that the market continues to change thus creating a need to diversify and expand. At any given time an organization from across the ocean can rise up with a less expensive product and drive the market into a tailspin. The critical item that Scorecard, Inc. has in its favor is its unending attention to detail and quality. Peter and his predecessors have built a loyal following over the 60 years in business and have never let shabby workmanship ruin a customer relationship. Unfortunately, given the economic climate lately, price appears to be gaining on quality since a fair amount of funding has been cut at the school, collegiate, and also municipality levels for their sports programs. Donations are also down significantly from long-term patrons who enjoy watching their nieces and nephews play.

Over the past seven years a growth strategy has been consistently discussed among the executives. They have noted and requested that their conversations be placed in the minutes during strategic planning meetings. “It is now time to set Scorecard, Inc. on the path of diversification and aggressive growth” noted Doug Franks, the Vice President of operations. The Top Management team of Scorecard, Inc. has strongly suggested to Peter that the purchase or merger of another organization similar or smaller in size with excellent market potential is critical to survival. Ruth Industries and Playoff International have slowly been acquiring the smaller and midsize sports equipment organizations over the past few years along with some retail outlets. This has raised a red flag every year at the planning meetings, but nothing has been done as of yet on the part of Peter.

A Conservative CEO

Scorecard, Inc., up to this point, has been very successful at chipping away at market share in its product lines due mostly to quality and service as mentioned earlier. Peter, however, has continued to remain extremely conservative and has stayed away from any significant growth by means of an acquisition or merger. Although the concept continues to be raised by his executive team and has been turned into a goal several times, nothing substantive has developed. Whenever Peter or Joe Heyer, the Chief Financial Officer, would look at a company that was for sale, Peter would analyze the numbers, data, pros and cons to a point of “no sale.” It became a case of *paralysis by analysis*. In effect if Peter was going to move ahead with an acquisition or a merger he wanted a perfect place and plan to put his family’s money. He would consistently bellow at meetings, “show me another Scorecard, Inc. and I’ll buy it on the spot.”

The executive team of Scorecard, Inc. knows that risk taking is not within Peter's vocabulary. Why should it be when growth has been around 5% per year, the family has been kept extremely well off financially, and the company has never had to downsize in its history like the competition has. Scorecard makes money. Maybe not the amount that its competition does but it has kept generations of families employed and satisfied for years. During its recent strategic planning retreat the executive team once again had a sense that the market will begin to soften and will change sooner rather than later. The formal market analysis completed by Sales and Marketing pointed to the same conclusion. Except for professional and Olympian teams, approximately 85% of all other customers report they must begin to purchase on price soon due to finances and funding becoming soft and even drying up from schools and benefactors. Rudy Rothberger , a long term member of the Board of Directors informed Peter he would be attending the strategic planning retreat. It was at this meeting that Rudy announced, "a purchase or merger must be made within the upcoming fiscal year. I speak for all the Board when I say this"

An Acquisition Must Take Place

Rudy and the Board apparently recognized that over the years several officers have left the company due to the lack of willingness on the part of Peter to diversify and grow. There was no doubt that growth would increase the opportunities for employees to have upward mobility. It could also bring into the company newer technologies that would help push back the competition. As the Vice President of Human Resources, Alan Flynn, echoed at every strategic planning meeting and beyond at the monthly updates, employees who apply here at Scorecard, Inc do so for many reasons. One is they want growth. Rarely do we any longer find a professional employee who is content with his/her original position.

The strategic planning meeting for executives of Scorecard, Inc. ended after a week of reports, forecasting, manpower planning, resource allocation, competitive analysis, capital spending, and budgeting. Within the top three action items was the goal;

> *"a serious consideration for an acquisition will be made during the upcoming fiscal year. A team will be put together to evaluate potential diversification efforts in the marketplace. Peter will put together this team within the month of January. The team will work tirelessly to locate the best company within the parameters set forth in an effort diversify and grow Scorecard Incorporated's product line."*

And so it began. An action plan would be put together by Peter himself after he returned from his two week skiing vacation in Colorado.

The Acquisition Team

Peter returned from his respite and began the process. He sent along an e-mail to his Top Managers noting that Joe, Dave Willow, a consultant who has worked with Scorecard, Inc. on various projects, and Richard Pierce, General Counsel would make up the acquisition team. This was somewhat confusing to the other Vice Presidents. They were curious as to why executives were involved in the first place at the primary stage of due diligence and secondly why only these three. There was no representation from "direct, bottom line departments" and this was a manufacturing company looking to purchase or merge with another manufacturing company. At one of their early Monday morning briefings Doug, asked Peter directly about the makeup of the team. The response was a simple, *"this is the way I want to proceed, a small team that is capable of doing the job. It's not open for discussion."* This was out of character for Peter's style of leadership although his conservative nature may have been at play here. When the meeting ended the e-mails shot quickly among the executives who were left out of the acquisition loop; *"do they really know what they are doing?" "Can Peter really be objective and thorough in a due diligence given our track record?" "Here we go again, another set-up to fail venture"* were just a few of the feelings expressed over the intra-net. Quite dejected, the Scorecard, Inc. officers returned to work as usual.

The Search Begins

During the search process that unfolded over the next few months only cryptic notes were provided to the executives. They were unsure of any real progress by the team. Peter stood firm on his original request that he wanted this to be low keyed and the team chosen would take care of everything. Four months into the search during one of April's Monday morning briefings when Peter was off-site, Joe passed along some information about an organization approximately 100 miles away that looked promising as a purchase. Questions were asked but little solid information was forthcoming. Joe asked the team to keep this confidential and not mention it to the employees.

At the next monthly executive meeting, a few days after Joe had informed the group about the potential company, Alan and Doug felt it time to inquire about this possibility. They had figured that Peter was aware of Joe informing them so they inquired whether a full due diligence on the horizon. If so, why not involve other experts to move this process forward more expeditiously? Their assumption was that the small acquisition team could benefit from additional resources and they themselves could benefit from more knowledge of the potential opportunity.

Alan was curious, for example, as to how many employees they had, what was the product line, human capital involved, benefits, size of facility, cost of payroll, compensation levels, the culture, how many buildings are there, and on and on. Doug had similar questions relating more to product, equipment, factory layout, technology, product line, etc. They felt maybe it is time to just have a good conversation about this potential growth opportunity.

During the meeting, Alan asked first about the potential company. Peter raised his eyebrows and looked rather surprised that the group even knew and questioned where the information originated from. Joe spoke up and said he had informed them at their Monday meeting so that they might be prepared better should something develop from this search. Peter looked more frustrated and retorted that the information was to be kept confidential and the topic is off the table. Peter pushed any additional questions aside and informed the executive team that everything was being taken care of by himself, Dave, Richard and Joe. Again, this did not sit well with the rest of the executives. They did learn over the years in spite of being very well taken care of, Scorecard, Inc. is a private company and there is little that can be done when the CEO, who is also the majority stockholder, says “no.”

The following week Alan decided to contact Peter directly about what happened at the meeting. He initially had to leave Peter a voice mail message because Peter was in a meeting. He noted that he would follow up via e-mail. In Alan's e-mail he expressed his concern once again about isolating the rest of the executives and asked Peter to reconsider having a good discussion about others getting involved at this point in the upcoming due diligence. He cited once again the Human Resource and Quality component and provided concrete reasons why it would be most beneficial to increase the scope and breadth of the team. Alan also reiterated the team approach would benefit Engineering, Operations, Marketing and surely Sales. We could begin to assist in data gathering for the decision making process. Soon after Alan sent the e-mail, he happened to pass Peter in the hallway. Alan mentioned the voice mail, the follow-up e-mail, chatted a bit more and the two of them went their ways.

Alan and Peter

Alan and Peter always had a fantastic working relationship. Peter was Alan's coach in many respects teaching him the business. Once a week they would have lunch together in Peter's office while they planned and reviewed the various employee relations, quality, and development programs for the organization. Together they laid the foundation for a nationally recognized Human Resource function and company when it came to Training and Employee Education, Economic Development, Human Relations, Health Care programs, continuous improvement, and Family Friendly Benefits. For a mid-sized organization, Scorecard, Inc. was ahead of most of the multi-national companies in these areas. The consistent attention paid to employees and their needs by Peter and Alan continually paid off. Turnover was less than two percent, absenteeism less than one percent and productivity along with quality was 99% based upon Manufacturing Engineering standards. It took a lot of work and a great team to implement the multi-faceted employee-centered programs but the results spoke for themselves.

About an hour after passing each other in the hallway, Alan received his reply from Peter.

"Alan, thanks again for your interest and also being what appears as the liaison between the executive team and myself. I would like to reiterate my position. Joe, Dave, General Counsel and I will be taking care of everything. There is no need to have anyone else meet or discuss or suggest any additional research or get involved in the acquisition process. Hope to see you on Wednesday for our weekly lunch. I have some ideas about pay for performance I would like to pass along to you and discuss"

Sincerely,

Peter

The meetings apparently continued at the location of the potential acquisition since the team was off-site more than usual. The executive team continued to receive bits and pieces of information from Joe at the Monday morning briefings without Peter's knowledge. Nothing though was really of substance. The executives truly felt left out and any questions they posed to Joe received confusing or no response. Doug noted during one of the meetings that "this process was the best kept secret ever at Scorecard." On the brighter side, Jack Chambers, the Vice President of Research and Development for Scorecard, Inc. spoke up one morning saying;

"although we're not included at least I can say after being here for ten years that there might actually be an acquisition on the horizon. I'm not sure what they do but hey, at least we'll have something."

With that, the meeting broke up. Soon after the grapevine began to work at Scorecard, Inc. Employees were talking to each other, asking their managers questions and several even approached Doug during their lunch period asking questions about the company Peter was buying.

A Recommendation

After approximately three weeks of due diligence by the team Joe told the executives that a recommendation to the Board of Directors to purchase a company appeared to be reaching more of a reality. The organization was a small 150 employee manufacturing company in New Jersey that made several complimentary retail products in the sporting goods market. Partners Manufacturing, located in Whiting, NJ, produced a clothing line and safety equipment for Tennis, Skiing, and Cycling. Joe described the company as a *"very together place with a product line that will knock your eyes out."* Partners had been in business for 20 years now and the only reason for the sale was because the owner became ill and no one on the family tree wanted to succeed him. Joe once again asked them to keep this confidential and to let Peter break the news.

At a special executive meeting the day after Joe let them know, Peter formally announced the recommendation made to the Board. The acquisition of Partners Manufacturing was in its last stage and he wanted everyone to *"continue to keep their distance." "When and if this becomes reality I ask that we all do nothing until I say* *so. We will meet if the deal goes through and we will plan accordingly.* They were not to impose any notions or suggestions into the new organization. Peter reiterated; *"it is hands off."*

This was again out of character for Peter. Jack decided to ask a few questions about the product line. Peter responded in a vague manner that they were producers of upscale clothing and equipment for the tennis, skiing and cycling enthusiast. More questions came forth from the executives except for Alan who remained very quiet given the previous letter he received from Peter. He sat there and listened to the responses. They did not at all make the team feel comfortable. Was this the right acquisition for them as a company? What did they know about clothing? Other executives were not quiet at all. They excitedly asked Peter one question after another. Peter, becoming visibly upset, stated that he was assured the due diligence was being thoroughly completed and all signs pointed to an easy, compatible acquisition. He had begun to review the information and at this point was pleased with what he saw. While looking straight at Joe, Peter said, "*let's leave it at that*" He rose from his chair and exited the meeting. Joe followed closely behind.

A Visit From the Acquisition

The executives did not feel any better. Jack had little comfort in knowing that he had not had the opportunity to see the facility, talk with anyone or even evaluate their product line. Sales and Marketing felt similar. How are their territories created? What's the sales force consist of? Do they have a mature product line and marketing effort? Are they a stable company? What do we know about clothing became the major concern.

Again, Alan also had some questions and was not sure if he should wait or research them himself with Joe. He did not get a good feeling if much attention was paid to critical procedural items in any of the Human Resource areas. Also, what about their quality assurance programs and processes? These did not have to be taken care of immediately but it would be nice to see if and what kind of work might need to be done. Then again Alan thought maybe we are all rushing it a little. He got burned once already by stepping forward.

Alan did notice though the mood swing in the other executives. When Peter had left the meeting they became both critical and disgusted with the secrecy and evasive responses. Alan thought it best to tell the group that they should break now and wait a little bit until the dust settles. Then maybe ask Peter for a good sit down to discuss the particulars. Reluctantly agreeing, they dispersed.

About one week later two executives of Partners Manufacturing came to Scorecard. Peter greeted them at the door in the lobby. Doug and Alan happened to be in the same area making a copy of some notes and drawings in the nearby copying center. As they exited the center they noticed Peter shook the visitor’s hands but did not introduce them to either Alan or Doug. He passed right alongside of them. Peter led the visitors to the large conference room. Alan and Doug stood there speechless.

After several hours of meeting with the acquisition team along with a tour of the facility the guests from Partners Manufacturing left. Peter went back to his office. Doug and Alan thought it best to walk over and talk about what took place and the feelings of the executives. Doug, however, received a telephone call and had to attend an emergency meeting with marketing. Doug asked Alan, by default, to approach Peter when they had their weekly lunch together. This was always the toughest part of his job; being the spokesperson for the group. In the past it made the team a much stronger one though at the risk of Alan being on the hot seat.

Alan brought his sandwich and soup and sat with Peter for lunch as they normally did. He began by mentioning to Peter that there was again a general concern among the executives since they saw the visitors touring the facility. They felt that they were purposefully being left out of the acquisition process and they truly wanted to get involved so they can learn the product line, the market, and the people. Peter became a bit defensive once again and evaded questions consistently. It appeared to Alan that no one should discuss what so many have waited for such a long time. To say the least the meeting was very uncomfortable.

The requests for involvement finally caught up with Alan. Although more times than not he was the messenger, in a three page e-mail Peter basically reiterated,

Alan,

Once again I find myself at a crossroad. We have worked together on so many projects and have been more than successful on so many of them. I would like one last time to remind you that I do not want anyone to "interfere" with the *new company, either during the process of due diligence and after the acquisition should it result in same. I have been informed by the team that the new company has a great operating system, a smooth Human Resource process, good products, development, marketing efforts, sales territories which will be a compliment to our business and stellar employees. Regarding quality, I have been informed their processes are in order. The culture is what it is and it also appears to be a good one for our employee's growth. I am asking once again, for no interference. I am not sure why you have not headed my requests in the past and quite frankly your continual questioning of my abilities is becoming rather irritating. To say the least you yourself by not heading my former requests are becoming somewhat of an irritant. Please cease bringing anything from the group to me or discussing anything about this process with me until I am ready. Let's continue our lunch meetings and stay on target with our agenda in Quality and Human Resource programs.*

Sincerely,

Peter

Cc: File

Alan sat dismayed at his desk. He knew now that there were going to be major issues ahead but he finally decided to pull back. He wondered though, why was Peter so overly protective of both the process and the result. Also why had the executives themselves not approached Peter. There was not much more than he could do. Alan made some notes, printed out the e-mail, placed it in his briefcase and left for the day sensing that

Operations, Engineering, Marketing and Sales would soon be getting a similar letter. At the following Monday morning briefing he found out they did not.

The Acquisition and its Results

Partners Manufacturing was ultimately purchased by Scorecard, Inc. The initial year was a very difficult one. None of the executives from other departments were allowed to intervene into any of the areas of their expertise. Alan stayed away from any of the confusion that occurred unless he was asked by the new General Manager, Dave, the former consultant of Scorecard, Inc. Dave struggled. Although Partners had a small Human Resource function, Dave wanted to be the final say on all the decisions made. His sole goal was to make money.

The decisions he made in the area of Human Resources did not follow best practices and were not at all in line with Scorecard’s. As an example, Dave would provide some employees with time off, others with none, new employees with whatever he felt like giving, and still others that resigned he sometimes would compensate them for unused illness time and sometimes would not. The inconsistencies in his decision making were creating an atmosphere of frustration for many of the employees.

The Sales force of Scorecard, Inc. had no idea on how to absorb the new product line into the existing one. Advertising was left scrambling without any direction on how to get the word out and how to Brand the new and existing products. Engineering could not make heads or tails about what development was taking place for new lines and Operations found it difficult to understand the manufacturing processes. Within the first nine months after the acquisition 50% of the workforce of Partners left voluntarily. As

Scorecard went into its second year, they had to lend $3.5 million to the newly acquired company.

Still Peter defended his decision to acquire based upon the due diligence that had occurred. He continued to appropriate money, a little at a time during the second year. He was heard at several executive meetings saying “I will not let it fail. We will do whatever it takes to make it succeed.” The problems continued to mount as the second year unfolded. Sporting equipment manufactured at the new company failed in the field. Customer loyalty was waning overall and many employees at Scorecard sat watching and trying to fix some of the problems that occurred at least in the manufacturing part of the operation. At the end of the second year, Partners Manufacturing lost over seven million dollars. They needed to borrow again from Corporate. Peter, continuing on his quest to make the company successful loaned the organization another $5 million.

The Human Resource problems continued to worsen. Alan was asked, as the other executives to finally get involved after close to three years of steady decline. Policies and benefits and consistency were still not in concert with corporate. Employees were continually leaving at all levels of the organization. Performance evaluations were not being completed, the benefits were still not in sync with Corporate and many of the once highly though of employee relations programs at Partners Manufacturing had ceased. Dave, in an effort to just get “warm bodies” on the job provided some candidates perks that corporate never even considered. It became more and more difficult to repair. The executives were asked to get involved and as quickly as possible. Each one felt that as long as Dave stayed out of the process there was a little light for success.

During the fourth year after its acquisition Partners Manufacturing had been in such a tailspin that it lost more money than Scorecard could justify. Peter went on record at an executive meeting to report that

> *"I made a mistake and I need this team to forgive me. As an individual who always believed in the power of teamwork and having proven it in so many ways at Scorecard, I am not sure why I did not involve this team prior to and even during the initial years of this acquisition. We have little choice but now to make every attempt to sell Partners before it drags down our main business with it."*

The executive team of Scorecard became involved and salvaged what was left of a once somewhat reputable organization. The amount of money that had been pumped into Partners Manufacturing would never be made up. It was likely now more than ever, that Peter would not pursue another merger or acquisition in the future given the results of this one. As the executive team left one of its Monday morning briefings Doug turned to Gary and remarked; "so what other mess are you going to get us into now?" Then he turned to Alan as most of the other executives did and said "thanks for trying." Partners was sold less than a year later at a net loss of millions.

Questions:

1. From a Human Resource Management point of view, analyze what went wrong.
2. Discuss what has occurred behaviorally within the top management team.

3. Research and discuss HRM's role in Mergers and Acquisitions. What would you have done differently had you been the VP of Human Resources?

ADDITIONAL RESOURCES

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