

# New Horizons

by Ben Rawal

**A business merger or acquisition can often cause nervousness amongst teams, yet the potential opportunities typically outweigh any scepticism, when implemented effectively. Ben Rawal highlights some of the key benefits of business mergers, together with the need for strong leadership and team dynamics at a critical time.**

In 2023, there were almost 60,000 mergers and acquisitions (M&A) across the globe, worth approximately \$2,500bn. Although the volume of activity has fallen steadily since 2021, the value of M&A deals has remained broadly consistent since the second half of 2022. The first half of 2024 still witnessed more than 20,000 transactions, worth more than \$1,300bn.

It's probably safe to say that M&A activity will continue for some time yet, and this is unsurprising given the benefits that can be realised from a carefully selected merger or acquisition.

This article explores the importance of strong leadership when individuals and teams are attempting to navigate the challenges of a business merger or acquisition.

## Recognising Change

However hard leaders try to convince individuals and teams that a merger or acquisition will be 'seamless,' the more this tends to draw attention to the potential uncertainty of the situation. This is a natural response to change, which often feels difficult. After all, remaining in our comfort zone is reassuring, takes less effort and usually reduces stress to a more acceptable level.

As highlighted in one of my previous articles, we all process change and uncertainty in different ways and with a varying level of pace. Some of us reach a point of acceptance quickly, whereas others will need more time to move beyond a less productive state, such as Denial, Anger, or Depression.

Despite the negative connotations attached to dealing with change, many individuals benefit from experiencing

these difficulties, rather than simply attempting to avoid them. This is similar to grieving where reaching acceptance is tough, and other thoughts and feelings must be processed in the first instance.

With large scale M&A activity, it is important to remember that your teams will all (initially) be at different phases of change acceptance. As we will explore in the next part of this article, the importance of strong leadership during change increases exponentially.



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## The Role of Leaders

As many of us already recognise, being a good leader is not restricted to those individuals in the most senior roles or positions. Leadership (unlike management) can be demonstrated by anyone, at any hierarchical level through how an individual behaves and communicates with others.

This means that during a business merger or acquisition, strong leadership at all levels of an organisation will help to implement sustained change in an effective manner. This will however suit some individuals better than others, and it is important to recognise who can (and will) offer critical leadership skills throughout the change process.

To determine who could be selected to help lead the team through change, multiple factors should be considered, as follows:

### Communication skills

Good leaders are great communicators.

Although this may sound obvious, communication is a complex skill that incorporates a variety of facets: Verbal, written, body language, and emotional expression to name but a few areas.

When teams are involved in a M&A activity, leaders must communicate using a variety of methods, and provide clarity on exactly what is happening and when. As a leader, you will be judged on your ability to communicate with multiple audiences with varying needs and concerns.

How often do you check the effectiveness of your communication skills? Or, do you simply assume that others are 'on board' with the messages provided?

### Urgency

A lack of urgency, particularly during times of change is one of the main reasons why efforts are unsuccessful or fail to fully realise the expected benefits.

Creating the right conditions for change and maintaining urgency is a key aspect of good leadership. When urgency is present, it helps to send the right message to individuals that the change journey WILL be completed in full. It



aims to overcome doubt, scepticism, and negativity by ensuring that teams experience pace and positive forward movement.

Selecting leaders with a sense of urgency for change can often be determined by understanding their behaviours in a working environment – do they regularly demonstrate proactive, positive, and energetic traits? If so, look for ways that you can use these team members to create urgency.

### Emotional awareness

Although leadership involves leading others to a particular destination or objective, this shouldn't come at the

cost of emotional negligence.

The experience of change can be incredibly exciting for many individuals – an opportunity to experience new ways of working and meet new people. Conversely, change can also be terrifying for some and best 'avoided' if possible. In my experience of working with teams, individuals encounter a variety of emotions as they deal with change.

Leading a team through a M&A also involves an awareness of your own emotions, how they affect your behaviour, and the importance of emotional contagiousness. Think of ways that you can reflect on how

you are feeling, and whether your emotions and behaviours are helping or hindering your team.

### Dealing with negativity and scepticism

Good leaders are authentically positive. This means that the way they communicate their views and express their own feelings is congruent with how they actually feel.

It is natural for some individuals and teams experiencing change to feel sceptical, or even negative about the benefits of a merger or acquisition. When this happens, it is common for groups to form that share similar views. Individuals that have different perspectives to the group are usually ignored.

For these reasons alone, leaders need to be aware of what happens across their teams, and how the dynamics of different conversations can either motivate and inspire or drag others down. A critical responsibility for leaders includes consistently setting a positive example to others and ensuring that doubts are listened to. This enables the sceptics to have their say, be heard and responded to in a way that shows empathy and understanding.

The role of the leader is to ensure that doubts are converted into opportunities.

### Seize the day

Strong leadership enables individuals and teams to be directed and supported in the right way, ultimately giving the merger or acquisition the best chance for long term success. Notwithstanding this point, mergers and acquisitions offer multiple opportunities for teams, if they are leveraged in the right way.

The table Above highlights some of the main team-related opportunities that exist when organisations come together

### Opportunities that arise...

**1. Team-based efficiency:** Mergers and acquisitions usually provide leaders with an opportunity to reassess how their teams operate. This frequently includes the ability to utilise people in a different, often more efficient and effective manner. A good example includes how individual weaknesses can be counteracted by new strengths that are now available to the team. Any unhelpful conflict within or across teams can also be reassessed and dealt with now that a different group of individuals is being introduced.

**2. New perspectives:** Teams frequently benefit from a plethora of new ideas and alternative ways of working. This is particularly relevant for those teams that become quite insular and choose to ignore external 'noise' that can actually be incredibly valuable. A merger or acquisition offers the chance to introduce new people and ideas into the team environment and learn from the experience of others.

**3. Relationship building**  
New people = new relationships – if you want it to. Arguably one of the most engaging and motivating factors about the work environment is the people we work with. This creates enjoyment in our lives,

reduces stress, and tends to be the things we remember most about our job history. Although some of us may initially feel quite anxious about meeting new people, we generally move beyond these concerns and determine with whom we can build relationships, and ultimately, trust.

**4. A clean slate:**  
Difficulties that sometimes arise both within, and between, teams can be demoralising and inevitably form part of the business culture that exists. A merger or acquisition will inevitably 'shake things up' in this regard. It offers a great opportunity for leaders to assess their business challenges and how their teams can be reshaped to improve the culture, and ultimately organisational performance.

**5. Development opportunities:**  
A new team environment can also shed light on learning opportunities, and how individuals and teams can be developed further. Some individuals could find themselves in different roles or teams, which may offer the chance to develop new skills. It is highly likely that development strategies will be revisited because of a merger or acquisition.



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