Focus on Mergers and Acquisitions Three healthcare

Challenge

Three organizations planned to merge simultaneously: one was a large multi-specialty organization, the other two were orthopedic organizations which included surgical centers, PT, etc. (i.e., everything under one roof).

The merger would provide competitive and strategic leverage.

The week before the merger was to take place, one of the ortho organizations backed out because of the "way the leadership of the multi-specialty was behaving." The CEO of the ortho felt the multi-specialty was treating the deal more like an acquisition than a merger.

The merger with the other ortho went ahead. However, shortly after the merger, they began to feel the same way the first ortho did toward the multi-specialty.

5 Dynamics was brought in to consult and to help get the merger back on track with the ortho that pulled out.

Action

A cross-organizational team was formed with representatives from each of the three organizations.

5 Dynamics was integral to the work in three ways: 1) to help this diverse group of people understand the project completion cycle and the impact it would have on both organizations, 2) to build the merger team and 3) to help each organization understand their respective cultures.

For example, it was revealed that the culture of the ortho that initially pulled out was high in Excite Energy, while the multi-specialty was an Explore/Execute culture. This difference helped them understand the initial miscommunication.

Results

5 Dynamics enabled the merger team to have explicit conversations about their differences. They came to understand that ALL Energies were important. The multi-specialty learned to slow down and engage the ortho (not issue an edict).

The merger got back on track and closed several months later. Post-merger, 5 Dynamics continues to be used by the leadership team to guide their process and build the team from the beginning to the end of the project completion cycle.