

Diversity, Equity, and Inclusion (DEI) in M&A

The future of transactions



M&A deals are often the confluence of an organization's most strategic priorities and influential leaders. Thus, an M&A transaction presents multiple opportunities to root out existing systemic inequities and infuse or implement leading DEI practices within an organization's existing programs and people management strategies. By incorporating DEI into every stage of a transaction strategy, deal teams have an opportunity to set the foundations for an inclusive and equitable culture and actively manage bias even before a deal is announced.

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M&A DEI Approach through 8 interdependent activators

Foundational



Infrastructure: During M&A activities reimagine key processes and policies, such as how reports of discrimination are addressed.



Talent: Assess the buyer's and target's talent programs to create an experience that mitigates bias and levels the playing field for all workers.



Culture: Actively identify risks and opportunities to settle down the foundation for an integrated culture early on.

Differentiating



Community: Reflect DEI commitments with the new organization's partners and suppliers to help maximize mutual benefits and support broader goals.



Brand: Collaborate with the target organization's leaders to redefine or refine the company's DEI brand aspirations.



Customer: Engage in inclusive decision-making to reflect insights about customer and partner values that mirror the combined organization's commitment to DEI.

Enabling



Analytics: During M&A deals, incorporate DEI analytics into organizational design and talent selection to optimize and measure how an organization's inclusion practices work together to maximize human potential.



Leadership: Achieve DEI aspirations and drive authentic connection and innovation through leadership buy-in from across the organization.

Activate DEI throughout the deal lifecycle

Due Diligence



Due diligence is an early opportunity to assess if the buyer and target organizations possess complementary values around inclusion and a culture of inclusivity - both for use in managing risk and to support integration planning.

Day 1 Planning



As integration planning kicks off, it is important for the leadership teams to intentionally select diverse team members who will represent their organizations and their communities.

Data can help identify where biases need to be addressed when leveling acquired workers to the future state organization and can help drive equitable pay.

Day 1 is an opportunity to illustrate the organization's commitment to fostering a culture that values DEI in its day-to-day operations and ways of working.

Day 2 Planning



For talent selection processes, the integration team can determine whether there is an opportunity to either take the best of each organization or completely re-imagine them into more equitable organizations and foster an inclusive working culture.

Leaders should evaluate external partnerships to determine if they uphold standards of equitable pay, fair trade, and unbiased hiring practices.

Diversity, Equity, and Inclusion (DEI) as a new mandate for M&A

DEI can and should be used as a strategic driver to realize the full value of a transaction. From how the stage is set at the announcement, to onboarding and talent selection, weaving in DEI practices, policies, and programs can be used to drive deal value and deliver an optimal experience for workers, customers, and partners. As leaders within your organization, you can put your company's DEI practices into action. Starting today, engage with your company's DEI lead to shape how you plan for and execute deals. M&A transactions force leaders to make strategic choices about the organization, which enables them to transform their DEI approach and maximize its benefits at the right time.

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