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THE RIPPLE EFFECT

Stories of purpose and lasting impact

Cultivating growth through expansion

For one US agribusiness, the seeds for continued success lay in M&A

COULD ANYONE EASE THE **SHOCK OF TRANSITION** FOR TARGET COMPANY EMPLOYEES?

THE SITUATION

If you want to grow something, you need to be sure conditions are right, then tend them closely over time. This principle applies as much to business as to barley, and it's one that a US-based agribusiness had successfully applied over decades of production, diversification, and vertical integration. Then recently, in a bid to stay ahead of climate-induced shifts in agriculture, company leaders sought growth beyond their borders.

The seed for that growth: acquiring a foreign agricultural retailer (a provider of products and services to growers). This retailer was geographically remote and organizationally small but had a significant footprint in a strategically important region. The conditions for the growth to be successful: integrating the retailer's people, processes, and customers into a much larger organization.

Mergers and acquisitions (M&A) are complicated enough; they're even more so when different governments, laws, regulatory bodies, currencies—even units of measure—are involved. The upsides were clear: new markets, a climate hedge, supply chain efficiencies. So were the risks—many of them cultural.

The transition from a 150-employee company to a multinational corporation could be a shock to the employees and the growers. Then, too, ag is an especially relationship-driven sector, in which the bond between growers and their agronomists and crop advisers is both personal and central to the business. This made the retailer's employees as integral as the products they sold—if they left, their clients would likely follow.

Employee retention and organization design would clearly be high priorities in this acquisition. For an assist, the retailer engaged professionals from Deloitte's Mergers, Acquisitions, and Restructuring practice.

THE SOLVE

Right away, the Deloitte team adopted a collaborative, hands-on approach, setting up a base of operations at the client's US headquarters and working with the retailer both virtually and in person for moments that mattered.

The integration work would be guided by distinct principles, starting with minimizing the amount of change for the retailer's grower customers when the acquisition closed. Other principles included empowering functional leaders, mutual support and agility, and, of course, a focus on growth and value.

The planning process for integration was methodical and comprehensive, developed during workshops with stakeholders from both sides of the acquisition. Charters were created to define planning parameters for each organizational function, followed by blueprints that outlined the scope, approach, and plan these functions would follow. Integration milestones—key activities, often interdependent with other functions—were identified and validated, then applied to a dynamic integration roadmap against which timelines, progress, and changes were tracked. Every step of every process for every function was reviewed and affirmed by stakeholders in an interactive Walk-the-Walls™ workshop.

Work of this complexity isn't without its own disruptions; at one point, some unforeseen regulatory due diligence brought integration planning efforts temporarily to a complete stop. Other (foreseen) disruptions—like integrating two different ERP systems—were strategically postponed, ensuring smooth operations during the growing season.

Especially diligent effort was applied to talent retention and change management. A Day One readiness packet—outlining what was changing and what would remain the same—was developed for employees in collaboration with the various functional teams. It covered everything from email domains to corporate credit cards to company vehicles. Preparation for the Day One announcement was carefully managed, with a clear messaging strategy that emphasized the shared values of both organizations. Executives, equipped with talking points for employees, customers, and suppliers, then embarked on a three-day road show to answer questions and promote enthusiasm.

IF TARGET COMPANY EMPLOYEES LEFT, GROWERS WOULD LIKELY FOLLOW.

THE IMPACT

Leadership on both sides deemed the integration a success, lauding the Deloitte team's hands-on, white glove approach. The project's impact was profound, immediate, and measurable: a successful deal announcement and issue-free Day One for approximately 150 employees across 15 locations, with 100% of conveying employees accepting offers to join the company.

"New" employees were warmly welcomed into the organization, providing opportunities for advancement and continued success. Growers retained their trusted advisers, while gaining access to state-of-the-art resources and experience from the US side of the company. Local communities also benefited from the organization's continued commitment as a corporate citizen, building on the strong local relationships of the acquired company.

The US company significantly expanded its footprint, using the acquired business as a robust platform for growth in a geography of increasing strategic importance to the ag sector.

Meanwhile, the Deloitte team's humble, collaborative approach earned them the privilege of being, in the words of one leader, the firm's "first and last call" for M&A advice—demonstrating what growers everywhere already know: Organic growth may happen with effort, but for truly bountiful returns, an assist can make all the difference.

LET'S CONNECT.

Do these challenges sound familiar?

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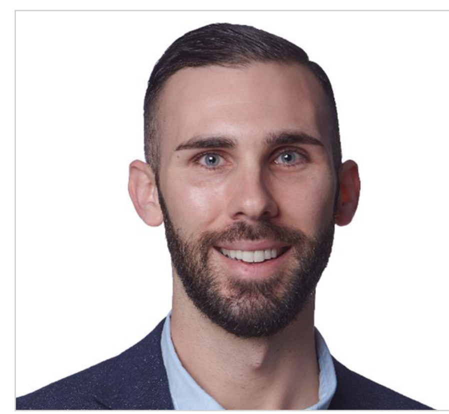

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