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THE RIPPLE EFFECT

Stories of purpose and lasting impact

In M&A, there's no second chance to make a first impression

In one of the largest-ever bank acquisitions in North America, strategic planning helped drive a complex integration and seamless welcome for a regional bank's customers.

SO MUCH NEEDS TO HAPPEN IN **THE DAYS** **LEADING UP TO DAY ONE**

THE SITUATION

The transaction was an incredible opportunity for a North American bank to scale up and expand further into US markets. On closing, the acquisition of a large regional bank would add hundreds of branches, commercial banking and wealth management offices, thousands of employees, and more than 1 million customers. It was a big deal, in more ways than one, and the North American bank aspired to deliver a world-class integration.

Mergers and acquisitions (M&A) had been a key component of the bank's growth strategy. But this acquisition was different. It was among the largest North American banking M&A transactions in recent years, and it was highly complex. Every domain and department was likely to be affected in some way as part of the integration, and the North American bank wanted to avoid undue disruption to daily operations. A seamless transition to introduce the brand and experience to the regional bank's customers was paramount.

At the same time, the North American bank was committed to moving quickly. Anticipated cost synergies and operational efficiencies helped shape the business strategy for the transaction, and leaders were focused on accelerating time to value.

There was little question about *what* needed to be done to enable a successful integration and *why*—but, given the scale and timeline, the “*how*” was crucial. If the North American bank wanted to hit the ground running on legal day one (LD1), it would need a strategic adviser and a delivery partner to help keep the wind at its back.



THE SOLVE

The North American bank engaged Deloitte—which had deep industry experience in [M&A in banking and capital markets](#)—to serve as its strategic adviser for the overall integration. Working together, Deloitte helped set an aggressive timeline with parallel planning for LD1 and customer day one (CD1).

To expedite strategic planning, decision-making, risk management and execution across functions, Deloitte helped establish an Integration Management Office (IMO). The IMO enabled C-level executive governance and senior leaders to fully collaborate on the integration across the enterprise. Deloitte worked with bank leaders to consider what the combined organization could look like postclosing, identify synergy opportunities across each part of the bank to realize financial value from the transaction, and develop plans to deliver on the integration strategy.

A critical first milestone was legally closing the transaction after receiving regulatory approval. Through meticulous planning, the North American bank met all LD1 requirements on schedule without disruption to either bank or their customers. Subsequently, the North American bank completed and exited all transition service agreements with the selling corporate parent.

Beyond LD1, the full transition to operating as one integrated bank was completed through a series

of major conversion events. The regional bank's customers had to be made aware and supported through the changes to minimize negative impacts. That message also needed to reach regional bank employees. In the months between LD1 and CD1, the North American bank onboarded thousands of regional bank employees, helped them become familiar with their new organization's systems and processes, and raised minimum hourly wages for all qualified US employees.

Deloitte also worked with the North American bank's business, technology and operations teams to design and enable key customer transition experiences through secure data migration, digital account access, and support from branches and contact centers. The teams conducted multiple "mocks," or practice conversion events, to troubleshoot potential issues.

The largest conversion event coincided with a holiday weekend. Regional bank customers were notified that, beginning Friday night, they would have limited access to their accounts before being able to take advantage of new features and functionality after conversion. On Tuesday morning customers could log back in to access their accounts within the North American bank's environment. Everything had changed, but with minimal disruption—the mark of a successful integration.

SEAMLESSLY ONBOARD EMPLOYEES AND CUSTOMERS, WITHOUT MAKING WAVES

THE IMPACT

The North American bank's goal was a best-in-class integration that was completed on time and delivered meaningful synergies, with limited impact on customers. Deloitte's strategic advice and delivery support enabled the bank to close the transaction and complete the majority of integration in just 20 months—and only seven months after legal close—while demonstrating high-quality delivery and stability.

The acquisition furthered the bank's growth trajectory significantly. Nearly 10,000 new colleagues joined its organization from the regional bank and are receiving a new talent experience.

The North American bank also welcomed more than 1 million customers from the regional bank who are benefiting from new products and digital experiences, including access to expanded capital markets offerings, broader financial well-being and wealth management services, and a vast network of ATMs.

Preclose, the North American bank announced a multiyear community benefits plan to bring a substantial investment to underserved communities where the regional bank operated. This investment is anticipated to enable new business and job creation in those communities—and that's an impact that's intended to resonate.



SUCCESSFUL M&A JOURNEYS ARE PLOTTED LONG
BEFORE DAY ONE

LET'S CONNECT.

Do these challenges sound familiar?



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