Coping With Change

Companies Maintain Positive Environments

By Matt L. Ottinger

When Indianapolis-based HardingPoorman Group acquired Saint Clair Press to join its other locally owned and operated graphics and printing companies in 2010, the business was tasked with the challenge of uniting workforces.

"Differing cultures is always a concern," explains president/CEO David Harding. "A good new hire orientation plan that includes discussion about the company's vision, values and strategies is a good way to get new staff members off to the right start."

Harding adds, "You have to follow up with them and continue enforcing your company beliefs. We always ask employees coming from new companies to make notes about what they see that they don't understand, but also ideas they have to improve our operations. After all, they're coming into our company with a fresh set of eyes."

Jeff Henry, regional managing principal of Cassidy Turley – a commercial real estate services company that underwent a major rebranding two years ago and has completed recent acquisitions across the country – contends the most important part of blending workplaces comes before the merger takes place.

"Our primary (objective) at the top was to maintain the culture," he offers. "We took our time and did our due diligence to make sure companies we were merging with would have the same culture, thoughts, goals, and code of ethics and integrity that we had. We weren't going to sacrifice that just to make a little bit more money."

Cassidy Turley employees came together for an annual day of service in October 2011. Approximately 50 volunteers gave more than 200 hours of their time to beautify Stringtown Park in Indianapolis, and the company made a financial contribution to underwrite new equipment.

Growing pains

Henry points out that after mergers and acquisitions are executed, maintaining continuity can be the most difficult task.

"The biggest challenge is bringing a consistency to all the cities and former companies," he says. "There are a lot of legacy situations you have to deal with. Generally, you give yourself two or three years to deal with that, so that after that everybody operates the same on a daily basis."

Another potential hurdle is getting new employees to work cordially together. Jay McAveeney, chief strategic officer for Bingham Greenebaum Doll (BGD, created by the recent merger of Indiana-based law firm Bingham McHale with Kentucky-based Greenebaum Doll & McDonald), states that getting everyone on the same page is critical.

"Challenges are numerous – some are people, some are operational," he asserts. "One of the things for us in integrating the firm is getting our lawyers to work together. So far, that's been easier than I ever would've expected. Lawyers generally aren't known for being collaborators or team players so to speak – a lot of individual contributors. But I attribute (the successful merging) to the cultures of each firm being so well aligned."

McAveeney reports that an integration team of 16 people (eight from each office) has met regularly since the merger was approved in late December 2011.

"We've agreed on a charter of how we're going to work together and the importance of being open and receptive, and embracing change – and to be respectful and civil to each other at all times," he shares. "That team has focused on integrating operations and building consensus around how we want this new firm to operate. It's been by and large a very positive experience."

Battling the unknown

When companies come together, positions can overlap. That can lead to some staffers developing insecurity and uneasiness about their futures with the company.

"There is always a sense of uncertainty," Harding relays. "People have fear. I have an

Shortly after the merger that created the law firm Bingham Greenebaum Doll, attorneys from both legacy firms came together at the Corporate and Transactional Practice Group Retreat.

acronym that fear equals False Expectations that Appear Real. For example, inevitably they fear they will lose their jobs. We explain to them that the additional sales we are acquiring require more people. They know their existing customers better than we do."

Harding also recommends leaders walk around the plant or business to make sure new employees feel welcome, as well as a buddy system in which a current employee pairs with a new employee to assist in the transition.

Staffers from HardingPoorman speed to the finish at the company's race party, held to unite employees in celebration of the Indianapolis 500 and the coming of summer.

McAveeney adds that proper job retention assurances were given, though some restructuring could occur as there may be more than one person currently filling a certain position.

"For example, if you have two (chief financial officers), but in the future you may not need two; we have committed to everybody on that team that there's a role for them in the combined firm," he qualifies. "We tried to take some of the angst and anxiety away by telling everybody they have a role and they are important to the firm. They were important in their legacy firm and that importance will carry over to the new firm."

Mergers can also be a boon to job opportunities, according to Henry.

"Morale was very positive (during Cassidy Turley's period of change and growth)," Henry discloses, noting the rebranding allowed the company to operate independently and not as part of a network system that limited local autonomy. "This gave us the opportunity to control the brand and make it whatever we wanted. Instead of reducing the workforce, we've actually added people since that time. It gave people not only an opportunity to keep their jobs, but a lot of opportunities for advancement."

Open lines

In all cases, leaders assert that communication is integral to navigating the difficult waters of such a shake-up.

"To make them feel comfortable with their future, (I suggest) considering sharing financial information with them," Harding advises. "What the merger means financially to both companies, net profits, money in the bank, financial history of your company, etc.

"If there are terminations that have to occur, it's best to do them as soon as possible (maybe even before the new staff members are moved to your facility)," he adds. "Then we let them know we plan no further layoffs due to the merger."

John Sauder, partner at accounting firm CliftonLarsonAllen (formed by the recent merger of LarsonAllen and Clifton Gunderson), explains it's important that employees hear all news about ongoing mergers internally rather than from external sources.

"We were very proactive in letting the entire employee group know that talks were going on," he recalls. "Even if we didn't have all the answers, we wanted to keep them informed of the progress."

Sauder mentions that the company's CEO conducted live broadcasts to various offices of the firm in which staff was gathered.

McAveeney adds that keeping company news in front of staff daily helps them feel like a part of the process and helps alleviate doubts and potential rumors.

"We're trying to leverage technology with an Internet portal that becomes a central communications hub for the firm," he explains. "Every morning when people sign on to their computer, the first thing they see will be this portal. Prominent at front and center will be headlines of what's going on in the firm – maybe things that happened the day before. There will also be a list of activities for the day. The whole point is to create a sense of community in a virtual world."

Judging by their inclusion on the Best Places to Work list, these companies have managed to maintain positive working environments in the face of what could have been turbulent times.

"We didn't know how the Best Places to Work survey would turn out considering it took place right after the merger," Sauder says. "So we were very pleased that we received recognition that the employees still had a (collective) positive attitude."