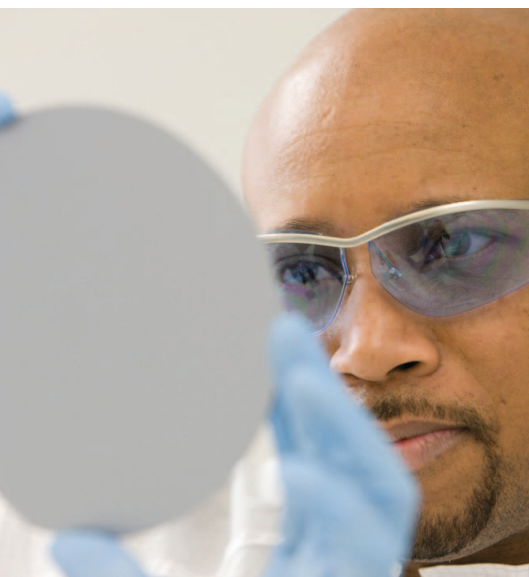




in Employee Engagement



FTI Consulting supported Merck with the integration of the culture and people of an acquired business via effective change communications and employee engagement.



Merck is a healthcare, life science and performance materials giant, employing nearly 40,000 people around the world. In 2014 it spent €1.9bn to acquire AZ Electronic Materials, a company with 1,150 employees, over half of them in Asia.

To extract maximum value from this investment it was essential to integrate AZ successfully – in terms both of operational structure and, perhaps even more importantly, the people. The planned synergies that made the deal so attractive would be meaningless if people were not willing to carry them out, if talent was not retained and a smooth transition into the Merck brand and governance was not secured.

Merck engaged us to help them integrate the two companies' cultures as it brought the legacy AZ employees into its Performance Materials segment. Our role was both strategic and operational, requiring us to know how to engage with people, develop and run extended and far-reaching communications activities and manage the project internally in close alignment with the other workstreams and as part of the Integration Management Office.

It is all but impossible to change a team's behaviour unless the leader is a part of the process – so we made it a priority

to inform leaders and motivate them, while also engaging the broader group of employees. We achieved this in a variety of ways, under the integration claim called 'The right chemistry for success'.

The integration intranet was established as a common information platform for both companies. More so, it was where the integration became "personal". Profiles of Merck and AZ employees were posted and joint local events were showcased - helping to demonstrate that this was a collective effort in which people were highly valued. Another successful and highly valued information channel was a fortnightly newsletter, featuring an editorial by the head of integration at Merck.

One of our touchstones was the phrase 'uncertainty creates resistance', so transparency of information and trust in leadership were principles of our communications concept. Whenever a milestone was reached in the overall integration process, we ensured that everyone was fully informed and involved.





**DEFINITIVE
EXPERTISE**

in Employee Engagement



FTI Consulting's Integration Communications and Employee Engagement expertise was highly regarded and valued at Merck. Throughout the deal and subsequent integration process, FTI fully delivered on the requirements and challenges of the project. Strategic advice, creativity and operational delivery – across multiple cultures and time zones – was excellent. It was good to have highly professional and motivated consultants at one's side that were also fun to work with.

— Markus Kaiser,
Head of Communications:
Performance Materials, Merck



As such, face-to-face meetings played a staple role. An extensive welcome roadshow of all AZ locations with Senior Management and the IMO of Merck was organized, regular town hall meetings at

which leaders talked about the business and the integration process were organized and go-live events celebrating the new organizational structure of the segment were held at every AZ and Merck site.

OUTCOME

WITHIN 10 MONTHS OF THE DEAL TAKING PLACE, THE TWO OPERATIONS HAD BEEN SUCCESSFULLY INTEGRATED.

People identified strongly with the newly structured business, understood its vision and knew how they could play a part in achieving its goals. They were happy to be Merck employees, and indeed were excited about working for such a big, famous and successful company. The retention rate for top talent was almost 100%.

We really had found the right chemistry for success. Above all, that was because we understood the essential elements of effective integration change and engagement communications, and how to deliver them.

INVESTIGATE EVALUATE COMMUNICATE



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