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From the South Florida Business Journal:

<https://www.bizjournals.com/southflorida/news/2018/10/08/how-to-complete-operational-projects-after-m-a.html>

## How to complete operational projects after M&A with limited outside spend

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Organizations merge and acquire each other as a means of expansion and development, but M&A also creates unrest and unsettlement. When a company is acquired by another company, management is not prepared for the preemptive resignations. Additionally, management is less prepared for the disruptive aftermath that results once the lawyers, bankers, consultants, and accountants leave.

In forming a new normal, organizations face the challenge of integration. This cleanup takes the multi-faced form of operational projects – non-advisory substantive work that can be completed in-house. With minimal direction and guidance, organizations find themselves in the too common position of “winging it,” standing back and entrusting their internal teams with the details of executing these projects.

The following considerations are designed to assist organizations with determining the best way to complete operational projects.

### Properly assess your internal teams' bandwidth

“Always do what you can with internal resources” is Ascendo’s first advice to clients. When organizations can complete an operational project with internal resources, they save on costs and retain institutional knowledge. However, organizations continuously fail to assess their internal teams’ bandwidths and end up assuming too many operational projects.

In early spring, Ascendo met with the general counsel of a healthcare company which had completed an acquisition. In discussing post-M&A projects, the GC mentioned integrating 500+ vendor agreements into the contract management platform. The GC assumed that the in-house staff could complete this project, but she failed to appreciate the amount of time required to review, redline and update 500+ vendor agreements.

Ascendo presented a managed-service solution by providing contract resources and managed the engagement. The project was completed in less than three months and the in-house team was able to attend to business as usual.

### Identify projects that directly impact the business and create a roadmap for completion

Properly identifying projects that positively/negatively impact revenue can determine whether outsourcing is an optimal solution. Last year, after a consumer goods client had completed a merger with a similar company, Ascendo met with the operations lead to discuss updating their ERP and he mentioned revenue-reporting discrepancies. We recommended an audit of customer agreements to identify the reporting variance (customer agreement data vs. ERP data), remediate the data in the ERP, and report additional revenue.

In completing the audit of 1,600 customer agreements, there was significant discrepancies and we provided new data which was reflected in the following quarter’s reports. The additional revenue was an ROI (additional revenue reported > cost of project), but the project would have never kicked-off without a clear roadmap for completion.



LUIS ALVAREZ

The challenge in staffing is knowing when to utilize an outside firm. Organizations should bring in external resources early in the process.

Project scope should be broken down into individual processes, documenting each task and time requirement. By creating workflows and using time as a metric, teams operate efficiently. The completion of an operational project becomes feasible when there is a clear roadmap, and it can forecast staffing, which is crucial for controlling outside spend.

### **Staff the appropriate team - knowing when and how to use external resources**

The challenge in staffing is knowing when to utilize an outside firm. Organizations should bring in external resources early in the process.

In early 2018, a recently-acquired media company engaged our company to support a scanning project. The scope was to scan files and upload them into a contract management tool. The media company had started the project with an internal team but decided to utilize an outside firm halfway through the engagement.

Batches of their work were reviewed and it was concluded there were errors and omissions. The media company confirmed that they had not completed quality control, and a roadmap for remediating and completing the project was created. The team completed the project on time, but the rework was unavoidable.

Rework (and overruns) can be minimized when proper staff is in place. The media company should have done daily quality control and metrics, even if it decided to utilize only internal resources.

*Learn more about services at Ascendo Resources.*

*This article is the first of a four-part series exploring common projects (litigation, records management, and anti-money laundering) and how organizations can complete them while controlling spend.*