

CASE STUDY - Culture Diagnostic to Align and Accelerate M&A Success

CONTEXT AND ASPIRATION

A startup was acquiring a division of a much larger name-brand to accelerate its scalable growth strategy. The deal was designed to be completed in a series of phases over a two-year period.

A six-phased approach to the culture integration was designed to prepare leaders and teams in both organisations, co-create a vision for the future culture, assess current culture in both companies, and design culture interventions over the duration of the merger timeline. The People and Culture team were looking for a culture diagnostic tool that could be used to derive insights into each company's cultural strengths and potential inhibitors to successful integration.

OUR APPROACH

Adaptive Cultures worked with senior leaders from both companies to define a joint Aspirational Culture and then launched the Insights Culture Diagnostic across both organisations to assess the Current Culture.

The Diagnostic assessed the stage of cultural evolution across a range of indicators, including leadership, purpose embedment, communication and collaboration, responsibility and ownership, customer centricity, learning and development, risk culture, and diversity and inclusion.

The results corroborated most of management's hypotheses about the predominant culture in both organisations and identified some culture nuances that could be significant obstacles if not addressed.

A top-down-bottom-up communication and feedback loop was established to normalise any culture differences that might emerge from the Diagnostic.

Note: More detail of this Case Study can be found in our Greenpaper [An Adaptive Approach to Culture Due Diligence](#)

**Culture Diagnostic | Merger & Acquisition |
Culture Integration | Cultural Due Diligence**

OUTCOMES

Establishing a top-down-bottom-up communication and feedback loop laid the groundwork for a successful first phase of the merger. Leaders and employees came together with open and curious mindsets, and realistic expectations about cultural differences.

The insights derived from the Diagnostic enabled the People and Culture team to design a series of structural, social, and individual interventions to support and accelerate the merged company's journey from two cultures to a single future culture.

The "buffet" approach to designing interventions for just-in-time delivery was aligned to the unique phased approach to the merger. As teams merged over time, a catalogue of cultural activities was available to support their integration.

A "just-in-time" approach was introduced, Teams having a catalogue of possible interventions that they could choose from, depending on their emerging context.

This work was undertaken in 2022.

