



HR transaction

From due diligence through to post acquisition, and ‘taking control’ of integration, PwC helps companies address the specific structure and HR compliance, compensation, benefits, people motivation and other issues that surround each transaction.

Problem statement

- How different are the target’s processes and policies from my company?
- Are there any synergies in the processes and/or culture?
- What will be the financial implication for the HR function?
- Which processes should be harmonised immediately and what should be phased out gradually?
- Is the manpower efficient to be a part of my company?
- What should I communicate to the employees getting inducted to the new entity?



44%

of senior executives report that integration is the greatest source of error in M&A and that overcoming human capital challenges is critical to integration success

- CLC research



How we can help

Human capital-related challenges are amongst the more important challenges to successful M&A integrations. Yet, just 15% of organisations are effective in managing key human capital risks during integration. PwC possesses expertise to enable clients address the people challenges through the entire deal process from pre-deal analysis to integration of the entities.

Areas of work

Pre-deal due diligence

Our services in HR due diligence encapsulates review of all people related aspects of the target like synergy review in terms of the following:

- People strategy
- Company and workforce profile
- Organisation structure
- Compensation and benefits
- Retirement benefits
- HR policies and processes
- Industrial/employee relations
- Statutory compliances



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- Cultural differences
- HR financial implication
- Operational people risks

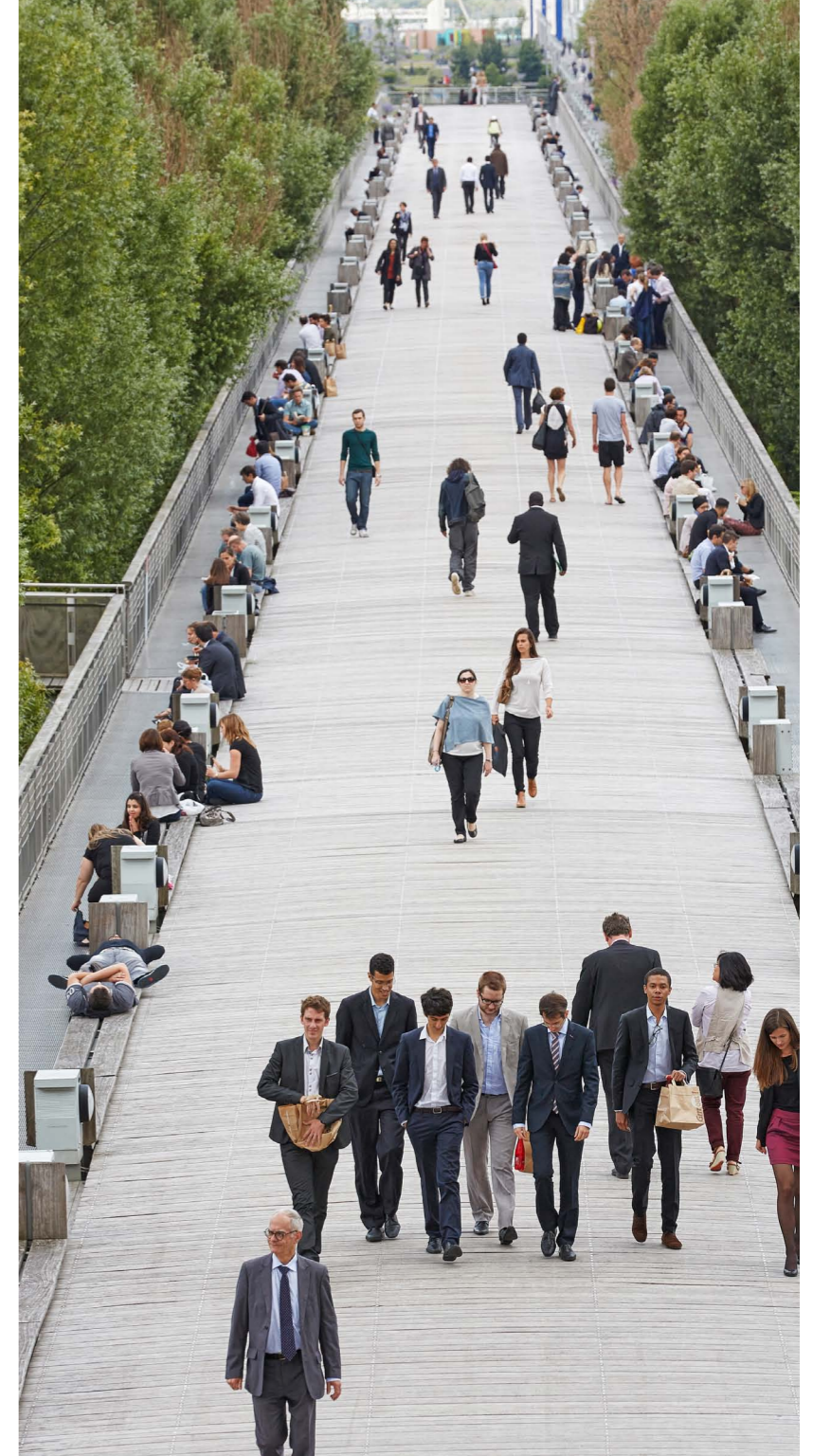
Pre-completion planning

This service enables organisation to prepare for Day 1 of the new entity and the roadmap to follow for successful integration. PwC helps clients define and develop strategies for critical milestones such as the following:

- Day 1 critical actions
- Defining senior management roles
- Managing employee uncertainty
- Defining people strategy
- Communications planning
- Managing employee representative groups
- Transition and end-state organisational design, and planning



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We can support our clients in the following areas of work:

Post-deal integration and harmonisation

PwC can help conduct a diagnostic gap analysis and design a harmonisation plan for all people related activities.



- Development of organisation structure of the new entity
- Pay and rewards integration and harmonisation
- Integration of HR policies
- Integration of benefits programmes
- Harmonisation and integration of HR systems
- Identifying cultural barriers and strategies to deal with differences
- HR functional support and effectiveness
- Employee engagement maintaining productivity
- Capability and training to suit new organisation
- Workforce planning for transition and beyond
- Transition and migration planning

PwC uses the following standard tools and methodologies:

- PwC M&A and transformation frameworks
- PwC risk assessment methods and tools
- PwC workforce analysis processes and tools
- PwC employee cost analysis processes, tools and templates etc.

Benefits to the clients

- Identifying critical HR-related financial adjustments that affect deal pricing and negotiation
- Improving the effectiveness of human resources post deal
- Retaining key critical people
- Gaining smoother post deal assimilation and gaining better control over operations
- Motivating people to better performance levels
- Gaining higher productivity out of the existing workforce

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