



EBOOK

Top 5 considerations for Workday M&A



Introduction

Mergers and acquisitions offer a number of strategic, financial, and operational benefits. They can help companies grow, diversify, increase their market share, and meet business goals. But for all the benefits they offer, M&As are also extremely complex undertakings, posing a variety of legal, financial and operational challenges.

One of the major challenges presented by mergers or acquisitions is getting all employee populations in one system of record. While organizations want to accomplish this as quickly as possible, especially with a costly TSA (Transaction Services Agreement) in place, attempting to complete the task without having the correct stakeholder alignment, tools, planning and execution in place brings further complications and may only cause delays.

Having completed over 200 Workday M&A projects, we've put together five important considerations to help ensure the process flows quickly and correctly.

Strada's 17 years of experience deploying and optimizing Workday – for our clients and ourselves – has provided us with valuable insight into how companies can overcome these challenges and minimize the risks when attempting to consolidate their employee populations on Workday following a merger or acquisition.

1. Timing and priorities

M&A timelines are notoriously tight. Everyone wants a swift integration but rushing can lead to costly errors and employee dissatisfaction. The key to avoiding this is to start building your integration plan during due diligence. As you consider your future business model, leadership structure and go-to-market priorities, use that to establish your integration timeline and priorities.

Once you have established your timeline and priorities you can refine the scope of your integration plan and assess the impact on the legacy businesses. You can also begin to identify the key resources that will be part of the Integration activities. These resources could be both internal to your organization, as well as experienced Workday M&A partners like Strada. A knowledgeable partner can help you prepare for the upcoming project and help you refine the plan for your Workday platform.

Many of the integration challenges companies face following a merger or acquisition can be easily sidestepped with early planning and a clearer understanding of integration's role in the larger M&A process.

Actionable advice:

- ✓ Start planning during the due diligence
- ✓ Develop a detailed roadmap with clear milestones and dependencies
- ✓ Catalog the impacted systems and processes to move quickly toward your future state
- ✓ Identify partners to help you through your Integration plan



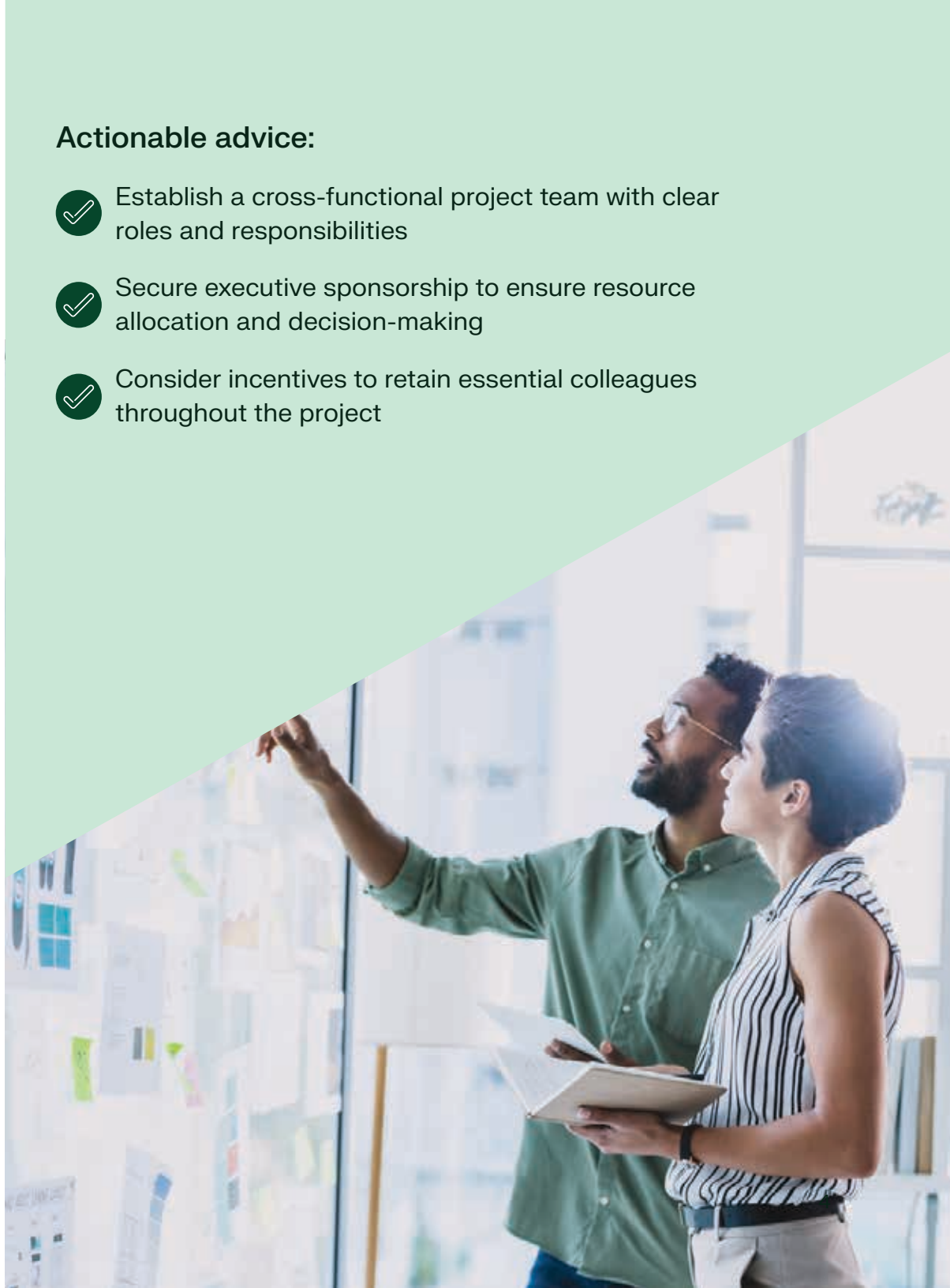
2. Resources and project management

As mentioned previously, it's essential to ensure that you have allocated the necessary implementation resources. We recommend dedicated resources and a formal project management structure for all business areas including internal functions. All team members should have a clear understanding of the priorities in the integration plan as well as understand what is expected of them at every stage, from design to implementation to ongoing support. While our clients tend to focus on technical skills, it is important to include resources to handle change management, communication, and process alignment.

Additionally, as you go through your M&A project, clients often lose team members who hold valuable insights and knowledge of the legacy businesses. This can cause significant delays or complications to the project as others try to fill the knowledge gap left by the exiting employees. We recommend that you may want to consider retention or completion incentives for the key team members on the project.

Actionable advice:

- ✓ Establish a cross-functional project team with clear roles and responsibilities
- ✓ Secure executive sponsorship to ensure resource allocation and decision-making
- ✓ Consider incentives to retain essential colleagues throughout the project



3. Colleague experience

A major part of ensuring your M&A systems integration goes smoothly is providing colleagues with a clear path forward. Instructions and expectations should be clearly communicated to all colleagues throughout the process. Changes should be scheduled and communicated to ensure that employees know exactly what is happening and when.

The colleague experience, especially within the acquired organization, should be thoroughly understood and documented. Though changes to established routines and workflows are inevitable following a merger or acquisition, clear insight into the employee experience can minimize disruptions and delays.

An essential aspect of the employee experience is, of course, the daily toolset they rely on including email, calendars, messaging, etc. Knowing what tools your colleagues count on to accomplish their daily tasks will help ensure they have what they need to keep your business moving forward during the change.

Actionable advice:

- ✓ Develop a comprehensive communication plan to keep employees informed
- ✓ Provide accessible training and support resources, including self-service tools within Workday
- ✓ Gather employee feedback to identify and address pain points



4. Strategic alignment and governance

Businesses don't stop doing business during M&As. Not only will all companies involved have active deals and strategic initiatives underway throughout the process, but they will also likely have differing protocols and approaches.

Alignment is fundamental to ensuring a smooth integration process. First and foremost, it's important to establish the priority of concurrent deals and other strategic business initiatives. Likewise, a consistent governance model must be instituted for workstreams, reporting and stakeholder management.

Even something as simple as standardized templates for considerations, tasks, timelines, project plans and consolidated reporting can reduce frictions and improve efficiency.

Actionable advice:

- ✓ Establish a governance model that has line of sight to all major projects and initiatives
- ✓ Create a consistent approach to all projects allowing for streamlined reporting
- ✓ Align leadership on priorities and outcomes to ensure they understand the organization criteria for success

5. Transition from implementation to ongoing

Finally, it's always important to remember that implementation is not an end in itself, but the first step in establishing ongoing systems and operations. Ensuring a smooth, seamless transition is as significant as a smooth, seamless implementation.

Emphasizing stable “transition to ongoing” activities will help keep teams focused on the fixed and secure tasks as any remaining complications are ironed out. Resources for each phase of the transition – dedicated or designated SMEs (Subject Matter Experts) – should be identified and positioned to ensure proper support.

Remember that timelines will vary by workstream/ function, so it's important to plan and coordinate accordingly.

Actionable advice:

- ✓ Establish a post-implementation support plan and clearly communicate it to your business
- ✓ Invest in ongoing training and development for HR and payroll teams
- ✓ Create rolling support plans that scale as new workstreams go live and move to your support model



Conclusion

For all the potential challenges posed by M&As, getting your employee population live on Workday quickly and correctly is possible. Taking the time to consider the above factors can help simplify and accelerate the process. While it might be impossible to completely eliminate complications, the right approach can reduce them and minimize their impact.

If you're taking on a merger or acquisition, Strada has the Workday experience and expertise to help you complete the implementation quickly, while still prioritizing quality.

Start your journey with us.

