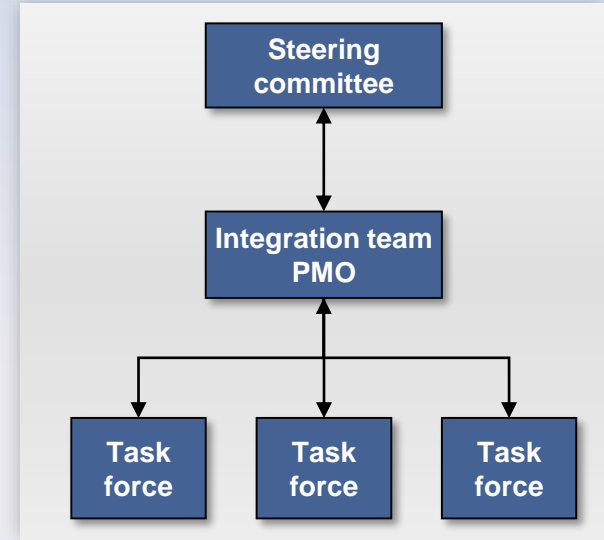




Expertise in PMI-Projects



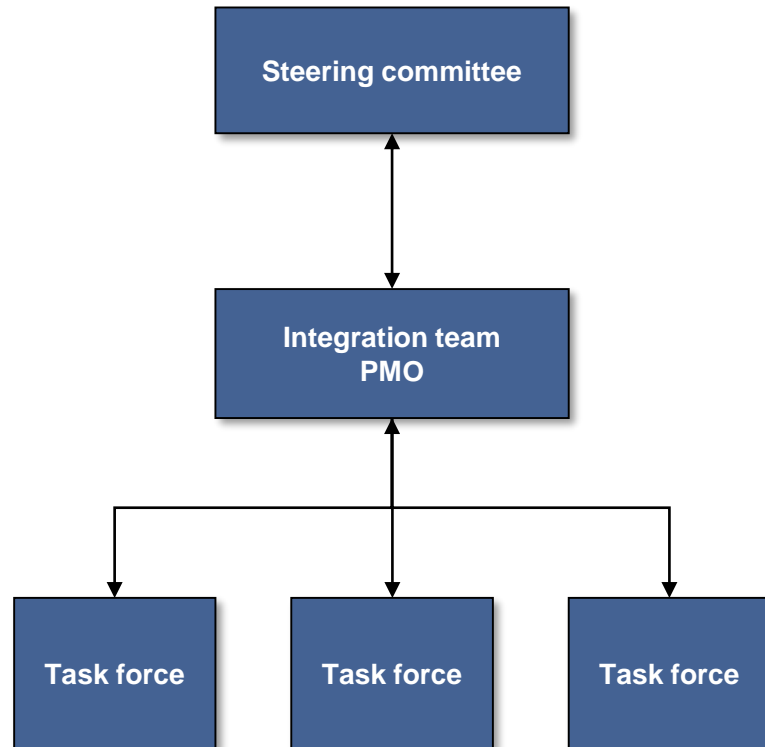
Expertise and Framework in PMI-Projects

- Framework and project methodology
- Team expertise and skills

July 2016

Landshut

Integration governance structure



- The **steering committee** will be the key decision making body of the integration
- This could probably be the four directors

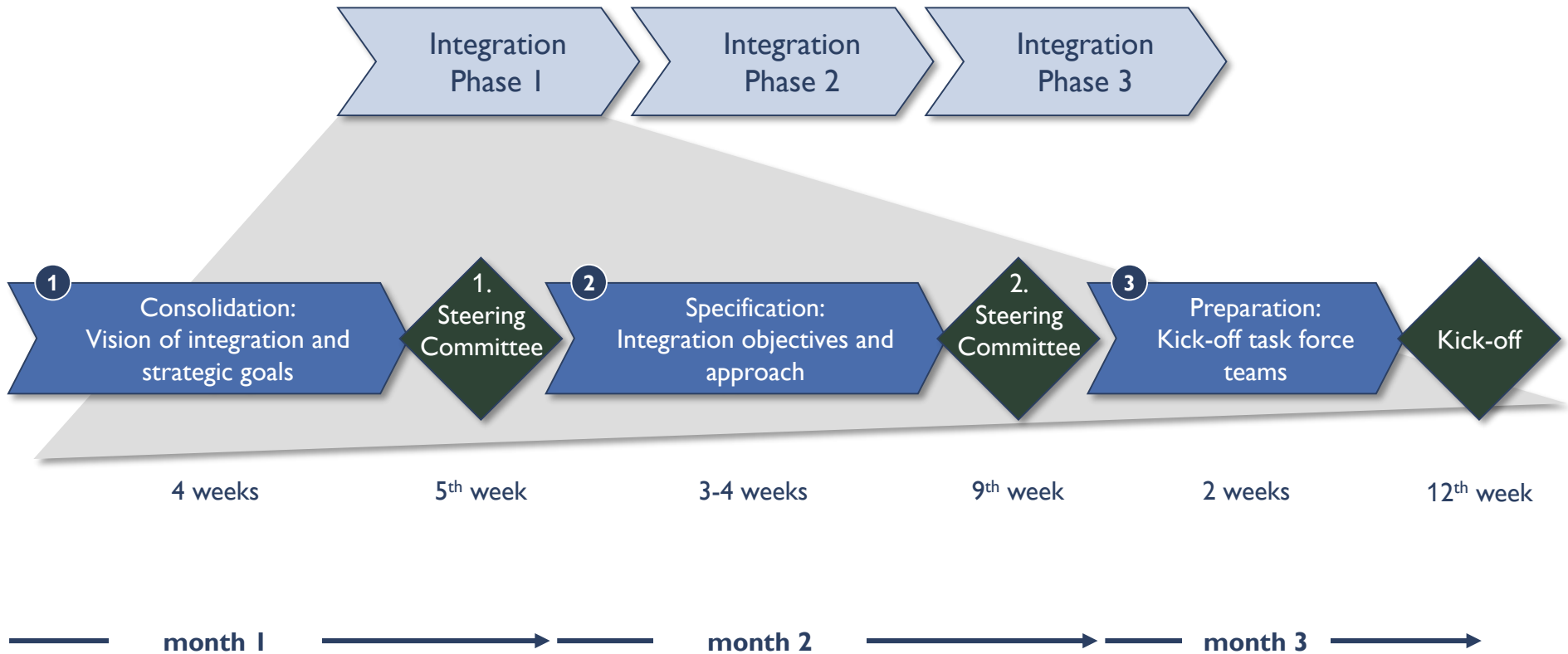
- The **integration team** coordinates and administrates the daily integration work
- Team headed by **integration manager** who presents status and fronts suggestions to the steering Committee/Directors
- Should probably be supported by external resources

- **Task forces** prepare and plan in detail the integration of the relevant functions (e.g., HR) or coordination needs (e.g., branding)
- Each task force consists of 2-6 individuals using ~25% of their time
- Should probably be supported by external resources with special skills

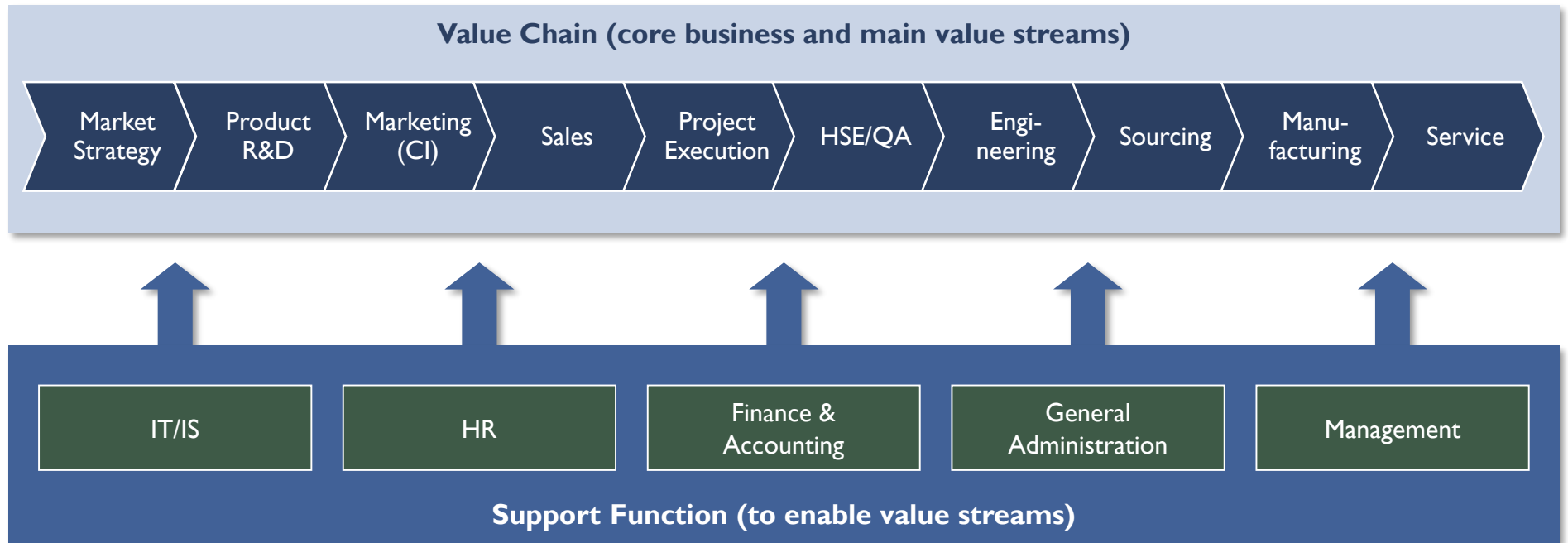
Integration teams' roles and responsibilities

	Steering Committee	Integration Team	Task Forces
Team chairperson:	<ul style="list-style-type: none"> One of the Directors 	<ul style="list-style-type: none"> Integration manager (a person with strong standing in both organizations) 	<ul style="list-style-type: none"> Each task force is managed by a manager in the functional area Requires technical skills
Team composition:	<ul style="list-style-type: none"> The four Directors Integration manager Others ad-hoc as needed Allocated 5-15% 	<ul style="list-style-type: none"> HR manager Functional experience as needed External support (to ensure structure, coordination and documentation) 25-50% allocation 	<ul style="list-style-type: none"> 2-6 people in task force representing the relevant functional area 25-50% allocation
Role:	<ul style="list-style-type: none"> Oversee progress Provide direction for the integration <ul style="list-style-type: none"> Establish vision Prioritize efforts 	<ul style="list-style-type: none"> Process management Identify integration issues Analysis Communication 	<ul style="list-style-type: none"> Gather data and perform analysis Update Integration Team Implement plan
Responsibilities:	<ul style="list-style-type: none"> Establish Integration teams and task forces Ensure objective, fact based decisions Conduct kiDir-off meeting 	<ul style="list-style-type: none"> Clarifying decision principles/priorities Monitoring progress Fact based analysis Synergy traDiring Designing communication plan 	<ul style="list-style-type: none"> Create common fact base Own synergy/merger costs Assign responsibilities and timeline Identify and coordinate with other taskforces

The working process in total and phase 1 before taskforce kick-off



Framework to synchronize and harmonize the integration process



Expertise and Framework in PMI-Projects

Task force design, issue management and assignment

Task forces	Examples of issues to discuss	Skills, Resources, SWOT profile and synergy ideas	
		Buying company	Company acquired
Human Resources	<ul style="list-style-type: none"> ■ Compensation ■ Recruiting & training 		
HSE/QA	<ul style="list-style-type: none"> ■ Performance monitoring ■ QA/QC 		
Finance/Accounting	<ul style="list-style-type: none"> ■ Cost and budgeting ■ Accounting and tracking ■ Cash management ■ Inventory management ■ Insurance 		
General and Admin	<ul style="list-style-type: none"> ■ Legal and contractual procedures ■ Regulatory 		
IT	<ul style="list-style-type: none"> ■ SW/HW licenses and agreements ■ IT systems maintenance ■ IT systems development 		
Product Groups	<ul style="list-style-type: none"> ■ Integration Tunneling, Mining, Foundation 		
Marketing & Sales	<ul style="list-style-type: none"> ■ Cross selling ■ Branding/CI ■ Customer communication 		
Product Development	<ul style="list-style-type: none"> ■ R&D/ Product development 		
Project Execution	<ul style="list-style-type: none"> ■ Execution model ■ Project reviews 		
Service	<ul style="list-style-type: none"> ■ Service engineer pool (training/cross utilization) 		
Manufacturing	<ul style="list-style-type: none"> ■ Manufacturing philosophies 		
Sourcing	<ul style="list-style-type: none"> ■ Supplier review 		
Management	<ul style="list-style-type: none"> ■ Strategic planning ■ Operative business ■ Decision and controlling processes ■ Management information system ■ Role of advisory board 		

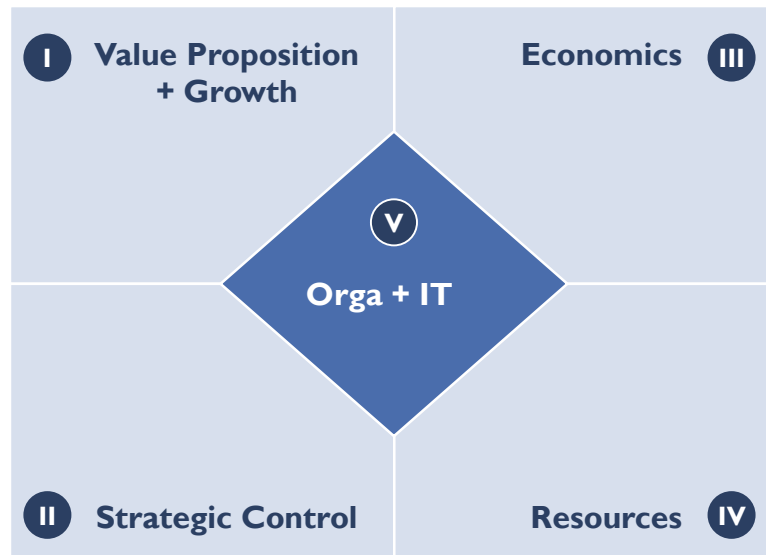
Tools and methods: Classification of integration issues

- I** Growth opportunities
 - New regions
 - New products/technologies
 - Customer penetration/development
 - Enhancing operational profit
- II** Strengthen the strategic position and differentiation
- III** Cost synergies (all functions and processes)
- IV** Skill synergies human resources and management development program
- V** Organizational, processual synergies

		Strategic goals, integration issues/synergies		
		already clear	ideas/hypotheses	to be defined
A	Strategic issues			
B	Task force issues			
C	Low hanging fruits/quick wins			
D	Sensitive issues			

Tools and methods: identification and classification of strategic issues

Business Model integration

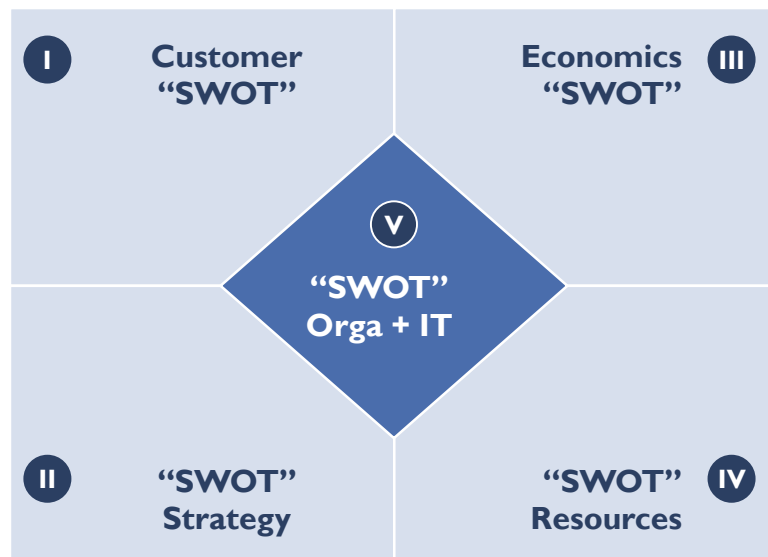


Strategic and synergy issues

- I Growth opportunities**
 - New products/services
 - New business regions
 - Customer penetration
 - Customer portfolio
- II Strengthen the strategic position**
 - USPs
 - One stop stepping/signal point of entry
 - Complete solutions
 - Installed base
- III Cost synergies**
 - Economics of scale
 - Avoid redundancies
 - Volume bundling
- IV Resources**
 - HR synergies
 - Asset synergies
 - Financials
 - Sourcing/outsourcing
 - Core competencies
- V Orga + IT**
 - Procedures
 - Standard
 - Methods
 - ERP
 - Product system IT

Tools and methods: Integration of SWOT-Issues

integrated SWOT Model



SWOT Checklist

- S = Strengths
- W = Weakness
- O = Opportunities
- T = Threats

Potential issues of international effects

- I Customer portfolio and value proposition**
 - Benefit for customers
 - Potential for new business areas
 - Combining sales forces

- II Strategic control and differentiation**
 - Installed base
 - "Intel Inside" position
 - Images transfer, brand positioning

- III Economics and profit models**
 - Large scale effects
 - Cost savings
 - Eliminate waste

- IV Resources**
 - Benefit for staff, recruitment, career
 - HR development
 - Sourcing network

- V Orga + IT**
 - Shared service
 - Software development
 - Standardization of processes

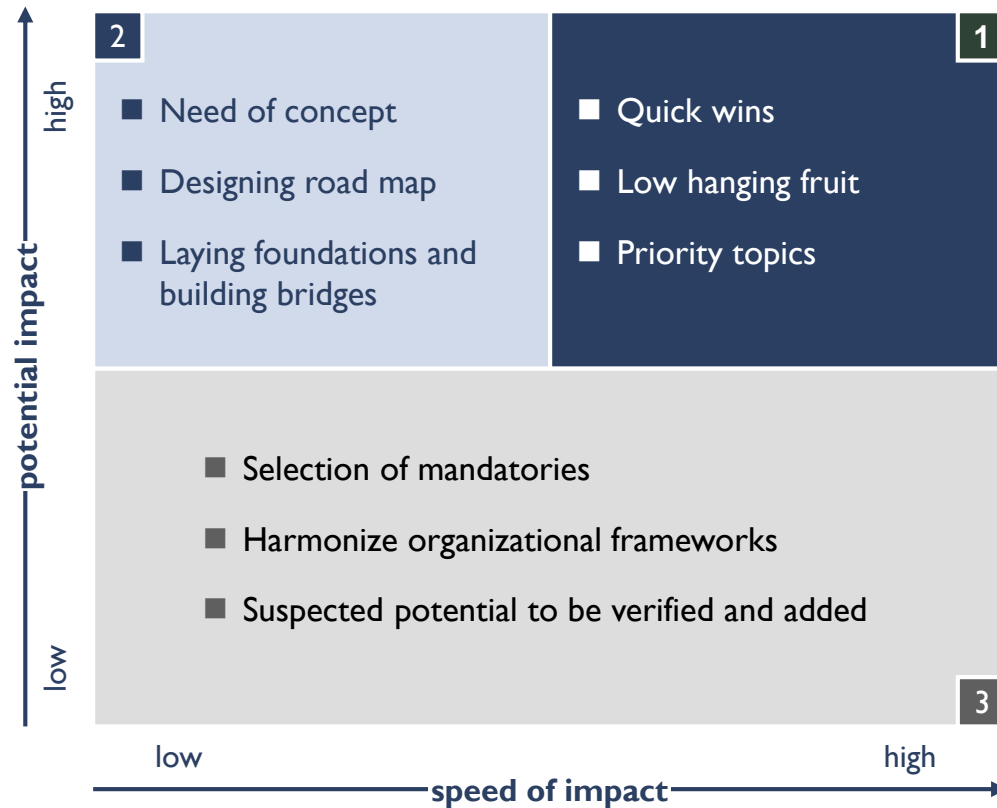
Potential leverage, synergy

- Common networks
- Customer retention
- Best practice transfer
- One stop shopping
- Volume bundling
- Eliminate redundancies

Potential barriers and risks of the integration process

- Reluctance
- Mind sets
- Speed reductions
- Resource bottle necks
- Communication lacks, deficits
- Possible competitors reactions
- Possible negative customer reaction

Tools and methods: Focusing on quick wins



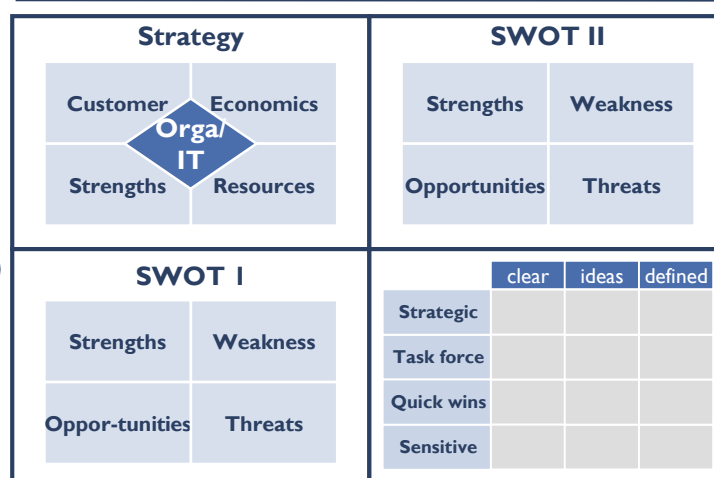
- 1** **Quick Wins**
- i.e. Sourcing, Assembly, Service, ...
- 2** **Need of concept/road maps**
- Business plans for BUs, IT/IS, shared Services, ...
- 3** **Mandatory**
- Quality House, Legal, HR, ...

Reporting tools: Results and prioritization

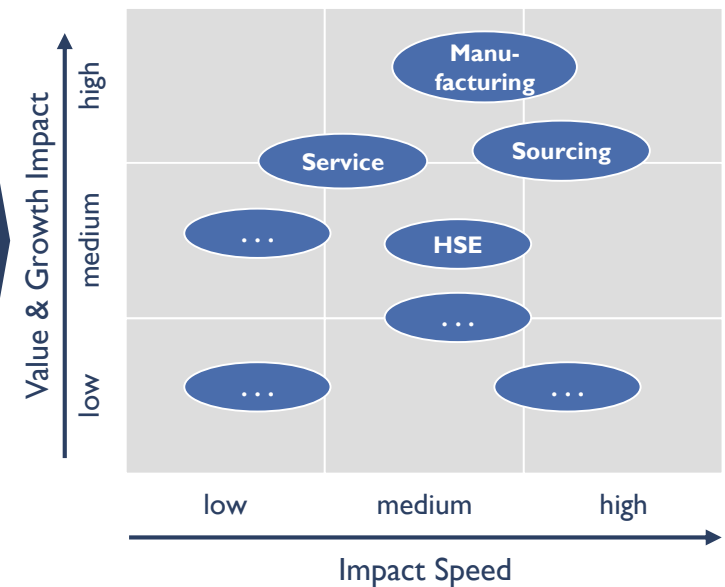
Functions/ Value Streams

Marketing & Sales
Product Groups
Product Development
Project Execution
Sourcing
Manufacturing
Logistics
Service
HSE/QA
IT
HR
Finance & Accounting
General & Admin

Results Step 1 (1st interview round)



Evaluation and Focusing



Examples for task force results (1)



■ Market Strategy

- Common strategy development
- Repositioning with the common approach

■ Product R&D

- Integration of product portfolio management
- Single point of entry-counterpart
- Establishing development network and integration of competencies
- Clearing and assigning of product responsibility

■ Marketing (CI)

- Applying and implementing of guidelines
- Scheduling and planning next actions

■ Sales

- Optimizing the collaboration (system use, information exchange)

Examples for task force results (2)



■ Project and Order Execution

- Optimization of planning and reporting (software and formats)
- Project management resources (package engineer, redundancies)
- Common resources, commissioning process
- Transfer of methods to businesses and projects
- Installing of an operational control tower

■ HSE/QA

- Change of mind set (mandatory)
- Harmonization of QM systems and documentation, quality house, business project management (navigator)
- Use of group hubs worldwide for supplier auditing

■ Engineering

- Best practice transfer
- Exchanging engineers/common use of capacities

Examples for task force results (3)



■ Sourcing

- Synergy platform for product procurement
- Utilizing group frame agreement
- Consolidation of no. of suppliers
- Bundling of purchase volume for products
- Vertical integration options
- Common suppliers in component commodities
- Redesign make or buy options
- Utilizing group hubs
- Best practice transfer in processing
- Supply chain optimization and logistics

Examples for task force results (4)



■ Manufacturing

- Optimizing/completion of product value streams
- Best practice transfer increase ERP use
- Increase volumes of assembly lines
- Logistics optimization
- Reduce quality cost

■ Service

- Common service network, pooling of technicians (availability)
- Wirth focuses on mechanical services,
- Using common training facilities, exchange program
- Efficiency in using ERP

John Albert Eke



Career and education

- Diplomkaufmann/Degree in business
- German Airforce-Officer and Technical Supervisor
- Languages: English, French, German
- 25 years consulting
- Executive Board / management consultancies

Expertise

- Business models and strategies
- Organization, processes and IT
- Operational Excellence
- Supply Chain, Logistics and order processing
- M&A, PMI
- Purchase
- Administration, Finance and Controlling

Special expertise and experience of John Eke's team members

Wolfgang Hofmann



Expertise

- Financial and Accounting
- Administration
- Auditing

Christian Gesing



Expertise

- Transportation and logistics
- SCM
- Manufacturing
- Operations

Thomas Fiedler



Expertise

- Project Management / PMO
- Process-Management
- IT-Management

Marc Eke



Expertise

- Organizational-Design
- Data-Management
- Controlling
- KPI

Martina Blust



Expertise

- Change-Management
- Communication
- Team-Building

Contact



Contact:

Address: John Albert Eke
Dahlienstr. 13
D-84174 Eching

Contact person: John Albert Eke
Mob.: +49 172 824 88 03
Fax: +49 8709 9430290
E-Mail: john.eke@exxent-consulting.de
Web: www.exxent-consulting.de

