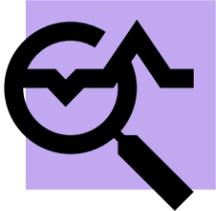




2023 M&A barometer: Deal trends and issues



Economic instability is the number one issue driving companies to review their strategy

Top 3 factors impacting deals

Economic instability



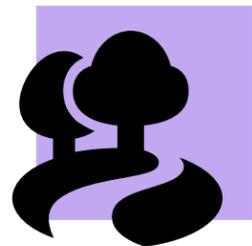
Technology/Automation



Environmental, social and governance (ESG)



What's on the horizon?



Assessing targets: Emerging areas of focus when it comes to DEI and ESG

42% say examining pay equity

50% say reviewing climate policies

53% say reviewing ESG policies/ratings

Optimizing integration: Emerging areas of focus when it comes to M&A HR playbooks



29% say accessing their M&A HR playbook via an online platform



35% say training HR team members on how to use their M&A HR playbook effectively

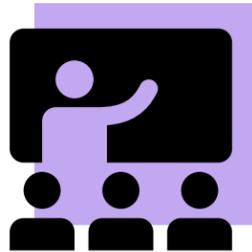
(Note: Emerging focus means "planned" or "considering".)

After acquisitions, joint ventures and partnerships are a key plank of M&A strategy

50% of respondents are looking at joint ventures/partnerships and 2 in 5 are looking at divestitures/spinoffs in the next 3 years

67% of organizations use human capital-related transition service agreements when spinning off a business

3 biggest deal integration challenges:



68% integrating cultures

53% integrating technology and data

35% limited internal resources

Total rewards challenges include:



30% integrating job architecture

30% integrating compensation packages

35% limited benefits

All eyes are on key talent

75% of organizations say retention of key talent is the top metric to determine post-acquisition integration success

73% say it's challenging to retain high-skill employees

54% say formal change leadership training and support programs are an emerging focus

Private equity brings its own set of challenges

67% of organizations say buying from private equity can involve significant executive compensation and retention challenges

73% say selling to private equity is harder than selling to a strategic buyer

What to do now?



Implement best-in-class project management leadership, tools and practices to drive thoughtful and well-planned integrations



Leverage a cultural assessment framework to gain early insights into the target's "secret sauce" and potential culture integration risks



Embrace change leadership training for your own leaders and those at the target so they are better equipped to guide the combined organization through the transition



Employ proven financial and non-financial retention measures to retain and engage key talent