

Building a Mergers & Acquisition Assessment Model with Brand Transitions

A Professional Readiness Experiential Program (PREP) Project Effort

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Introduction

Navigating the complex world of mergers and acquisitions (M&A) and rebranding can yield vastly different outcomes. Successful cases, like the Disney-Pixar merger, demonstrate the potential for enhanced production capabilities and market reach, leading to successes such as "Wall-E," "Up," and "Bolt." Similarly, the Exxon and Mobil merger capitalized on economies of scale, significantly reducing costs and boosting efficiency. However, there are cautionary tales too, like the Sprint-Nextel merger, which stumbled due to incompatible marketing strategies and technological discrepancies, or the Sears and Kmart merger that faltered because it failed to adapt to evolving consumer behaviors.

Rebranding carries its own set of challenges and opportunities. Instagram's shift from a Polaroid camera logo to a gradient design in 2021 marked its strategic pivot towards video and messaging, appealing to a broader, tech-savvy demographic. Dunkin' Donuts simplified to "Dunkin'," modernizing its brand to emphasize a wider range of offerings and appealing to health-conscious consumers. On the other hand, Gap's rebranding effort, which included a logo change, ended up costing \$100 million and was met with a decline in sales, illustrating that poor execution can lead to significant losses.

The underlying factor in the success or failure of M&A and rebranding efforts hinges on meticulous attention to detail—ensuring that customers remain confident and enthusiastic about changes is crucial. However, the complexity of these corporate maneuvers means there are myriad potential pitfalls, from billing system errors to broader operational issues, which can undermine customer trust.

In such a high-stakes environment, the expertise of a brand consultant becomes invaluable. These professionals are equipped to identify and manage the numerous tasks involved in M&A and rebranding—many of which may be unexpected or unplanned. For companies undergoing these transformations, the right guidance is not just beneficial; it's essential.

A significant challenge for brand consultants working on mergers, acquisitions, and rebranding is the need to adapt their strategies to the unique characteristics of each organization. No two companies are the same, and each one is at a different stage in their development and transformation processes. A consultant must first establish a baseline understanding of where their client currently stands—assessing everything from corporate culture and operational systems to market positioning and customer perceptions. With this foundational knowledge, they can then tailor their approach, aligning and integrating diverse elements to forge a unified brand strategy. This nuanced adaptation is essential not only for resonating with existing customer bases but also for attracting new ones, thereby ensuring a smooth and timely transition and long-term success of the organization.

1. **Understanding the current state of the company's acquisition/merger/rebrand.** We needed to ask targeted questions within the most relevant categories to have the highest knowledge of their business and venture.

2. **Once we determine the most relevant categories and the questions to ask within those categories, how do we quantify their position with optimized accuracy?** Once we have gathered all the information, our next step is to measure their results.
3. **Interpreting the results to customers.** The assessment needs to provide meaningful insight on how long the integration will take, how much it will cost, what is the definition of “done”, what items to tackle first, and how to achieve goals while being distracted by the integration effort.

Methods

We concluded the model needed to be broken into three categories: Complexity Index, Strategic Readiness, and Resource Level. Through many brainstorming sessions, we determined the best way to gather information in these categories would be through a detailed questionnaire. Once the questionnaire was completed, we would score the answers. Our final step was to interpret for the customers the results of their assessment in a logical and easy to understand way.

Business Challenges

Challenges

The major challenge we were up against was how to structure the questions within these categories to give the customer the information most valuable to their business. The way to achieve this was to accurately quantify the results of their answers.

- **Quantifying Complexity:** The merging of two companies introduces many organizational challenges, including overlapping roles, divergent cultures, and competing processes. This complexity can hinder strategic readiness and impede the smooth execution of brand transitions.
- **Quantifying Strategic Readiness:** Ensuring that both entities are strategically aligned and ready for the merger is paramount. Lack of strategic readiness can lead to resistance, confusion, and ineffective resource allocation, further complicating the integration process.
- **Quantifying Resource Allocation:** Efficiently allocating resources across various aspects of the merger, including branding activities, communication strategies, and IT integration, is critical. Inadequate resource levels or misallocation can result in delays, increased costs, and diminished outcomes.

Activities Done to Address the Business Challenges

Defining Goals

Once we stated our main challenges to undertake this project, we had to determine the structure of our model. We had to define to the customers and ourselves what Complexity, SR, and RL represent, and its importance in the model.

- The main use of Complexity is to illustrate the businesses standing with their M&A or rebranding process. The more complex the merger, the higher the complexity score it will hold, and the longer it will take to complete the merger. Therefore, we created three levels for complexity, low, medium, and high complexity scores that will help us to determine where on a quadrant chart the company falls under.

- A low score will range from 0%-50% and will have a base level estimated time for completion to be between three and six months.
- Medium score will range from 50%-75% and will have a base level estimated time for completion to be between six and nine months.
- High Score will range from 75%-100% and will have a base level estimated time for completion to be between nine and eighteen months.

Then the scores from SR and RL will either add more time to the merger process, therefore increasing the risk of potential customer churn, or keep it as is.

- Strategic Readiness evaluates how well planned out the business is with their merger process with their brand change.
- Resource Level brings an estimation of how easily the workstream teams can accommodate the brands' changes in their expertise. If there are competing priorities or staff gaps this could cause delays and increase the number of months until the completion timeline.
 - This also can bring the business to look into the areas where they hold low RL, and possibly consider outsourcing the resources if they do not have the means in house. Or on the other hand if in one department they hold high amounts of resources, they may be able to distribute that to another department that is lacking.

Once quantified, those results can be integrated into our model, and we can interpret each industry company's results, and provide them with feedback on their merger process.

Model Ranking System

Once the goals have been established, we were able to move forward in creating the survey, through Microsoft forms. Once we had defined what Complexity, SR, and RL means for our model we had to create a ranking system to receive quantifiable data from our clients' customers.

We split the survey into three parts, the first part would focus on the business' complexity, and we gave it a numerical rating of one to three, going from low to high complexity.

Complexity of offerings

Number of **products or services** also being renamed? *

Complexity Index:

- 1 = Low complexity, Zero to two (0-2) products or services being renamed
- 2 = Medium complexity, Three to nine (3-9) products or services being renamed
- 3+ = High complexity, Ten (10+) or more products or services being renamed

☐ 1

☐ 2

☐ 3

Figure 1 Here is an example of a complexity question and how we formatted the ranking.

Then the second group was Strategic Readiness where it focuses on how ready each aspect of a business is to handle during an M&A process. They also share the same ranking flow from one to three, however, their ranking descriptions go from:

Brand and Messaging

Is there an agreed-upon plan for the new logo(s), visual identity, and messages for the combined offerings? *

Question Scale:
1 = Not sure, haven't started to think about it yet
2 = Somewhere in the middle of figuring it out
3 = Yes, we have an agreed plan

☐ 1

☐ 2

☐ 3

Figure 2 Here is an example of a SR question and its ranking.

Then the last group was Resource Level, where its focus was on whether or not the business has the inside resources that are necessary for the M&A process. This section's ranking goes from zero to five:

Brand Resources

Considering your staffing level in the **Brand Team** and competing priorities how confident do you feel that brand change work can be accomplished without outside resources? *

How well-resourced?
1 = Not confident - Many unfilled positions, Too many competing priorities
2 = Trending to being overwhelmed
3 = Ok - At staff, normal capacity
4 = Keeping up
5 = Fully Confident - Fully staffed and can take on more projects
0 = Not Applicable, do not have this function or role

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

☐ 0

Figure 3 Here is an example of an RL question and how we formatted its ranking.

The less confident they are in resourcing certain departments the higher the chance they will need to outsource their resources. The same goes for the departments that have excess resources in will be best to delegate them to other departments in need.

Creating the Excel Model

1. Once we finalized our survey questions and their quantifications, we began working on creating the excel model. The first part of the model was to export the survey into an excel sheet and create a table with a column designated to the function, question, the customers score, possible high score, and what departments are associated with each question.
2. "The first step in creating the excel sheet for the model is to export the inputs made by the survey into an excel form. Copy the rows and in a new sheet in the same excel workbook, click on the top where it says paste special and click on transpose. This will turn the Questions and answers from horizontal rows to vertical rows.
3. Then in a new workbook create the format whether with the tables function in excel or just type out the title of each category. Below is an example of how we categorized Complexity, Strategic Readiness and Resource level

COMPLEXITY				
Index	Function Name	Questions	Scores	High Scores

Figure 4 Here is an example of how the column headers were titled for the complexity questions and scores.

Function	Questions	Scores	High Score	Department
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Figure 5 Here is an example of how the formatting of the column titles looked for SR and RL, as you can see, we included an additional column for departments. Because, throughout our model creation we realized that some questions would be associated with multiple departments.

4. Then manually copy the questions and scores from the exported survey into their designated columns. Once all the questions and scores have been inputted, that is when we turn our focus to the department column. Where we had to go through each question with our client and decide which departments go along with which questions. Some questions will belong to multiple departments, therefore we had to adjust our tables by inserting new rows and duplicating the questions that belong to multiple departments.

Function	Questions	Scores	High Score	Department
Brand and Messaging	Is there an agreed and finalized plan for what the new logo(s), visual identity, and messages, product names, etc. are for the rebrand?	2	3	Brand
Brand and Messaging	Is there an agreed and finalized plan for what the new logo(s), visual identity, and messages, product names, etc. are for the rebrand?	2	3	Communications

Figure 6 Here is a basic example of how we formatted the calculation tab.

5. On the bottom tab in Excel, we open a new worksheet, and name it the calculations section for said business. This is when we begin to use the linking information between in the worksheets in this excel form. We used this method for creating the calculation tab, we would copy the questions, score, and high scores and link them to source in the calculation tab.

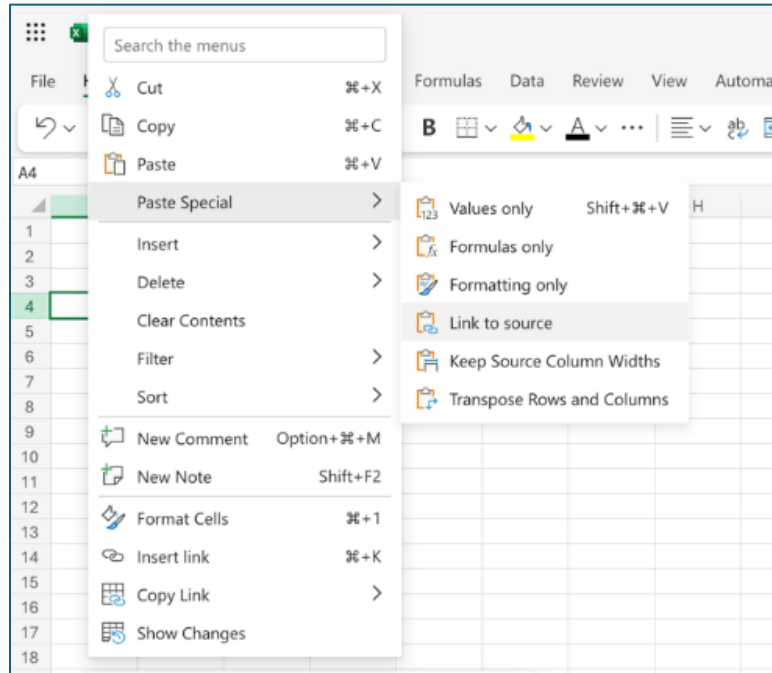


Figure 7 Here is an example of how we linked the sources between the different worksheets in excel. We first copy what information we wanted, then in whichever of the tabs we wished to paste the information we would right click, the select paste special, and click on link to source.

Complexity	Questions	Scores	High Scores	Average	
	How extensive is your envisioned brand change?	3	3		
	How many steps required for the rebranding envisioned? For example: "Acme Solutions, is now Universe Portfolio Company" or "Acme Solutions is becoming Universe" before	3	3		
	Is your industry heavily regulated or are you a public company with a high level of scrutiny?	2	3		
	Is the rebrand happening in response to a crisis? (e.g. negative press due to corporate or customer issues)	1	3		
	Any products or services being renamed? If so, how many?	1	3		
	Are any product websites, client portals or mobile applications being renamed? If so, how many?	2	3		
	How many separate re-organizations (or reductions) are planned to occur simultaneously (e.g. 1,2, etc.)?	2	3		
		14	21	66.67%	100.00%
Total Complexity Score			66.67%		

Figure 8 Here is the after for the complexity calculation, once the information from the previous tab has been linked to this work sheet. All that was left to do is include the manual formulas to calculate their average scores using the SUM () function.

	update brand messaging, about the com				
	Have you identified who in each department will participate in and lead the brand change for their team?	2	3		
		6	9	66.67%	100.00%
	Have you identified who in each department will participate in and lead the brand change for their team?				
Resources and Ease of Outsourcing		2	3		
		2	3	66.67%	100.00%
				64.96%	

Figure 9 Here is the calculation example for one for the departments in Strategic readiness, however, resource level will also follow the same format. We linked the questions, score, and high score for the Resource and Ease of Outsourcing department to get those scores.

	Is there agreement on how the company recruits, messages, and onboards employees as a result of the brand update (e.g. need to update brand messaging, about the com	1	3		
	Have you identified who in each department will participate in and lead the brand change for their team?	2	3		
		6	9	66.67%	100.00%
	Have you identified who in each department will participate in and lead the brand change for their team?				
Resources and Ease of Outsourcing		2	3		
		2	3	66.67%	100.00%
				=SUM(E23:E95)/SUM(F23:F95)	

Figure 10 After taking the sum of the scores and high scores from each department, and then dividing the score by the high score to get the average SR and RL for each department. Once that has been done for the department, we then took the average of whose strategic readiness and resource level individually. To do that we take the SUM of the average score that we calculated for each department. Then we divide it by the SUM of the total high score, which in this case we made 100% for each department. This then gave us the total score for SR and RL.

- Once the calculations were done, we created a new worksheet in excel naming it the "Table and Graph" section. In this worksheet we created two tables, first select how many rows and columns are needed, then go to the insert tab on top of the workbook and select table.

Complexity Score			
67%			
Function	Strategic Readiness	Resource Level	Average Between SR and RL
Brand	58%	33%	46%
Sales/Customer Success	67%	100%	83%
Customer Support	50%	100%	75%
Product	75%	100%	88%
Digital Marketing	67%	67%	67%
Product Marketing	50%	67%	58%
Remainder of Marketing	67%	67%	67%
Communications	67%	67%	67%
IT Team	67%	100%	83%
Legal Team	67%	100%	83%
Finance and Invoicing Team	78%	100%	89%
HR and Recruiting	67%	100%	83%
Resources and Ease of Outsourcing	67%	67%	67%

Figure 11 For the Complexity table it only requires one column and two rows, we followed the same copy and linking to source on the tables. We took Complexities average score and linked it to the table. Then we created another table with columns holding the department values, followed by the average score for Strategic Readiness and Resource Level by each department, and then the last column taking the average score between Strategic Readiness and Resource Level for each department.

- We created a PowerPoint presentation to interpret these results for customers. See sample assessments results below:

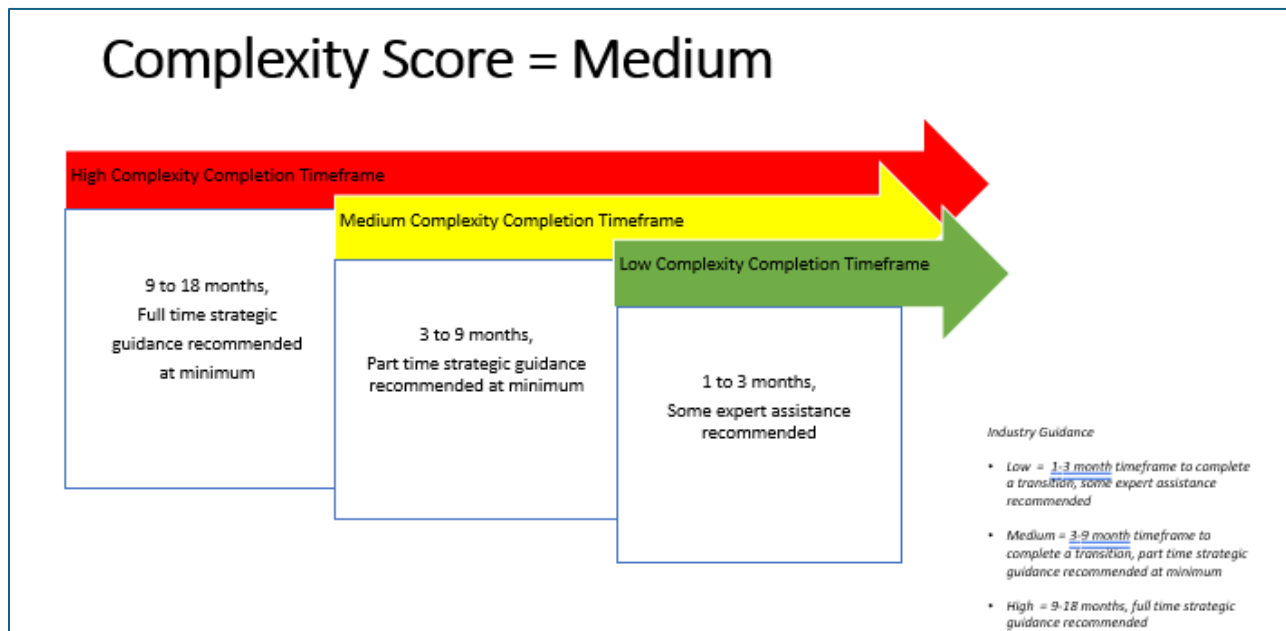


Figure 12 Here is an example of how we formatted the timeline to our clients' customers, based on their complexity score.

X Company Strategic Readiness = 65%

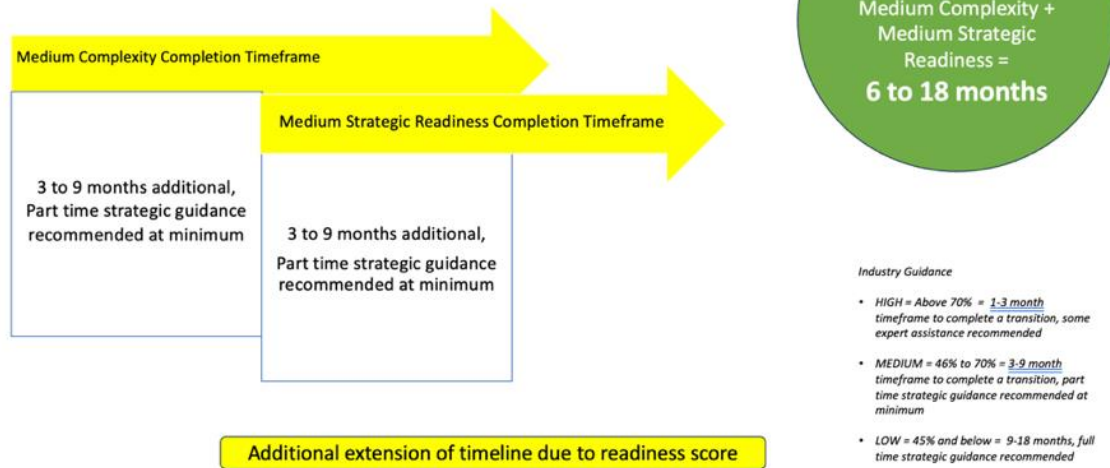


Figure 13 Here is an example of how depending on the SR score can determine if it will extend the M&A/ Rebrand merger. Seeing as they were in the medium category, their merger may take up to an additional 3-9 months.

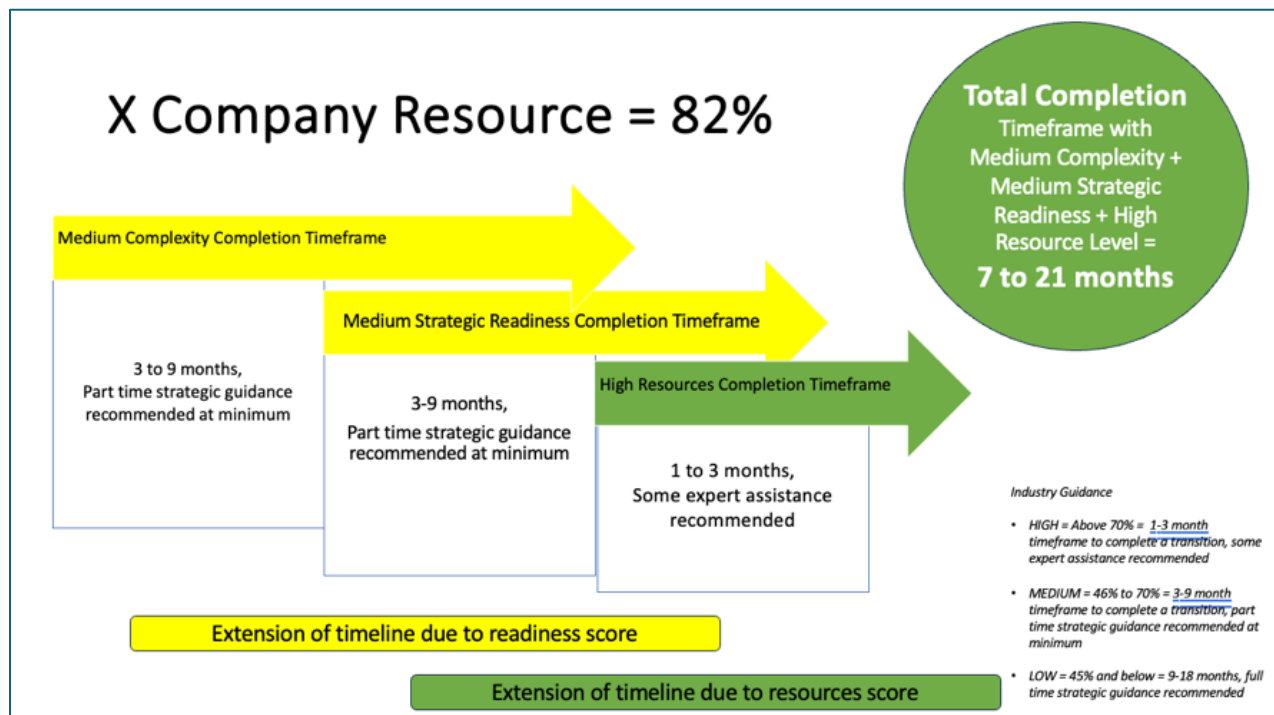


Figure 14 Here is an example how the RL score can affect the company's timeline and see if it will need to be extended even further. In Figure 14, we can see how they have high resources levels putting them in a green zone, it may only add an additional 1-3 months to their timeline.

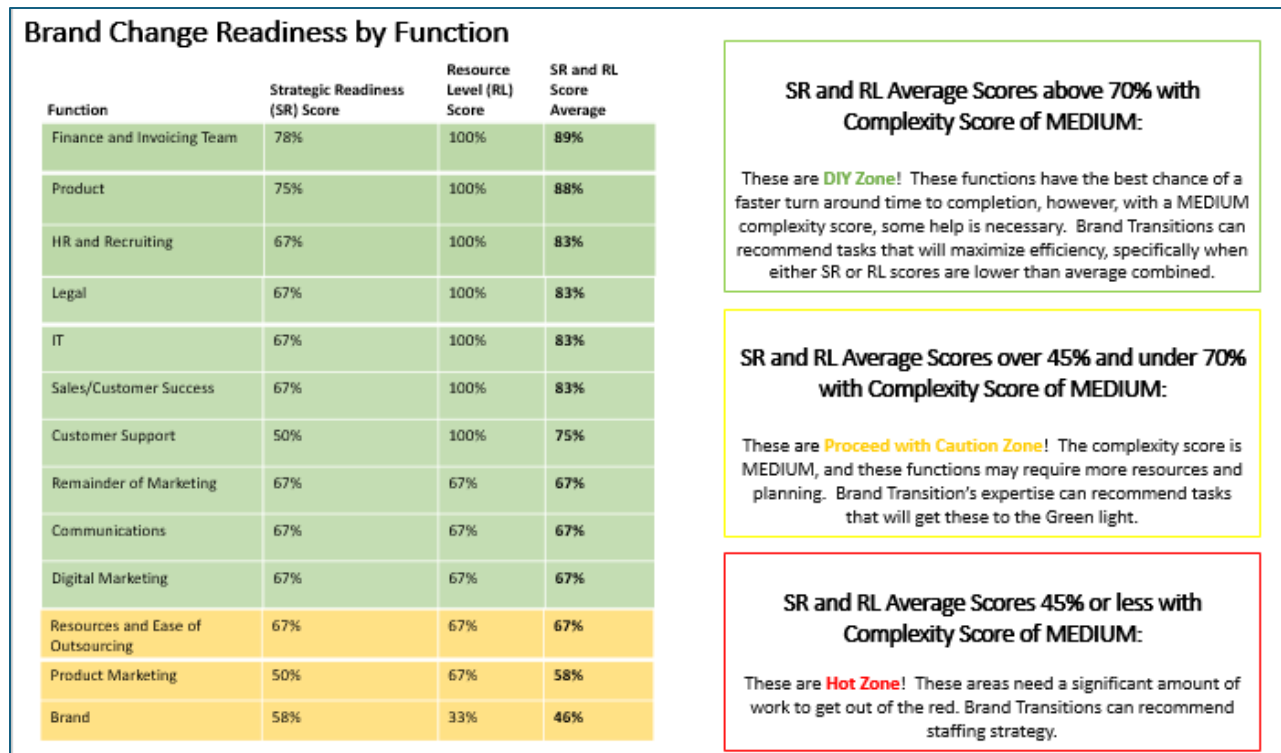


Figure 15 displays the average scores for both SR and RL for each of their designated departments. Along with the average score between the SR and RL together for each department. On the right side of the figure, we have a description of what the ranges of scores signifies.

Results & The Positive Impact

HR Consulting Company

On April 9, 2024, a meeting was held with the client and the HR Consulting Company, where discussions centered on the A industry's complexity, strategic readiness, and resource levels. The survey conducted revealed a comprehensive understanding of M&A impacts, notably in legal and brand integration aspects, with a focus on marketing and logo changes. Despite taking about 15 minutes to complete, the survey's complex slides posed comprehension challenges. Respondents reported moderate strategic readiness, at 55%, indicating room for improvement in preparedness. However, there was a high level of resource availability, with 94% of respondents indicating very good employees and internal support. This suggests a need for improved communication and tools such as task hour tracking and brand decision-making aides, particularly for M&A. Feedback on responses varied, with the #1 Industry's being deemed accurate but surface level, especially regarding logo changes. One of our group members emphasized the importance of HR involvement, highlighting its necessity in M&A processes.

Technology Marketing Company

On April 9, 2024, a meeting was held with the client and Technology marketing company focusing on discussions regarding complexity, strategic readiness, and resource levels. Feedback from the survey highlighted the ease of completion due to the use of survey highlighted the ease of completion due to the use of multiple-choice questions, with participants appreciating

the structured format and the ability to factor in and rank responses. Despite the survey taking approximately 15 minutes to complete, its complexity varied depending on the size of the business. Strategic readiness was reported at 65%, indicating a need for more time for decision-making, particularly 1-3 months, and improved communication with executive teams for approval processes. Resource levels were rated at 82%, suggesting a high level with no need for additional time, spanning 16-18 months. Participants found the survey to be a useful tool for preparation, especially in larger companies, where the assessment tool could be utilized across various areas. One of our group member's questions regarding marketing and communication accuracy emphasized the need for better communication, particularly if tasks are completed ahead of time. Also, other questions have highlighted the importance of clarifying assessments for larger companies, especially regarding project complexity and pricing considerations. Overall, participants expressed satisfaction with the survey's structure and utility in aiding decision-making processes for the Technology marketing company.

Construction Company

On April 9, 2024, a meeting convened with the Construction company, delving into discussions regarding the intricacies of the survey about the complexity, strategic readiness, and resource levels. Participants voiced confusion over certain survey sections, indicating difficulty in comprehension and suggesting a need for clarity, particularly for smaller companies. Despite the challenges, strategic readiness was reported at a robust 87%, with a medium timeframe of 3 to 9 months for implementation. Total completion complexity, influenced by both timeframe and high strategic readiness, was estimated at 4 to 12 months. Resource levels were also deemed sufficient, standing at 87%. Construction company's response shed light on potential misunderstandings, especially concerning bundled topics like marketing and digital aspects, calling for clearer assessment versions tailored to smaller companies. Feedback suggested utilizing the survey as a tool, with a proposed budget of \$150,00 for strategic planning enhancements, including the use of B and D industry, with an emphasis on building trust, particularly in remote settings compared to B2B interactions. Additionally, discussions with 13 agencies were underway to aid in strategic decision-making processes.

Conclusion

Leveraging Automation for Comprehensive Survey Design in Mergers & Acquisitions

Mergers and acquisitions require an understanding of how businesses work together, being prepared for strategic changes, and identifying available resources. To make useful decisions during a brand transition, we need to gather a significant amount of information. Surveys play a critical role in this task, but they can be time-consuming to quantify. By automating the survey process, we can get accurate and relevant information fast. The McKinsey Global Institute's study found that automation has the potential to increase global productivity growth by 0.8% to 1.4% annually (McKinsey Global Institute, 2017). Further research discusses how automation can help streamline these processes and provide us with quantifiable results.

To optimize efficiency, it is vital to utilize automation tools like macros, functions, and advanced add-ins. These tools assist in simplifying survey processes, saving time, and providing accurate data analysis. It can contribute to an overall more efficient way for companies to collect data.

Macros, which are specifically useful in Excel, automate repetitive tasks like data manipulation and formatting. By programming macros to manage these tasks, users can conserve time and concentrate on more critical work. (Admin, 2017)

Exploring Macros and VBA Code in Microsoft Office Applications

A massive portion of our project's time was consumed up by repetitive data entry. One area where we can enhance our project is by minimizing the time spent on repetitive data entry tasks. Macros, also known as VBA code, is a useful tool to automate repetitive tasks in various Microsoft Office applications. Applications that use macros are Excel, Word, PowerPoint, Outlook, and Access. Macro is the term used to describe lines of code written in VBA also known as Visual Basic for Applications. It runs within the application itself, without the need for additional software. By using Macros individuals can speed up tasks and provide greater precision compared to what we had done, which was manual efforts. There are two ways to create macros the first way is by using the Macro Recorder and the second way is by writing the code directly in the Visual Basic Editor. Macros are particularly useful when dealing with large datasets or when performing consistent analyses on different datasets. (McKay, 2024).

Limitations of Macros and VBA Code in Microsoft Office Applications

It is important to know the limitations when using Macros and VBA code in Microsoft Office applications. Macros and VBA Code is not able to create ActiveX Controls, integrate with Visual Source Safe, build executables, create ActiveX Dynamic Link Libraries, use, or integrate between multiple projects, reuse any Visual Basic Component, or create OLE Automation Servers. (n.d.)

Streamlining Excel Tasks: Enabling Developer Tab and Recording Macros

To simplify tasks in Excel, you can access the Developer tab by clicking on the "File" menu, selecting "Options," and then choosing "Customize Ribbon." In the next menu, check the box beside "Developer" in the list of Main Tabs.

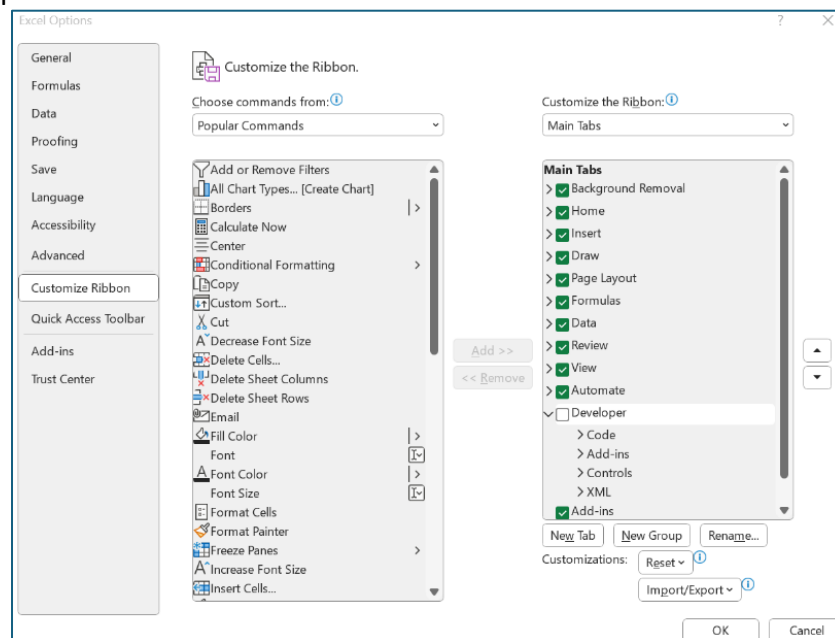


Figure 16 illustrates how to get to the Developer customization.

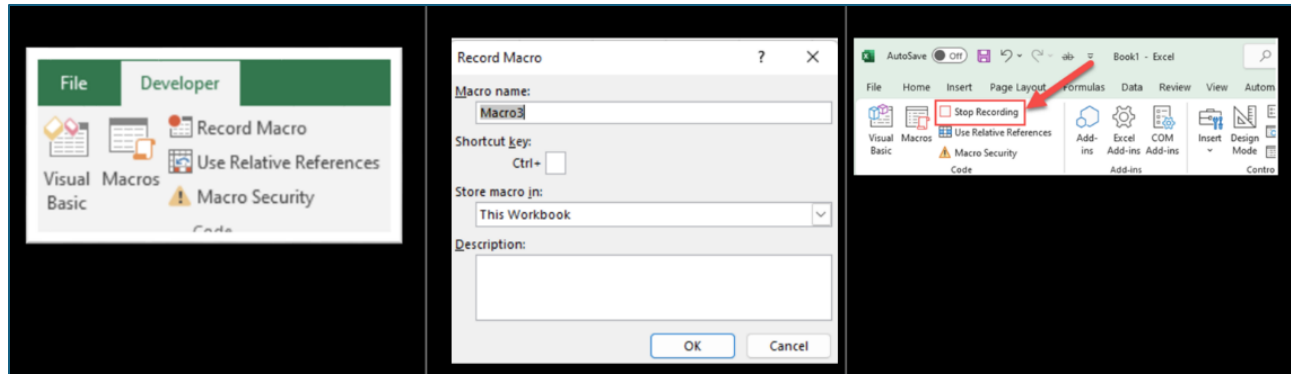


Figure 17 illustrates how to get to "Record Macro" in order to record the macros.

To record a macro, switch to the Developer tab and click "Record Macro." A dialog box will appear, providing details such as the macro's name, optional shortcut key, and storage location. Then click "OK" to start recording. Excel will record every action until you stop the recording by returning to the Developer tab and clicking "Stop Recording." This process can assist in automating repetitive tasks and improve productivity.

Understanding the Limitations of Excel's Macro Recorder

The macro recorder in Excel is a wonderful tool when it comes to automation, but it has its limitations. It cannot create code for repeating statements, setting up variables, managing errors, making functions, or adding code within existing macros. It also does not consider individual user settings. While it is great for basic automation, you might need to write code yourself or change around the recorded macro to manage more complex tasks.

During our project, we found ourselves spending a significant amount of time on repetitive tasks such as inputting client information. Macros is a great programming tool to help manage these tasks, help users conserve time, and concentrate on more critical work. However, utilizing macros can not only be beneficial for mergers and acquisitions, but also for other industries looking to gather client input and analyzing that input for research and development purposes. In conclusion, automation goes beyond just saving time and reducing manual effort; it changes our strategy for data management and analysis. It enables informed decision-making and supports the success of our merger initiatives.

PREP Student Reflection

This experiential experience has opened our eyes to the world of M&A, prior to this project/internship most of us did not know what went into the process of acquiring and merging companies together. The further into the semester we got the more we could see how intricate and complex the whole process is. Compared to some of our previous internships that we have done, this one felt way more hands on, and a lot of trial and error with establishing how we thought the survey and model should look and function. Overall, it was a great experience, and it has piqued our interest in the M&A industry, and we will make sure to hone the skills we learned from this internship and apply it to our future project/careers.