

PROCUREMENT CAN BRIDGE THE CULTURAL GAP IN COMPANY MERGERS, SAYS EFFICIO – PRODUCING IMMEDIATE FINANCIAL GAINS

Submitted by: Efficio

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London, UK, Monday January 19 2009: Procurement professionals are ideally placed to ensure the success of company mergers and acquisitions positioning the organisation towards the future, consultants Efficio say in a new report.

With extensive relationships both internally and externally, procurement can play a crucial role in bridging the “culture gap” between newly-merged organisations, and is being recognised as a key function for facilitating integration across the board.

The report, Bridging the gap: How procurement can add value in a post-merger situation (<http://www.efficioconsulting.com/efficio-news/DisplayArticle.asp?ID=15870>), says more than 80 per cent of mergers and acquisitions fail within 18 months and that cultural differences account for the majority of failed mergers.

Building a core procurement team in a very early phase is crucial to enabling both sides to work together. This creates joint ownership of the successful transformation with clear structures and processes that cut across internal boundaries.

Procurement, the report says, “can deliver the critical structure and momentum to successfully drive a merger from the abstract financial vision – overcoming uncertainty and cultural change – to its concrete, day-to-day realisation at all levels of the new organisation.”

Efficio Vice President Luisella Chiesa, the report’s co-author, said: “It’s clear from our work with a range of organisations how important procurement is in creating successful outcomes in a well-planned merger or acquisition.

“But as well as delivering immediate savings, procurement can make all the difference in a newly-merged organisation by creating common goals and values.

“Procurement impacts across all areas of an organisation and it is here that opportunities can be found to unlock synergies on both sides of the merger.

“This ensures that a fully co-ordinated approach is undertaken that not only leverages all opportunities to reduce costs but binds the two organisations quickly and easily.”

Ends

Notes to editors

Bridging the gap: How procurement can add value in a post-merger situation, by Luisella Chiesa and Alexander Mazurek, can be downloaded from the Efficio website at [Bridging the gap: How procurement can add value in a post-merger situation](#)

(<http://www.efficioconsulting.com/efficio-news/DisplayArticle.asp?ID=15870>)

About Efficio (<http://www.efficioconsulting.com>)

Efficio is a results-focused procurement consultancy, with a track record of helping leading organisations achieve more value from their procurement. Comprised of experienced professionals with a blue-chip consultancy heritage, Efficio combines the credentials of a top tier firm, with the depth of expertise of a flexible niche player. Clients include 3i, AstraZeneca, Barclays, BAT, Biffa, Deutsche Post, Ford, Goldman Sachs, HBOS, KKR, Nokia, National Grid, O2, Philips and Thames Water.

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