2020 | White Paper 01

DON'T STOP TALKING

Keeping your brand alive during a merger, acquisition or rebrand

Six Black Pens.

Keeping your brand alive during a merger, acquisition or rebrand

Communication is a vital part of any business restructure, whether that's a merger, an acquisition or even a partial rebrand. But getting buy-in from internal and external stakeholders requires **careful preparation**, **patience** and some **bright ideas**. Leading marketers, Julie Cutler at Arup and Richard Spencer at Business Australia, share their insights, together with senior members of Six Black Pens.

Contributors to this paper:

Richard Spencer
Chief Customer Experience Officer, Business Australia

Julie Cutler
Head of Marketing & Communications Australasia, Arup

Kimberley Gaskin
Director, Six Black Pens

Oli Vickery
Director, Six Black Pens

What makes a merger or acquisition – or any kind of corporate restructure – succeed?

As we know, many don't, and with good reason. It may be that the numbers ultimately don't stack up, or the integration process lacks clarity, or there are insufficient resources to see the restructure through. But among these there's one constant: communication, or a lack thereof.

Despite the best intentions, many companies don't get it right, or right enough. A Deloitte study found that most of its 800 M&A executive respondents would focus on better communication in future integrations, with four in 10 putting communication with employees in their top three and a similar proportion citing communication with customers or third party agents.[1]

The importance of saying... something

Sharing your vision, your narrative, both externally and internally, is critical to any corporate restructure, whether it's a merger, demerger, acquisition, spin-off or even a simple reorganisation of your business units. Without bringing your all-important stakeholders on board, you risk throwing away any amount of goodwill while failing to capitalise on the intended benefits of the transaction.

But how do you ensure that your external and internal communications have what it takes to engage your many stakeholders – particularly if you're a complex corporate in an especially complex scenario?

[1] https://www2.deloitte.com/content/dam/Deloitte/us/Documents/mergers-acqisitions/us-ma-integration-report-030415.PDF

"Communication needs to be a priority – not an afterthought."

Kimberley Gaskin
Director, Six Black Pens

Six Black Pens Director Kimberley Gaskin says the key is to plan properly and to follow through, with not one but several initiatives that aim to inspire, energise and engage.

"Communication needs to be a priority – not an afterthought," she says. "Given how dynamic M&As and restructures are, there's often a reluctance to say anything at all until the entire picture is clear, so companies withdraw their communications completely for an extended period. Business-as-usual communications grind to a halt and, before you know it, six months have passed and nothing has been said to stakeholders. Meanwhile, there may have been significant press about the transaction – so there's a lot of information out there that the company isn't controlling."

The value of marketing as a strategic partner, from the start

Gaskin has been closely involved with communications strategies for several complex corporate restructures and other large corporate transactions. Those that have worked, she says, are the ones that have shown a commitment to the communication process from day one – right up until day 365 and beyond.

Certainly your communication strategy shouldn't evolve on the run. "Often restructures happen at high speed and under a blanket of secrecy," Gaskin says, "so they have to be incredibly well planned or they aren't going to be effective."

She argues that your communication strategy is likely to be just as complex as your business strategy and should be drawn up concurrently. This avoids communicating on an ad hoc basis and is particularly important if your situation is complex, involving, for instance, two entities merging into one.

Julie Cutler, Head of Marketing & Communications Australasia for Arup, agrees. She has worked with some of the world's leading financial and professional services brands. "The marketing and comms strategy should closely follow the business strategy or strategic intent. If the business strategy isn't clear then it's very difficult to make the marketing and comms strategy clear and make sense."

She finds that the marketing and communications team will often be in a position where they have to prompt and probe to "really chase down that clarity". That's a must though, Cutler says – for the business as much as marketing and communications. "I've seen too many acquisitions [where the business gets] caught up in wanting to do the deal, and sometimes that can cloud their objective assessment."

At the end of the day, if your company can't articulate the why – what the restructure offers your stakeholders – you may need to rethink both your strategies.

What's in a brand?

Protecting your equity.

While a corporate restructure aims to build something bigger, or simply better, your best laid plans could come undone if you fail to protect your brand equity, whether or not you're keeping it in its original form. As Richard Spencer, Chief Customer Experience Officer at Business Australia, says: "Assuming you're not trying to leave behind any baggage, **the priority is always about retaining the equity in the brand that has been built** and transitioning that into whatever's new."

He points to BHP's success in protecting its brand equity. "BHP is a really good example in their acquisition of Billiton, in that they went from two organisations called BHP and one called Billiton to being BHP Billiton for a number of years, and just recently they've transitioned back to BHP again." You need to work out the value of your brands first though. Are they even worth transitioning? Not necessarily. "**If they're not multiplying your business model, they are effectively detracting from it**," Spencer says. "If they're detracting from it, then something's broken and you need to fix it."

In the case of Business Australia, protecting the brand equity in any corporate restructure is a must. "Given that we've been trading continuously for 193 years, any changes we might want to make to the brand of our organisation would be completely predicated on ensuring that we transitioned the heritage."

Yet it's also important to tell the story of the future, Spencer says, not simply the past. He points to the transition of credit unions to banks as a good example. "I think they've done a cracking job of transitioning the heritage and equity of a credit union into the new paradigm of being a bank without losing that member-owned, member-base connectivity. That's what made the credit unions so different to the big four banks."

Managing the 'What' and 'Why'

For Cutler, it's a matter of being absolutely clear about what you're doing, why you're doing it, what you hope to achieve by it, and understanding the audiences that will be impacted – or have an interest in knowing the impact – and thinking through the implications from their perspective. "For me, it always starts with this, being very, very clear about the strategic intent and that narrative, and landing that narrative before then looking at the implications for different stakeholders."

For Gaskin, a detailed **messaging matrix** is crucial here. By setting out your key messaging pillars and proof points, you ensure your narrative is logical, ordered and thoroughly grounded in facts. It also gives you a strong framework to guide your messaging across various audiences.

"You have to make sure your internal people don't find out after the market finds out. Otherwise, you're done."

Kimberley Gaskin
Director, Six Black Pens

"A messaging matrix can be a central, guiding document for all external and internal communications that ensures everyone is getting the same, consistent messages," Gaskin says. "They are living, breathing documents that are your central repository for all information. And as things change and develop, they can be updated and recirculated."

Some situations require one matrix. Others require many more, depending on the new entities and audiences involved.

For example, when Six Black Pens worked on the communications strategy for a large corporate demerger in 2017, the first step was to develop a series of detailed messaging matrices: one for the old company without the business that was being sold; one for the new entity; one for the parent company of the purchaser; and one for the parent company of the seller. Each matrix contained client-facing messages and proof points, all pre-approved by corporate affairs, legal and marketing.

"It made getting the hundreds of assets out to market very quick and quite seamless," Gaskin says. "From scores of eDMs to videos, brochureware, speeches and trade press."

It also meant everyone was on the same page and telling the same story, while giving the company the flexibility to adapt as necessary. That's another must, particularly in our internet age where there's little room to fudge things. As Cutler says: "You can't hide anywhere these days. Being transparent, authentic and consistent is more important than ever before."

Managing the 'Who'

When it comes to explaining your transaction, your audiences may be many and varied.

Your employees: These internal stakeholders are critical *(Read our break-out box: **Your most important audience? Your people**).* In fact, they are key to your transaction's success. While you may be able to control your message through your media relations, social media or web presence, it becomes far more problematic when it comes to your employees, Cutler says. "When you have other people delivering that message, or interacting with customers or other stakeholders, that's when you can get some variability."

Cutler's solution is to engage your internal audience "very effectively and very early on" in the process.

There's another good reason for this. As Gaskin notes: "You have to make sure your internal people don't find out after the market finds out. Otherwise, you're done." When people are scared about

Your most important audience? Your people

A core part of your messaging matrix is identifying who you should talk to and their particular needs, so you can then tailor your message to each group while still keeping true to the overarching message.

This tends to be more challenging than it once was, Arup's Cutler says. "The ecosystem of people that are impacted by business decisions these days is much broader than ever before, and obviously it's much more transparent." As a result, she says, it's very important to define that stakeholder landscape.

Inevitably there will be nuance in what you want to say about the transaction to each audience, and how granular those details are. "You have to keep in mind that it's going to affect each of those groups very, very differently," Gaskin says.

Should you prioritise one audience over the other? Yes, says Business Australia's Spencer. Your internal audience has to come first. "Certainly, if you're in any kind of professional services or business-to-business environment, by a country mile the most important audience is your internal audience. Your existing customers or members would be secondary and then new customers or members would be tertiary."

Unfortunately, most people tend to focus on their existing customers and forget their employees, "because it's much easier to make an argument to spend money on customers or clients than it is to spend money on your employees", Spencer explains. "But to personify any kind of brand, your employees need to try it out, live it and breathe it before your market can ever understand it. There's no question that's the right way to do things and there's no question that it doesn't get done that way often enough."

Gaskin believes it's a matter of properly committing to taking people on the journey. "Everyone says they're going to; nearly no one does. So they'll have one or two town hall meetings and that's it, and everyone fills the silence in-between with their own assumptions and what it means. You see the plunging of morale very, very quickly."

One of the problems here is that any negativity necessarily leaks through to the market. "All of your staff's concerns and all of those internal factions will personify the way the market views the brand, particularly in the B2B environment, but also in any kind of major B2C deal as well," Spencer says. "Because the first people the media wants to talk to are employees."

Of course, employees are essential for another reason: they're the linchpin of your business. You want them to stay with you – particularly your star employees. It doesn't take long for key staff to walk out the door. "If you create uncertainty, you lose your best people first because they are the ones who can find jobs fastest," Spencer says.

His advice: "Spend far more time and resources on them than you think is due."

"All of your staff's concerns and all of those internal factions will personify the way the market views the brand."

Richard Spencer, Chief Customer Experience Officer, Business Australia

"B2B channels are often the 'poor cousin' of the direct channel, even when the majority of revenue comes from B2B."

Kimberley Gaskin
Director, Six Black Pens

losing their jobs, there is just as likely to be a mass exodus. And "if all of your internal team members end up fleeing because they're scared about the outcome, you won't have the people you need to do the actual work", Gaskin adds.

Being as open and transparent as possible is easier said than done though. Take redundancies: inevitably, some people will have to leave your company, but those setting the strategy won't know exactly who for some time. That's because you won't have a clear picture from the start.

This means there are limits to what people can actually say to the internal team because they literally don't know. Says Spencer: "A lot of the decision-making is stunted during those kind of periods because people are more reticent to make prior decisions."

So what's the answer?

"Stay in touch with employees, even if you have nothing new to say," Gaskin urges. "Have a regular schedule and regular channels for communicating, and stick to the plan. Even if there's no new information, the contact and the dialogue is reassuring and there's a forum in place for discussion, venting and explanation."

Your third-party agents: You may rely on third parties or intermediaries who are aligned to, but not owned by, your company. If they make up the majority of your revenue, they'll be critical to the success of your restructure. "If they don't feel that the transaction is in their own best interests, or they're not on board with it, or they don't like change, there's a big risk they might leave," Gaskin warns. "It's a dangerous tipping point." They need their own, detailed messaging and their own communications plan, she says. "Interestingly, B2B channels are often the 'poor cousin' of the direct channel, even when the majority of revenue comes from B2B."

Your customers: At the same time, you also risk losing your customers. They may opt for somewhere that's not going through a transformation, making timely communication critical.
Once again, however, you may struggle with the fact you won't have all the details you want upfront. Gaskin recommends being as open as you can possibly be. At the same time, "it's important you don't overpromise". As she points out: "Legally, there are so many things you can and can't say, so it's fraught with danger."

Nevertheless, you need to generate excitement about the new entity, or what is left of the old entity. "It's quite the high-wire act with customers," Gaskin says. "You want to reassure them that things aren't going to be disrupted; but if they're going to be disrupted, you want to be upfront about that. Because there's

Arup's top 5 tips
on how to talk the talk

Julie Cutler, Head of Marketing & Communications Australasia for Arup, shares five ways to approach a corporate restructure or rebrand with strong marketing and communication principles.

Know your business

"You need to be very, very clear on the business strategy and how that translates into your marketing/comms strategy. This comes down to making sure that the right people are around the table when the business strategy is formulated, including the marketing and communications team."

Command the narrative

"Be consistent with the story you're telling your internal and external audience, taking into account the environment in which you're working and the impact on each of your stakeholders. At the same time, you need to be authentic, empathetic and transparent, allowing for a two-way dialogue with internal and external stakeholders."

Take a personal approach to your internal audience

"Where possible, try to personalise the message and the information you're giving out to staff. For financial services companies, energy companies or health insurance companies, the more personalised that communication can be around what has been happening for several months – what they need to do – the better, particularly if you're in the process of acquiring another brand."

Lay solid foundations

"Plan carefully and comprehensively so you have a robust communications strategy that prepares you for every eventuality."

Stay on the front foot.

"Be agile and ready to respond with great speed to a variety of situations."

nothing a customer hates more than you not acknowledging when things aren't great."

Cutler suggests monitoring customers so you can quickly understand how they perceive any changes to your company and the impact they're having on them. "There's no shortage of being able to tap into sentiment, particularly in consumer markets through social media monitoring. You can keep a real-time finger on the pulse around what people are saying about a particular brand, or a particular activity that's occurring, or an issue that's been experienced."

Of course, this available knowledge is open to customers as well. "It's a double-edge sword when it's so transparent," Cutler admits. Nonetheless, "it allows you to more readily identify issues and take a temperature read than perhaps would've been the case many years ago".

If you do pick up on a misunderstanding or some degree of negative sentiment, it's a matter of quickly clarifying things or, alternatively, "acting swiftly to surprise and delight them", Cutler says.

Admittedly, Cutler points out, that degree of responsiveness takes a huge organisational commitment to the customer, particularly if you happen to serve a wide variety of customer groups.

For example, if you do business with a mix of individuals, small businesses and large corporate customers, they'll require quite separate responses – and messaging. "You need to think about each of those audiences and what they get out of you and what they need to hear to be able to stay engaged," Gaskin says.

Your investors: A poorly thought through business and communications strategy is often highlighted at your AGM – if not before. It's crucial you sell your investors the story too.

The media: Both traditional media and social media are means of connecting all your other audiences or stakeholders, so they're just as important in their own way. You'll need to think about the macro messages you want to get out there and what PR opportunities exist. Above all, you want to be in control here.

Managing the 'When'

If the what, why and who are important in your communications, so too is your when – and how often.

Optimally, your communications need to be regular and current, Gaskin says. "The biggest mistake marketing and communications teams make with restructures or M&As is doing one or two significant pieces up front and then getting so involved in the actual transaction that they then drop off the cliff with their communications."

Gaskin sees this most often when it comes to external audiences. "Some companies go into a hiatus when it comes to advertising and their communication. They withdraw from the market with the idea that they'll come back with a big roar." In the meantime, they lose momentum and market share.

Above all, you need to keep on keeping on, Gaskin says. For B2B units, for instance, you should consider creating new pitch decks almost immediately – ones that reflect your new circumstances of course.

For B2B business units, consider creating new pitch decks almost immediately. "There can be a huge cost to your organisation if you stop pitching or your pitches don't properly reflect your new structure and your new customer value proposition," Gaskin says.

Six Black Pens Director Oli Vickery agrees. "You certainly can't stop your business communications, particularly if there's a purchaser involved who wants a brand that's alive," he says. "When the company transitions over, they won't expect that there's been no presence in the market for 12 months because you've focused on figuring out your internal changeover. Yes, there are people who need to know what's happening. But, at the same time, you've got to keep the lights on."

Talking up your transaction: a three-stage approach

In any kind of restructure, it's important to figure out the optimal brand presence, then follow through with a communications and brand plan that clearly outlines what you're going to say and when.

"You need to think about the entire ecosystem of where your brand lives and the wide range of touch points you can use to communicate different aspects of the transaction," Gaskin says. "It should be coordinated, it should be connected, and you should be thinking about what messages to deploy in which channels rather than simply relying on this ad hoc one-to-one communication."

For this reason, Six Black Pens follows a three-phase approach to communicating a restructure – what it refers to as 'inspire, energise, engage'.

INSPIRE

The initial phase is **inspire,** which focuses on the first 30 days of the transaction, whether that's a merger, restructure or acquisition. Its aim is to create awareness and understanding – to inform people about the new changes and get them excited about what's happening. As Vickery says: "It's what everyone expects to see. It's what companies often do and they do it quite well."

ENERGISE

The next phase, **energise,** focuses on days 30 to 60. Here, a range of internal initiatives build on the success of the launch, helping to create 'buy-in'. Wherever a person hails from, it's a matter of personalising those top-line messages from the board and marketing. "It goes beyond the standard stump speech for your company to 'What does that mean for Bevin in accounts'," Vickery explains.

ENGAGE

The last phase is **engage**, which focuses on engagement and long-term transformation. "That's all about large-scale cultural change, which, in any kind of restructure, has to happen and is going to happen," Gaskin explains. "Even if you aren't controlling it, it's still going to occur, just not necessarily in a helpful direction."

"I think organisations have a duty of care to make sure there's an outlet for people to have those anonymous conversations, to speak to someone who can reassure you."

Oli Vickery
Director, Six Black Pens

Gaskin and Vickery find that the first phase is often carried out, the second phase rarely, and the third phase usually not at all. "Companies run out of momentum as it's back to business as usual," Gaskin says.

One reason for this is somewhat understandable: HR usually steps in at this point. Vickery, however, says he works to involve HR much earlier in the internal communications so they're part of the journey. "When HR realise the value that clear messaging and communication bring in employee engagement, they understand how much marketing and HR are a symbiotic relationship."

Inspire and energise

For Gaskin and Vickery, a large part of the first two phases is ***telling a narrative*** that people can rally behind – less of the transactional and more of the 'What's in it for me'. Says Vickery: "Let's go beyond the 'This will happen by this time and these people will move over here'. You're talking about their future. Tell them that this is exciting and positive and something they want to be a part of."

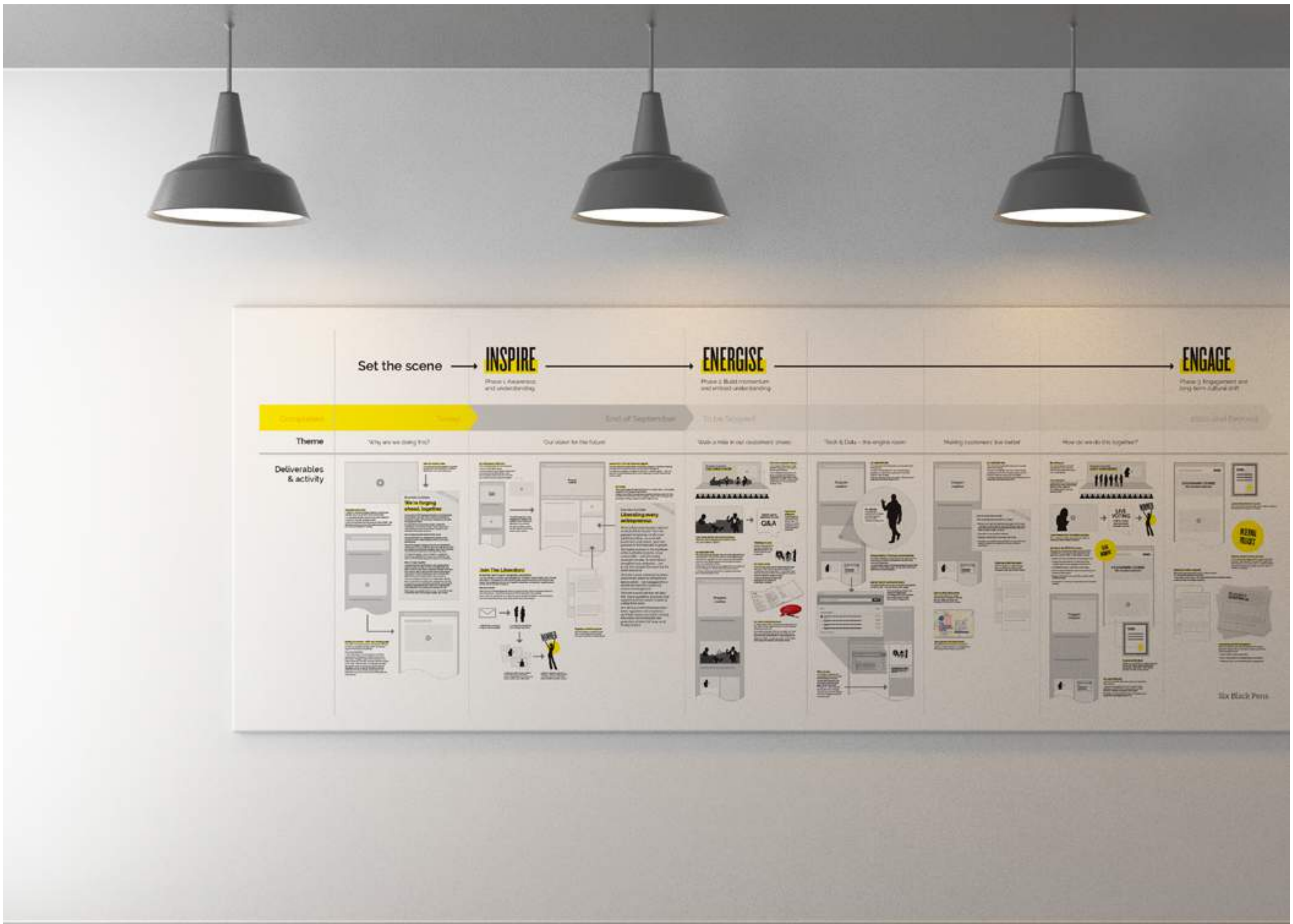
Instead of viewing it as a top-down story, you want people to see their own narrative in it, Vickery adds. "That's why we like to run exercises where people can extrapolate and personalise that story."

Brand immersion spaces can be a great idea here – a physical space where you see what the company will look like outside the digital realm. "The more you can make this tangible, the better," Vickery says.

It's also worth creating ***a central repository for information***, such as a digital hub, so people can return to it to re-read and research what's going on in the company. It means employees have somewhere to go to beyond that ad hoc email or one-off town hall meeting.

There can also be ***a duty of care element*** incorporated here, where people have ***somewhere to go to ask questions or voice their concerns***. While there's obviously an opportunity to talk to your manager or the people above you, this offers anonymity. "We can tell everyone that it's an exciting, inspiring journey they're about to embark on, but lots of people will be instinctively very nervous about it," Vickery says. "I think organisations have a duty of care to make sure there's an outlet for people to have those anonymous conversations, to speak to someone who can reassure you."

It's still a good idea to have ***communications*** that come directly from the top down, but they can ***be more personal*** than your town hall meeting. You might have a live poster where the CEO



Six Black Pens follows a three-phase approach in restructures. They map the messages, channels and activity for each phase into visual timelines that allow clients to see how each stage comes to life.

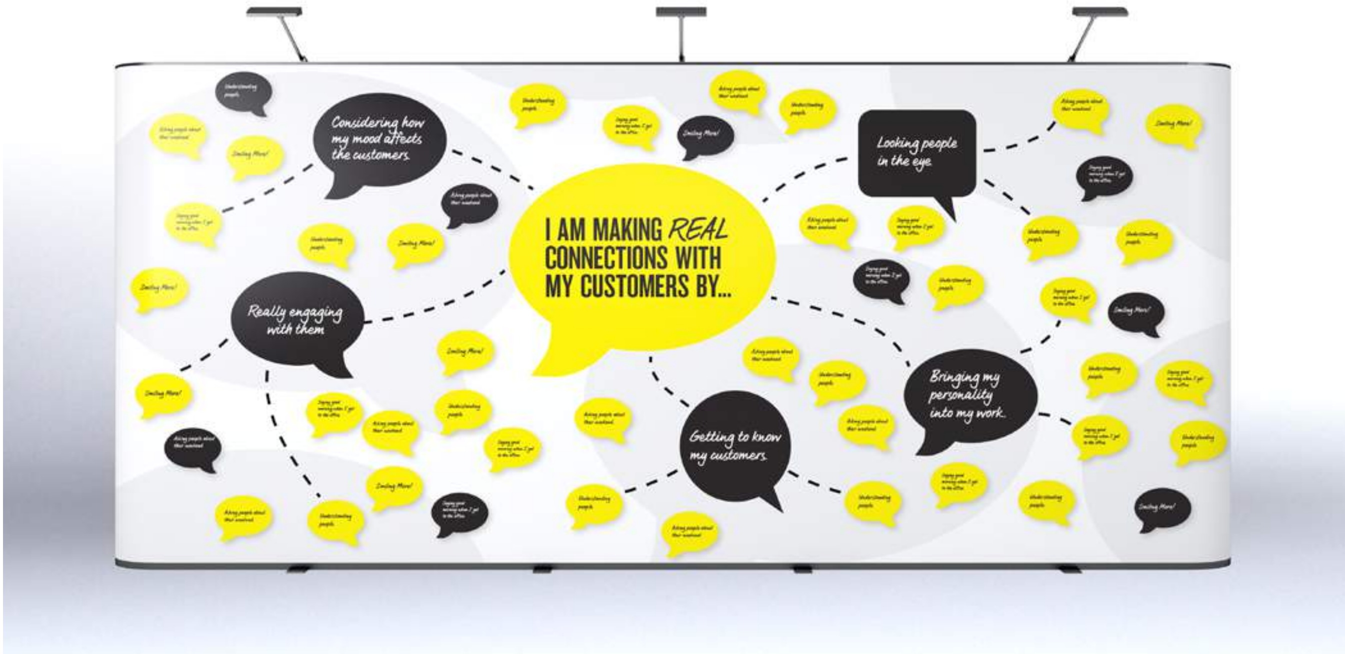
Things to consider

- Telling a narrative
- Brand immersion spaces
- Central information repository
- A place to voice concerns

talks directly to employees as they enter the building for the day, or personalised eDMs that attach an 'up close and personal' video by her or him. Even social get-togethers with company representatives advocating for the new changes will increase people's sense of connection with the new or updated entity. "It's a way of telling the internal team you care about them," Vickery says.

How do you reach out to any regional offices? Vickery says it can be helpful to provide them with their own personalised version of a town hall. "You want ***a town hall in a box*** so to speak, so other teams, whether they're just six people in Toowoomba, have an opportunity to engage directly with the leadership. With tech it's easy to dial in these days, but I think when people run their own small sessions the messages get embedded much more."

Of course, inevitably people will want to talk to their colleagues.



Communication techniques

- Town hall
- Town hall in a box
- Story wall
- Peer-to-peer conversations

Gaskin says it's a good idea to facilitate those ***peer-to-peer conversations*** in some way, whether that's ***a story wall*** *(above)* where they can share what the changes mean to them, or face-to-face discussions where teams have an opportunity to share their thoughts. "People are going to talk anyway, and this gives them a chance to frame that as something positive. It's much better than secret chats in the kitchen," she says.

Engage

A long-term cultural shift in behaviour takes time and commitment. It also requires education – about the new business practices, the new markets, the new products.

Gaskin and Vickery believe the engage phase has an important part to play in the long-term health of the restructure, however big or small. Again, they use storytelling, but it goes a bit deeper. "It's a chance to talk about what's happened so far and why it's working," Gaskin says. "It can also be an important opportunity to ***refresh the creative approach*** to give it a second wind."

Vickery agrees, adding: "It's a shift in the type of comms as well. This is going to be a longer-term piece; the others are a bit flashier, have a few more bells and whistles. This will potentially be an ongoing program that will last six to 12 months or more."

Initiatives can include ongoing content, to be published internally and externally. For employees, ***a CX course*** might be appropriate, something that includes a range of modules on the new way of doing business.

Top tactics from Business Australia

Richard Spencer, Chief Customer Experience Officer, Business Australia, shares his insights.

Embrace the power of repetition

"Don't underestimate how long it will take to convert people and change their thinking. Often you are saying one thing and your audience is hearing another, and the first thing they're hearing is: Does this mean I still have a job? You have to counteract that instant negativity over a period of time before you can help them understand what the next positive steps are."

Think like your audiences

"I can understand what might be in it for you as an organisation, but what's in it for me? What difference does that make to me as a customer? What benefits am I going to see in terms of whatever it is you deliver for me? Those are key messages you need. They're secondary to transition of the equity in the brand, but they need to follow on quite quickly to ensure that you're transitioning as many customers as you can and looking for additional value if you can get it."

Be thorough in your communication

"Be realistic about your current position. Most management teams think that their organisation is better known than it actually is. If you come at it from a perspective of "I need to help explain and expand" who we are, what we do and where we're at, then you're probably going to [go] in the right direction."

Emphasise the personal

"What I've found in brand changes is that things that are personal to people are often the most important. It used to be things like business cards because they attached the new brand to your name. Now it's things like email signatures that create that connectivity between me as an individual and me as a cog in the company wheel. I'm not sure we always give those as much emphasis, but whenever you see your name next to a new brand, you try it out."

Be empathic. Don't be too upbeat

"If you're acting too positively then the cynical side of people can assume there's something to hide. I just don't think people are necessarily excited about things they don't fully understand, particularly if it's an acquisition, merger or joint venture. Management says, "This is fantastic for us" and I think staff think, "Right, so how am I going to get paid next month… and what aren't they telling me?" Treat adult staff like adults. You don't necessarily have to sugar coat things all the time. You need to be as open and honest and trusting as you can be. You bring people along on the journey."

Finding a story that resonates

When change happens, a narrative that's inspiring, engaging and constant can make all the difference. Ultimately, a merger and acquisition is a significant change, and most people find the news of change unsettling. If organisations can define a narrative that maps to business goals and different audience needs, and then roll that out cohesively, the program has a high chance of success.

"Once you have your strategy and audience mapped, it comes down to ***amplification***," Vickery says. "You need to have a consistent story that can then be amplified throughout the community. Think about the number of people in the organisation who are telling the same, or a *completely* different story to their families, their barbecues, their networks. That makes it our responsibility to ensure it's an inspiring story – a meaningful, defensible, repeatable story."

Six Black Pens' 5 must-dos to keep your brand alive

01. Understand your audiences – and what they might need to hear.

One-size-fits-all messaging does not work in M&A scenarios.

02. Develop robust customer value propositions upfront.

These tell a clear and simple story about the transaction and why it's great for customers.

03. Create detailed messaging matrices for each of your audiences upfront.

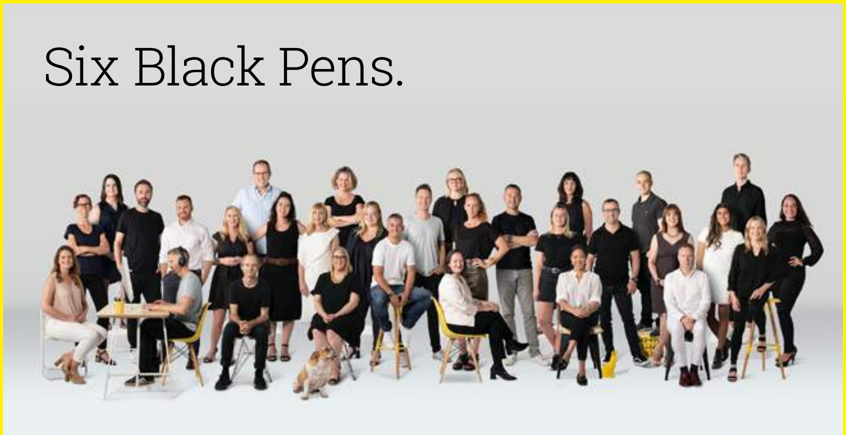
These should house all your important proof points, so everyone's using the same points and the same language to tell the story.

04. Commit to a 12-month multi-channel communications plan.

Don't drop off a cliff when it gets busy – tell people what's going on.

05. Don't neglect B2B audiences and channels.

Redo important pitch documents as a priority to minimise the amount of time you're off the radar for big pitches or opportunities.



We're a strategy-led creative communications agency.

We are specialists in complex business. We set out to understand, decode and define – to simplify without diluting. Our mantra is to embrace complexity and then bring brands to life for every audience.

WANT TO SEE MORE?

Head over to **sixblackpens.com**
or search for us on **LinkedIn**

Six Black Pens.

2020 | **White Paper 01**