

HEALTH WEALTH CAREER

# PEOPLE RISKS IN M&A TRANSACTIONS:

## 2016 MERCER RESEARCH REPORT

DATA • INSIGHTS • DIRECTION

# FIRST OF ITS KIND RESEARCH: *MERCER* 2016 PEOPLE RISKS IN M&A TRANSACTIONS

847

UNIQUE DATA POINTS

INSIGHTS FROM LEADERS MANAGING  
OVER 4M+ EMPLOYEES GLOBALLY

BUSINESS  
UNIT LEADER/  
CORPORATE  
BUSINESS  
EXECUTIVE

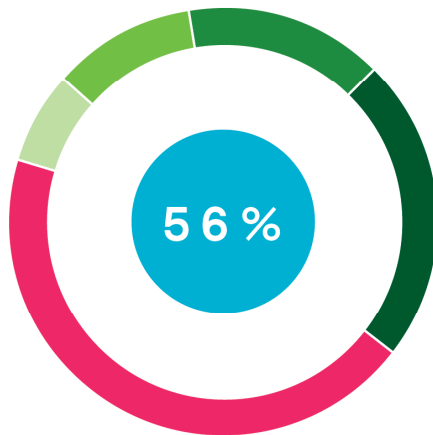
11%

CORPORATE  
FINANCE

7%

CHRO OR HR  
EXECUTIVE

44%



CORPORATE  
DEVELOPMENT/  
STRATEGY

15%

PRIVATE  
EQUITY  
DEAL AND  
OPERATIONS  
TEAM

23%

HEALTHCARE

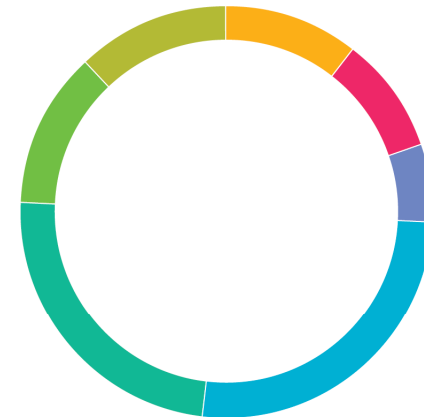
11.9%

OTHER

12.4%

INDUSTRIALS

23.8%



INFORMATION  
TECHNOLOGY

10.5%

FINANCIALS

9.2%

ENERGY/  
UTILITIES

5.9%

CONSUMER  
DISCRETIONARY

26.2%

# BUYERS MUST NAVIGATE NEW COMPLEXITIES



Entering new  
geographies



Taking on new  
risks/liabilities



Entering new  
industries



Getting comfortable  
with less due diligence  
(info and time)

# SELLERS MUST ALSO NAVIGATE NEW COMPLEXITIES



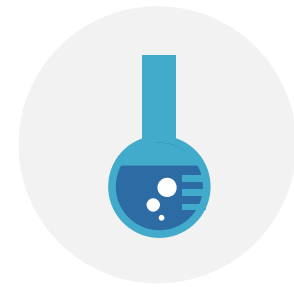
Activist shareholders  
disrupting status quo



Separation  
management



Managing transition  
service agreements  
(TSA) to maximize exit  
price



Pension volatility

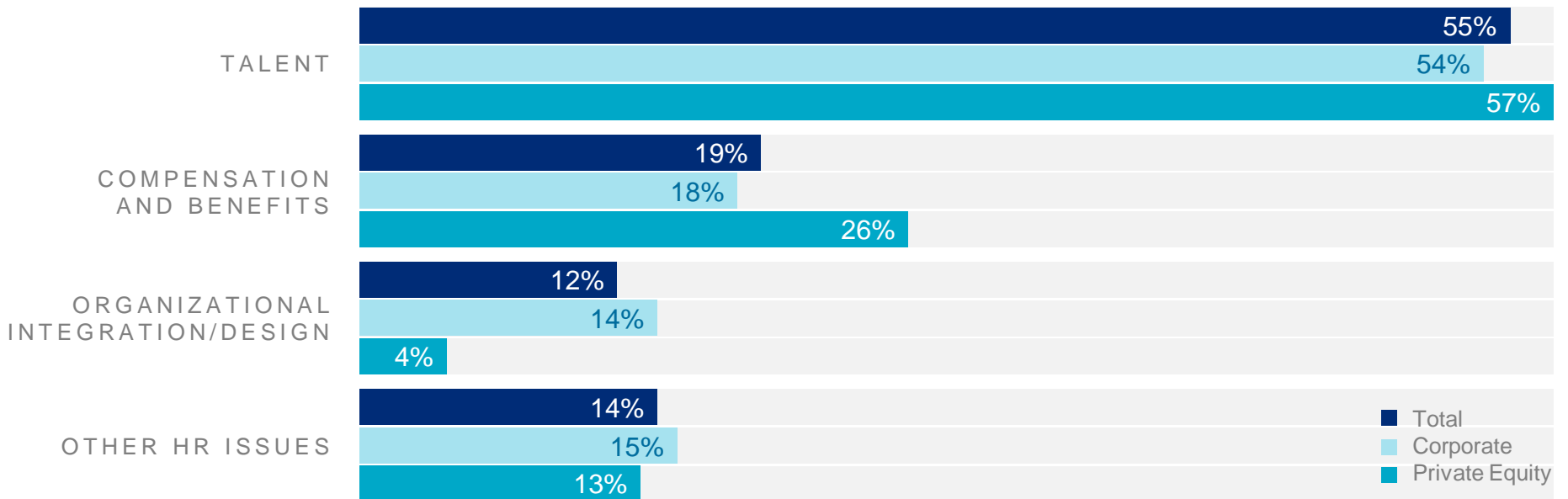
# AT THE END OF THE DAY M&A IS A PEOPLE BUSINESS

“The human capital side is the most important part of this merger.”

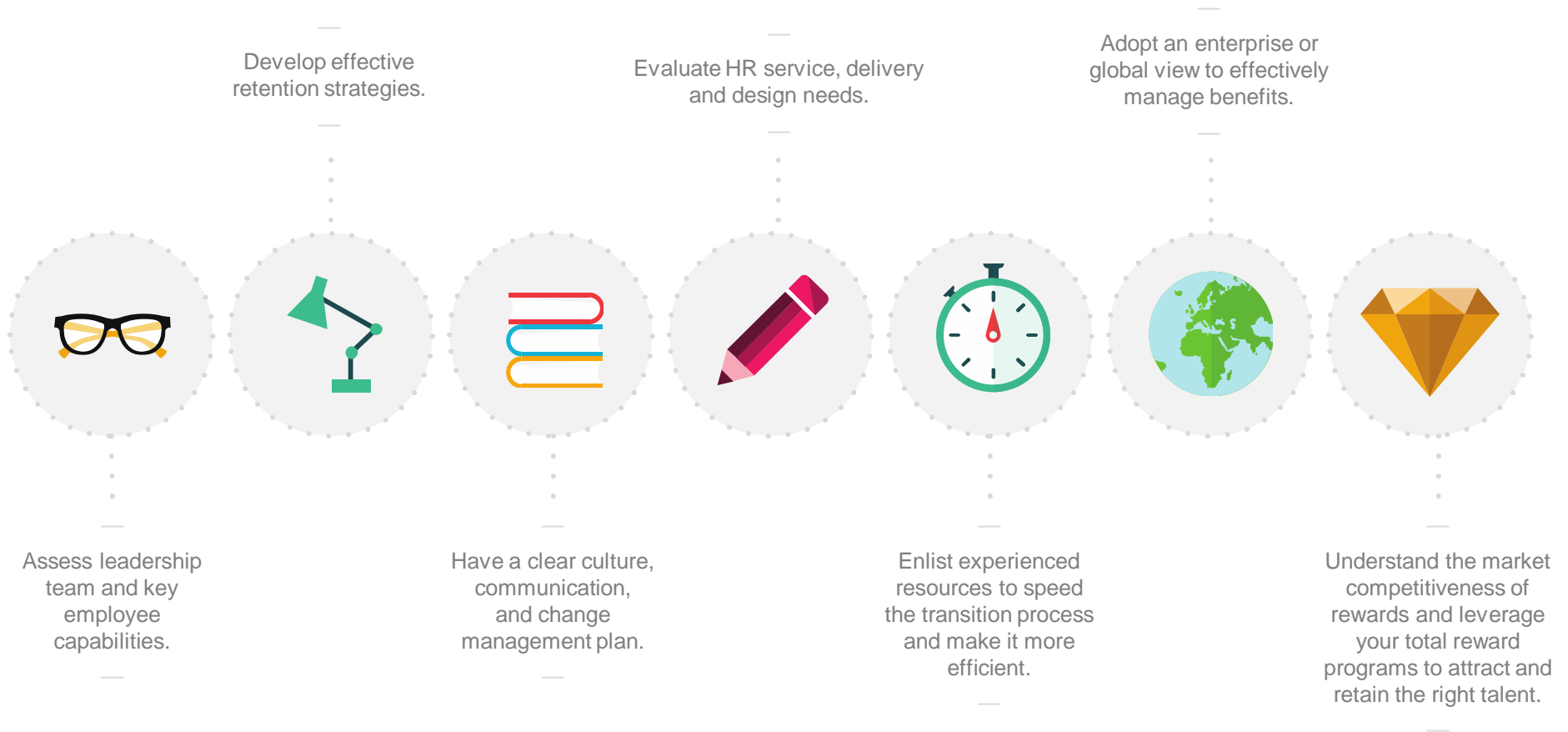
Ed Breen, DuPont Chairman and Chief Exec... will be CEO of new DowDuPont

## SURVEY INSIGHT

For buyers, talent is the number one perceived risk in future transactions



# PRACTICAL DIRECTION FOR BUYERS



# KEY INSIGHT

As they plan for and execute transactions, many sellers are finding that HR issues require increased focus and attention.

## EFFORT ON HR ISSUES

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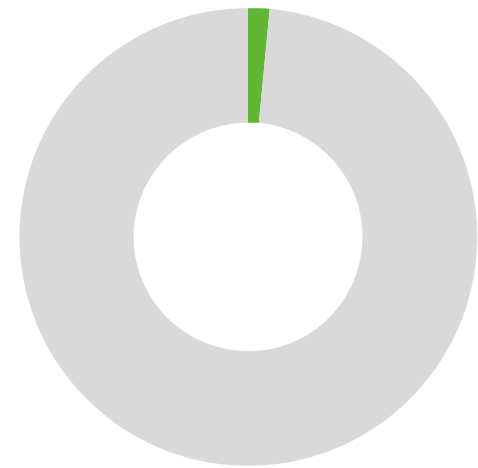
34%

**MORE EFFORT**



65%

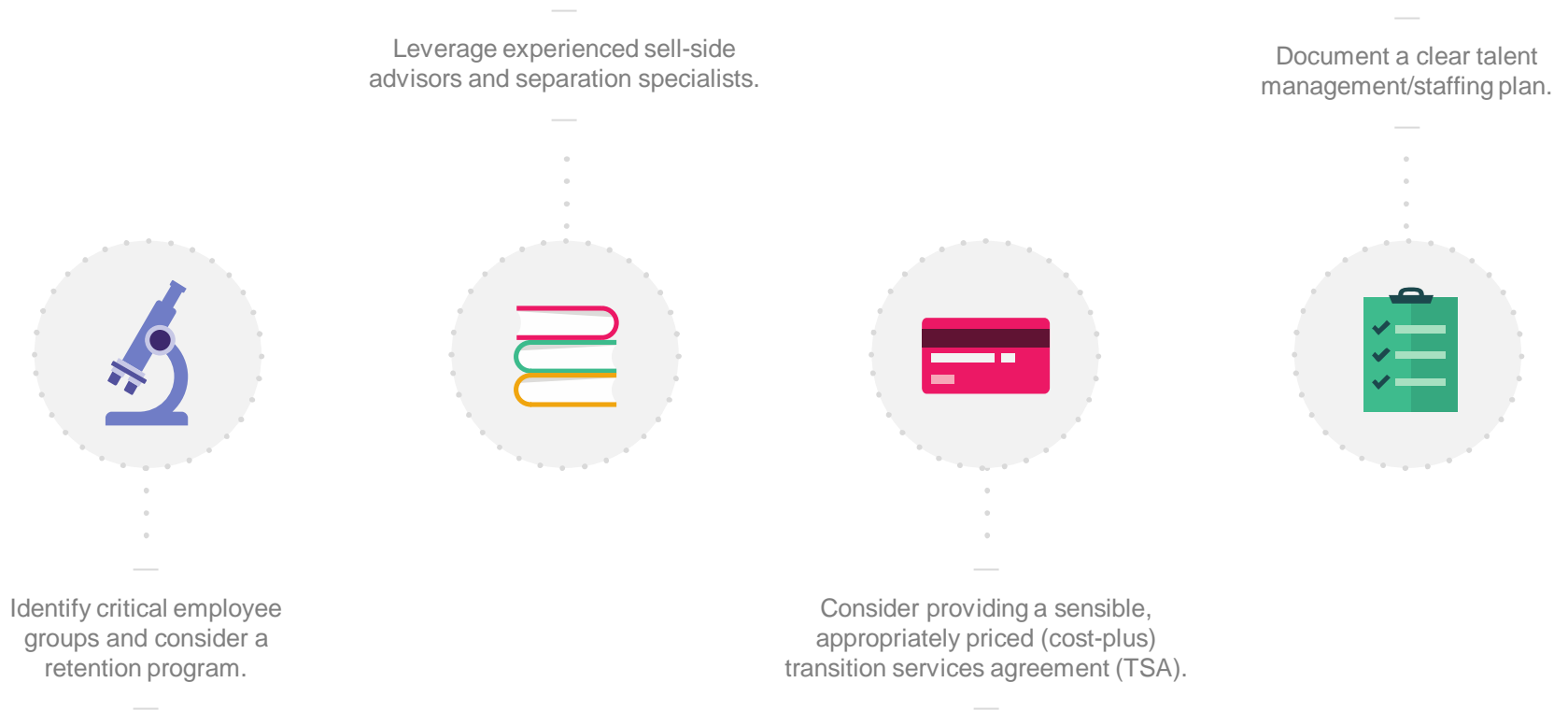
**ABOUT THE SAME**



<1%

**LESS EFFORT**

# PRACTICAL DIRECTION FOR SELLERS







**MERCER**

**MAKE TOMORROW, TODAY**

