9 Steps to Champion Branding and Marketing During Your Merger or Acquisition

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There's overwhelming evidence that, as CMO, your contribution to your company's upcoming merger or acquisition is critical to its success. A recent study by McKinsey bears this out:

"…our experience and interviews with leading M&A executives indicate that marketing plays a vital role in integration and deal success and should not be an afterthought. Rather, marketing should lead the organization in developing fresh, compelling value propositions and setting the new organization's brand strategy."

If marketing and branding can make or break a merger or acquisition, why do so many CMOs struggle to get a seat at the table? All too often it's because you're called in at the eleventh hour when you should be involved from the get-go.

But not anymore. It's time for you to own your role in the M&A process — and launch a rock-solid new brand while you're at it.

Why Marketing Is Cast Aside During the M&A Deal

Sometimes CEOs and CFOs zero in on the financial aspects of the deal. And sometimes there is simply a lack of awareness of exactly what a brand is. Non-marketing leaders are tempted to change the name of the acquired company and slap a new logo on the combined entity. They're left with a false sense of confidence with their new, "unified" brand.

But you know full well that branding — and the marketing that drives it — is more than an attractive logo. Much more.

In the context of a merger or acquisition, brand conveys the reason the newly combined business exists and how it intends to make an impact. It gives customers, employees, partners — and, yes, investors — a reason to believe the merged entity will benefit them. And that there's no reason for anyone to be apprehensive despite such a big change.

So how can you make sure branding and marketing are given their proper due?

The following nine steps will make certain that, as CMO, your voice is heard on branding and marketing matters as you embark on the M&A journey.

01

Get Involved Early

It's not enough for you to join in on M&A planning after the deal is announced. By that time, every team will be ready to make the transaction pay off through accelerated revenue growth, economies of scale, cross-selling, etc. There won't be time for (or interest in) marketing and branding considerations.

Customers should also experience the new brand at this point. And experiencing the new brand means it's reflected at every touchpoint, from your website and social media platforms to pitch decks and advertising. The brand must be in place to make all of this happen.

All to say: Get involved early. Start working on marketing and branding as soon as possible.

02

Play Well with Others

As CMO during a merger or acquisition, you'll need to work closely and effectively with a broad range of constituents from both of the combining entities. Unfortunately, territorial concerns often impede successful collaboration.

To avoid outright conflict, reach out early to understand each other's capabilities and expectations — and to define responsibilities. Establish a dedicated marketing workstream to ensure marketing goals and operations are carefully synchronized across both entities.

Creating the new brand is paramount. But it's just one element driving the (hopefully) lucrative integration of two organizations.

You'll also need to work out details like:

+ Integrating systems
+ Realigning compensation plans
+ Identifying redundancies

The list goes on.

An integration management office (IMO) led by a consulting firm typically pulls all of this together. As CMO, you'll want to develop a strong relationship with your IMO in order to safeguard your seat at the table and influence key decisions affecting internal and external communications. Lay the foundation by taking an active role in coordinating information-gathering between marketing, the IMO, and other external communications agencies you're working with.

03

Assess How the Market Sees the Deal

There are several questions central to every M&A transaction you're responsible for answering:

+ Should one brand take precedence over the other?
+ Which elements of both brands should be carried forward into the new brand?
+ Which should be jettisoned?
+ Has the competitive landscape shifted as a result of the combination?
+ How will decision-drivers among prospects change in light of this potential shift?

Don't answer these questions through guesswork. The personal and corporate stakes are too high to risk getting it wrong. Complicating matters, it's all but guaranteed that those leading the M&A deal will come to the table with biased opinions.

You must let research guide the way. The customers of both entities will have established ideas of each company's selling points. They may even have expectations for what the combination means for them. Assess these perceptions — and communicate them to your company — before developing a new brand strategy.

04

Brand Around Purpose, Not Financial Engineering

Several years ago, we created a new brand for two merging professional services firms with national reputations. From a financial perspective, the transaction made perfect sense. The two firms were long-time rivals with similar service offerings. By combining, they could grow their share and also achieve significant economies of scale.

The problem? The clients of the two firms weren't interested in the profitability of the combined entity. They wanted to know how the merger benefited them. That's human nature. They also wanted reassurance that the combination wouldn't result in higher fees or inferior service. Aside from customers, employees from both firms were concerned that the merger would result in layoffs.

This scenario is illustrative of every M&A transaction. As CMO, you must find a way to translate the financial and strategic rationale for the deal into a compelling purpose that communicates benefits to both customers and employees.

05

Consider Your Naming Strategy and Brand Architecture

While a brand is much more than a name, determining what to call a merged entity is a critical step in the branding process.

Consider these questions as you strategize:

+ Will you retain one name and do away with the other?
+ Will you develop a completely new name?
+ Will one company become a subsidiary?
+ If so, will the subsidiary retain its name?

This last question leads to another important issue: brand architecture. Brand architecture is a strategic tool that organizes brands to help customers understand an organization's capabilities and access solutions. It also allows the company to shape how it is perceived in the marketplace.

The key point to remember when considering naming strategy and brand architecture is what signal the decision sends to the marketplace and employees.

A completely new name, when executed strategically and effectively, communicates that the transaction is intended to shake things up and be "a sign of change, not just a change in sign."

Consolidating under one legacy name lets audiences know that any material changes to the portfolio, service, or brand experiences will occur in the framework of continuity — think United and Continental.

Combining two names into one provides reassurance that the transaction is a merger of equals, which is often comforting to customers and employees.

06

Rally Everyone Behind the Combination with One Brand-Led Culture

Mergers and acquisitions always involve marrying two distinct cultures. Believe it or not, the brand has an important role in ensuring the success of this union. In fact, the new brand you create will help bring together different workforces, mindsets — and, yes, entire cultures.

Because branding is key to the success of your new company's culture, it's helpful to know how to integrate two distinct cultures. The first step is to assess each culture:

+ How does work get done at both entities?
+ Is decision-making centralized or decentralized?
+ Are the cultures consensus-driven or top-down?
+ How are people held accountable? Individually or by teams?

Your new strategic foundation will let everyone across the combined organization know where the company is going and what specific behaviors and attributes will help it get there.

You should also identify leaders who can act as change agents. Train them in how to model the desired culture and communicate what it stands for.

Finally, create success metrics to measure progress and signal any needed course correction.

07

Establish the Visual Brand Identity

Just as you need to unify your culture post-M&A deal, you also need to present a harmonized visual brand identity.

At the same time as you're working toward establishing your new brand as a whole, create a visual identity that makes your company look like one organization (or, in the case of a subsidiary, a family of organizations).

For example, if the newly integrated brand is all about people, ensure your visual brand identity is built around people, too. If instead the new brand is all about results, perhaps your visuals will center on data visualization.

How do you define your new brand's visual identity? There are a few high-level steps to get you started:

+ Review the two brands that are combining
+ Determine elements they have in common
+ Conduct a competitive audit of the marketplace to see if there's white space where you can carve out your new visual identity

It's vital that you engage creative teams from both companies to do this visual brand identity work. Be sure each voice is heard or you'll never achieve that uniform aesthetic you need.

08

Pinpoint the Perfect Brand Implementation Timing

Working on the new brand before the transaction closes is, as discussed, essential. But launching a brand on day one isn't always warranted — or even feasible.

To that end, you have two options:

+ "Flip the switch," meaning you announce the merger or acquisition and the new brand all at once, or
+ Announce the merger or acquisition first, then implement the brand gradually in the months that follow.

The brand and marketing teams from both companies need to carefully understand and plan the work involved and the strategic implications of each option.

In either case, you should introduce the high-level brand elements — like the name, story, and visual identity — when you announce the deal. You can roll out the entirety of the new brand at that time or later, as discussed. But waiting too long to preview these high-level elements sends a message of indecision or, worse, integration issues to your employees and the marketplace.

09

Launch the New Brand

No matter when you decide to launch your new brand, you'll need to create a new website for the combined entity. At the very least, you need a temporary "holding" site. Alternatively, you can reskin each existing site to showcase the new, up-and-coming brand.

Sidenote: Now is also a good time to host brand launch events for your employees. After all, interest in the combination is at an all-time high — and so is anxiety.

Begin implementation by segmenting and prioritizing audiences to create a launch and rollout cadence. Ask yourself:

+ Which constituents are most vital to the success of the new brand and the merger?
+ Who needs to know what, and when?

Success also depends on carefully assigning roles to determine who within the combining entity is responsible for oversight, materials production, and program management. In almost every instance, multiple external agencies will need to be carefully coordinated.
This includes not only the branding firm, but also public relations and investor relations agencies.

You Are Indispensable to M&A Deal Success

Jump on the M&A bandwagon ASAP — because you matter to this process. Take the time to understand what the marketplace and employees are thinking. That way, you can make decisions based on information, not guesswork.

The resulting brand could become one of the most significant and valuable outcomes of the entire M&A transaction.

DeSantis Breindel

DeSantis Breindel is the leading B2B branding and marketing agency in NYC. We are strategists, writers, designers, marketers, filmmakers, programmers, and experience makers. United by a shared passion, we work with our clients at critical inflection points to engage customers, influence prospects, rally employees and inspire investors.

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