



Bid letter



Establishing compatibility



Business combination agreement

A VERY LONG ENGAGEMENT

Mergers and acquisitions are arduous, prolonged processes. But the communications challenges are their own reward

by Dafydd Phillips

Everybody enjoys a celebrity wedding. They legitimise our need to indulge in speculation, gossip and feverish media coverage. One recent example ticks all the boxes: “Deutsche Börse, NYSE Agree to Historic Merger” (Reuters, February 15; “Merger mania: Frankfurt borse eyes heart of capitalism” (Sydney Morning Herald, February 10); and “Deutsche Börse Group To Merge With NYSE, Create World’s Largest Exchange” (Huffington Post, February 10). Headlines like these have dominated the financial press since news of a proposed merger between Frankfurt-based stock exchange Deutsche Börse and NYSE Euronext, the operator of the New York stock exchange. To become better partners for their globalised clients, Deutsche Börse and NYSE Euronext have joined a growing list of stock exchanges that are taking advantage of changing European regulations and entering into global merger talks. The UK’s Daily Telegraph calls it a “race for repositioning”. Alongside DB and NYSE, 2011 saw merger talks between the London Stock Exchange and Toronto’s TSX, as well as Singapore’s SGX and Australia’s ASX. When six of the biggest players in an industry are all looking to merge, the entire European business landscape will need to be reconfigured. Job creation and job cuts, new companies and brands, new revenues and an altered market are all implied by this special transaction, a transaction that represents a life-changing watershed for a company. It also puts immense pressure on the

company’s communications function, and so Communication Director decided to investigate the many roles that are demanded of the communicator through this dramatic process.

FIRST STEPS The first phase of the deal leads up to the signing of the business combination agreement, effectively the moment that the intention to merge is made public. This phase of the journey will be led by the executive board, who approach their own shareholders as well as the board of the other company and persuade them of their vision and win their approval for the deal. The communications function plays a key role, not least in establishing the compatibility of the two companies. Cultural similarities and dissimilarities – organisational as well as national – can ease or hinder the execution of a merger or an acquisition; after all, merging companies not only combine their businesses but also their separate organisational cultures. According to a report by strategy consultants Roland Berger, cultural knowledge is one of the five key success factors in mergers and acquisitions. In *New Opportunities for Strategic Acquisitions*, they write that “successful European M&A players attach great importance to ‘cultural fit’ from the earliest days of their deliberations”. The definition of what constitutes a cultural fit will vary. Claudia Moschieri is an assistant professor of strategic management at Madrid’s Instituto de Empresa. She told Communication Director that “multinational com-



Management and structural problems ?

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FACTS & FIGURES

Constricting economies, reduced budgets, job losses – the knock-on effects of the economic crisis are painfully palpable, to individuals and companies alike. But less tangible outcomes are just as important. One such result is the underlying impact on consumer confidence, according to a new report from public relations and communications firm Burson-Marsteller Europe. “It is not an exaggeration to say that the downturn has had a catastrophic impact on trust in corporations and the people who lead them” states the introduction to the survey’s report. The impact of the crisis on Europe and the role national media have had in framing other countries as culpable in one way or another has resulted in a growing mistrust of international business: the survey finds that overall, European trust local companies the most, national a little less and international least of all. (Of international

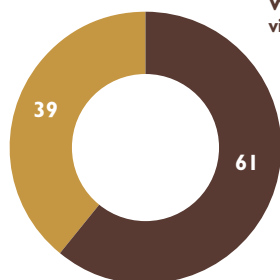
businesses, companies from Australia, Japan and the US are the most trusted, with trust for companies from the BRIC countries being very low). Central government and corporate CEOs inspire similarly low levels of trust: compared to two years ago, trust in corporate CEOs has dropped by 48 points and in central governments by 51. The picture is equally bleak for companies: as the report states, “many respondents feel that companies have become more dishonest over time and that they cannot be trusted with personal information” (below). The report argues for ‘Corporate Purpose’ as a means for companies to affirm their honesty; whichever the approach, the survey’s grim results strongly suggest that companies now more than ever must win back people’s trust. *Taken from Burson-Marsteller, Trust & Purpose Survey 2011*

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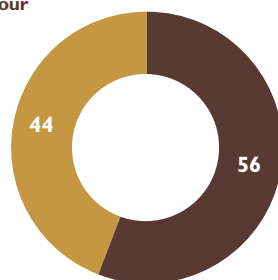
Companies are seen as dishonest

Many feel that companies have become more dishonest over time and that they cannot be trusted with personal information

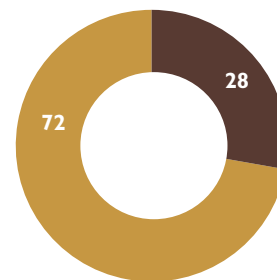
Which of the following is closer to your view? (Showing Among All)



- Generally, corporations and their spokespeople are dishonest, and most communications from companies are lies
- Generally, corporations and their spokespeople are honest, and most communications from companies are the truth



- I'm generally suspicious about the data that companies store on me and my family, as I think it can often be used in a way that infringes on my privacy
- I'm generally relaxed about the data that companies store on me and my family, as they typically only use it for marketing and customer feedback



- Companies are more trustworthy today than when I was a kid
- Companies were more trustworthy when I was a kid

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PERSONNEL



Daphne Recker
(VP, Media Relations)
Institution: Norma AG
Start: August 01



Germany: Recker join Norma from Schuppener

DAPHNE RECKER is vice president of media relations for Norma AG, the international market and technology group. She is responsible for all internal and external communications, and reports directly to the CEO, Werner Deggim. She previously worked in Frankfurt as a consultant at Hering Schuppener since 2010. She began her career at Deutsche Bank.



Mike Booth
(SVP, Communications &
Corporate Affairs)
Institution: ATV Start: October 17



Norway: New global communications role at Algeta

Algeta ASA, the cancer therapy development company, has appointed Dr MIKE BOOTH as senior vice president, communications and corporate affairs. In this newly created position, Dr. Booth will be responsible for Algeta's global corporate communications and investor relations. He will report to both the CEO and CFO of Algeta, and will join from Trout International in London, the European operations of The Trout Group, LLC.



Stéphane Vacher
(Head of Communications)
Institution: Banca Fideuram
Start: September 01



Italy: Promotion for Stéphane Vacher at Fideuram

STÉPHANE VACHER is the new head of communications and image at Banca Fideuram, the Italian financial company. Reporting directly to the CEO of the company, Matteo Colafrancesco, he assumes responsibility for advertising, corporate image, web and media relations at the Group. Vacher joined Fideuram in 2005 as head of customer marketing and had previously worked at Credito Emiliano and Banca Nazionale del Lavoro.

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EVENTS



30.09.2011

Digital Communication Awards

Over the last few years, the field of professional communication has experienced a significant change: digital communication has become one of the fastest growing and most innovative sectors. The inaugural Digital Communication Awards celebrates this growth.

► Quadriga University, Ritz-Carlton Berlin

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13 – 14.10.2011

Internal Communication Conference & Boot Camp

Under the banner, "Steering Dialogue, Promoting Engagement, Creating Value", this conference gathers a selection of experts to share their insights into how to realise the full potential of internal communication.

► Quadriga University, 13 Werderscher Markt, Berlin

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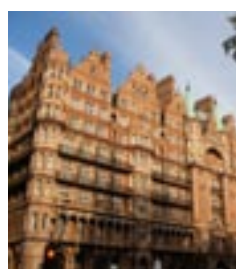


19 – 20.10.2011
EuroPCOM 2011

EuroPCOM gathers communication managers and senior experts of local, regional, national and European authorities to share their strategic insights and practical experiences in actual communication challenges.

► Committee of the Regions, Jacques Delors Building, Brussels

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29.11.2011
Social Media Results For PR & Comms

Social media experts from LEGO, adidas, facebook, American Express, Google UK-YouTube, Domino's Pizza, Standard Life, Universal Music, Volvo and more will reveal their social media strategies to mobilise engagement.

► Global Insight Conferences, Hotel Russel, London

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