eXemplum

# Value creation through M&A

## A best practice framework for Canadian credit union executives and boards

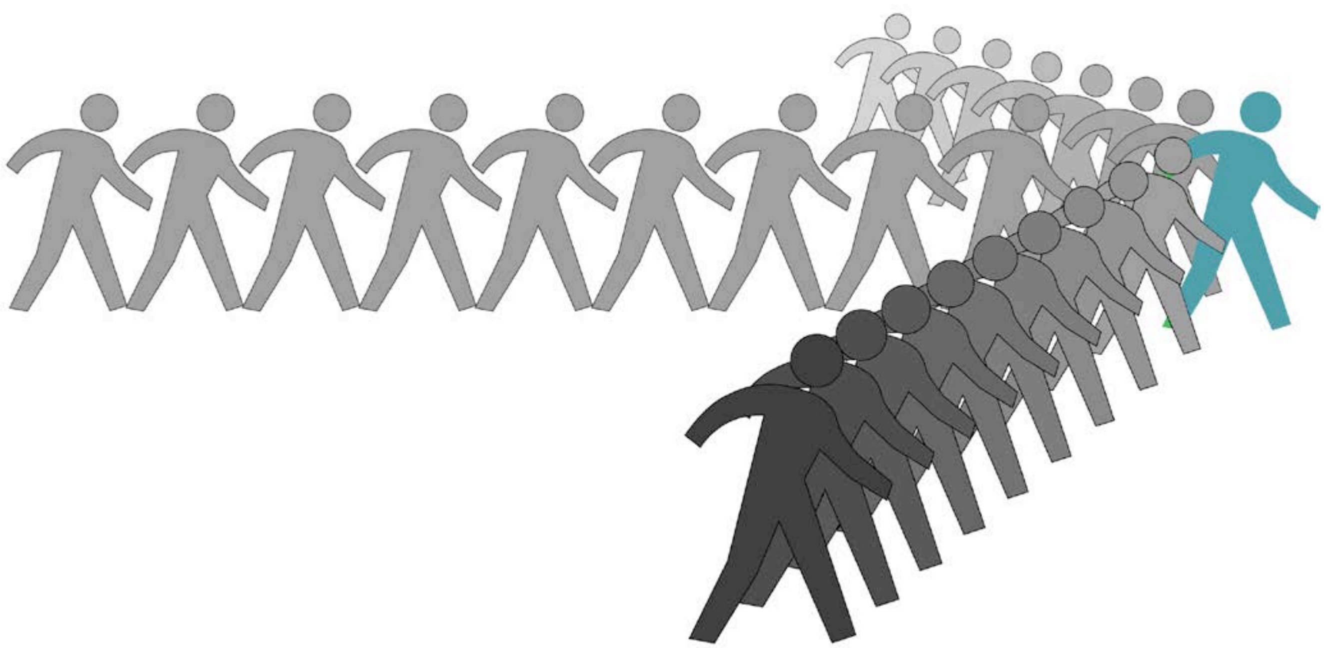


Table of contents:

# Drivers of change

In the coming years, first movers in the credit union system will define the tone of its mergers and acquisitions ("M&A") through the announcement and completion of a series of large, interprovincial transactions. These transactions will create a heightened level of awareness of M&A for everyone in the system and will accelerate a wave of M&A activity at all levels. There are three key drivers of system change spurring most system members to rethink their business strategy and consider M&A. These drivers are:

1. Increasing and intense competition, especially from banks and alternative lenders;
2. Escalating regulatory scrutiny and change, which will be accelerated for those with national aspirations; and
3. Changing member demographics and expectations, especially among youth, who have a higher propensity to access banking through technology.

Taken together, these drivers are influencing some in the credit union system to aspire to greater scale, possibly outside their home province, while for others these drivers are being interpreted as signals to retrench and refocus on niche markets. These two divergent strategies will over time result in a system that has two distinct groups: the very large national or provincial credit unions and the smaller, specialty credit unions that serve increasingly niche markets.[1] In either case, opportunities for value creation abound, and the importance of M&A as a direct or indirect influence on your institution's future should not be ignored.

This paper provides management teams and boards with a best practice framework to help them pursue, evaluate, and effect M&A opportunities. It draws on our professional experience in advising leading financial institutions in Canada, among them several credit unions.

*Case study:*
***A different kind of merger***
*In April 2014, the boards of directors of Alterna Savings and PACE Credit Union announced their intention to join as one operating entity. This partnership will be organized under a federated model, whereby each institution will maintain their brands, culture and communities, but share certain management and back office functions, including IT, marketing, and risk management. The combined assets of over $4.0 billion will place it in the top 10 Canadian credit unions. The member benefits of this union are expected to be many, including greater geographical access to branches and ABMs, a larger balance sheet to expand lending efforts, broadening access to mortgage brokers, an expanded ability to access cheaper funding (i.e. securitization), and a greater ability to invest in technology and infrastructure.*

# M&A as a tool to create value

At the most basic level, the objective of M&A is to create economic value. For credit unions, this is driven by the following four levers:

1. Growing interest income through growing interest-bearing assets, changing risk profiles, and/or increasing rates;
2. Increasing non-interest income through non-capital-intensive businesses (e.g. wealth management);
3. Reducing administrative and overhead costs; and
4. Expanding the use of non-equity capital through accessing a broader range of less expensive debt alternatives.

While all credit unions have these same value levers, there is an undeniably strong correlation between financial scale and the degree to which management teams may access and influence these levers. All else being equal, larger institutions have greater flexibility to create economic value. Growth by way of M&A appears attractive for some members given that organic growth is a challenge for all in the mature and highly competitive Canadian banking market.

The benefits of M&A extend beyond economic value creation and include important pillars of many system-member strategies. These include a greater ability to enhance member experience as well as to improve culture and retain talent (Figure I). As financial performance strengthens, so too does the ability to invest in and improve the value proposition for members.

M&A may also be used as a way to release capital from non-core businesses and assets through their sale. This newly available capital may be redeployed into priority areas that more effectively create value. Whether to achieve growth, acquire specific capabilities, or refocus operations, M&A as a tool to create value has relevance and application throughout the credit union system.

*Figure I: Selected benefits of growth through M&A*

| Financial performance | Member experience | Culture and talent |
|---|---|---|
| Achieve revenue and cost synergies through greater scale<br><br>Expand and diversify into new products, geographies, and markets<br><br>Increase liquidity and the ability to access cheaper forms of capital | Improve technology offerings to appeal to a changing member demographic<br><br>Expand physical presence<br><br>Enhance the member value proposition for a larger common community | Enhance ability to pursue and execute on new opportunities<br><br>Improve capacity to attract and retain talent<br><br>Increase regulatory and financial management savvy |

# The importance of strategic and M&A plans

In advising participants in the credit union system, we observe that strategic plans are remarkably robust for some and pose a weighty challenge for others. However, common areas of deficiency include comprehensive research supporting the plan, competitive benchmarking, and, most importantly, an M&A plan.

As the credit union system will see an increase in M&A activity in the coming years, it is particularly important for management teams and boards to challenge and enhance their institution's strategic plan. A robust benchmarking analysis involves a comprehensive review of the financial, operational, and talent wherewithal of the institution as well as a competitive market assessment for external context. This exercise helps management identify growth opportunities as well as areas of improvement and enhances the board's ability to assess the reasonableness of the strategic plans.

To the extent that strategic plans are determined to be reasonable and that all capabilities required to effect growth objectives are internal, there may be no need to consider a comprehensive M&A plan. System members in this position must consider the business implications to themselves as others in the system begin transacting, then create a defensive plan accordingly. For many others, however, a more ambitious growth plan will be contemplated, and these strategic plans should be coupled with a robust M&A plan that involves one or more of the following:

- Growing through M&A or other partnering strategies (licensing, joint ventures, partnerships, etc.);
- Establishing success criteria for M&A;
- Unlocking capital in non-core businesses and redeploying into areas of higher value-creation potential;
- Responding to unsolicited M&A opportunities; and
- Preparing a defensive plan should M&A occur among peers or desired partners.

Boards are increasingly taking an active role in the development of strategic and M&A plans at their outset. Not only does the planning process benefit from the experiences and networks of board members, but board members also take away a greater awareness of their institution's reality and priorities. This important context ensures that boards are better positioned to evaluate the merits of the strategic plan as well as M&A and other opportunities as they arise. It also provides a window for the board to view and assess the execution capabilities of management.

*Transaction insights:*
***Benchmarking***

*A measure of success in the benchmarking process is that both the management and the board should walk away with a fresh perspective on the business, its opportunities as well as challenges. Importantly, the reviewed financial metrics help to inform the selection of key success criteria later in the M&A process.*

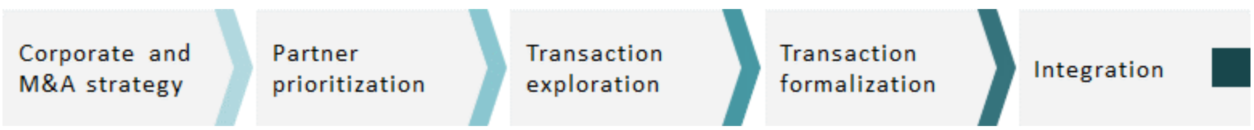
# A best practice framework for executing M&A

## The strategic and M&A plan

If your strategic plans contemplate growth through M&A, it is important that your institution have a structured and consistent approach to M&A. A structured approach has many benefits, including clarity in dealings with potential partners, appropriate context to help management effectively plan and make decisions, and general institutional understanding of when and what external support may be required. Boards also benefit because their role is better defined in a structured approach, providing them greater clarity when evaluating M&A opportunities.

While the approach to M&A will be specific to every institution and each individual transaction, there are common steps that may be used as a framework. In general, the M&A process can be broken down into a sequence of five steps, beginning with developing robust strategic and M&A plans.

*Figure II: The M&A process*




## Partner prioritization

Following the development and approval of a strategic plan and an M&A plan, management should begin to identify a comprehensive list of potential M&A opportunities. This is typically a collaborative brainstorming process that draws on the guiding principles set out in the strategic plan and may possibly involve the board.

This list of opportunities should then go through a series of quantitative and qualitative filters to help management with prioritization. These filters are usually based on predefined and agreed-upon key success criteria that may be consistently applied. Typical criteria usually involve a filter by size of opportunity, then by ability to enhance specific capabilities and, lastly, by ease of alignment with organizational culture or philosophies. Filtering may also involve a number of iterations in which financial metrics, products, geographies, market position, and other operating data are evaluated and measured against agreed-upon criteria.

The resulting opportunities are then measured for their individual potential to create value. This is done through incorporating publicly available financial information into a high-level financial model alongside high-level assumptions. This exercise will result in a shorter list of potential partners and/or transactions and a preferred sequence in which to explore them.

For each opportunity on the short list, management will need to prepare a detailed overview or thesis outlining its merits and the reasons for pursuing it. While M&A may be the objective, management may also choose from other partnering options, such as a federated model, licensing, joint ventures, and partnerships, as a first step. This overview forms the basis for an initial conversation with the

*Case study:*
***Divestitures to repatriate capital and fund a new banking strategy***

*In 2009, Vancouver City Savings Credit Union ("Vancity") made a strategic decision to focus all its efforts on core banking in the British Columbia marketplace. This strategy involved repatriating capital through the divestiture of Citizens Bank of Canada, its national online bank, as well as its insurance brokerage and asset management businesses. While these businesses had contributed to earnings, they were non-core, and their sale enabled Vancity to redeploy capital and resources into growing its presence in British Columbia, to fund investments in core banking, and to deliver an enhanced value proposition to its members.*

potential partner or target. The CEO or an advisor typically initiates this conversation.

It is important at this stage that boards take time to review the merits of each M&A opportunity, assessing the potential to create value as well as the risks to the institution. Boards may also take on the role of facilitating an initial dialogue with a potential partner in the event they have strong relationships with key individuals

## Transaction exploration

After initial contact and a discussion of the potential opportunity in general terms, it is important that both parties sign a non-disclosure agreement ("NDA"). The terms and conditions of an NDA will vary depending on the nature of the relationship between the parties. At this stage, legal counsel should be consulted to assist in drafting appropriate terms.

Following the signing of an NDA, one or both parties will circulate a short list of necessary preliminary diligence information. This list includes detailed financial information, operational metrics, and other strategic information necessary to confirm interest. Once received, this information undergoes a preliminary due diligence review and will likely lead to follow-up questions and requests for supplementary information.

Any changes to the initial assumptions arising from the diligence review will need to be incorporated into your financial model and the opportunity reassessed. In most situations, management teams should meet and gauge the level of interest in proceeding further.

When satisfied with the initial due diligence, and with management and/or board approval to proceed further, the potential partners should establish a trusted, senior-level working group to collaboratively explore the opportunity over an agreed-upon timetable with acknowledged milestones and responsibilities.

The working group will need to consider the shared vision, the potential business model, and the respective value for the members of each institution, among other important topics. Once the potential partners agree on the high-level terms, these should be set out more formally in a memorandum of understanding ("MOU") to be signed by both parties. While non-binding, the MOU helps to create a psychological bond between the potential partners and provides clarity on the path forward.

The potential structure of the opportunity should be explored at this stage. In general, M&A involving credit unions is structured as an exchange of member capital at an agreed valuation and is usually based on adjusted book value. To the extent that one party is in financial difficulty, the better-performing institution may contemplate an acquisition of assets. In any event, an external advisor should be accessed at this time to prepare a valuation of one or both potential partners.

It is also important at this stage to understand the regulatory requirements applicable to the opportunity's structure. While the regulations for in-province M&A are clearly set out by the governing province, credit unions with national ambitions will likely encounter challenges as this path is new to navigate. At the time of this paper, any proposed interprovincial M&A must go through a case-by-case review by the Office of the Superintendent of Financial Institutions ("OSFI") and possibly other federal departments, including the Competition Bureau and Department of Finance. The required disclosure, level of review, and number of approvals increases with the size and scope of a transaction. A legal opinion on the regulatory process should be sought prior to sharing an MOU, regardless of the nature of the contemplated opportunity.

If the M&A opportunity involves the acquisition (or sale) of a non-core, non-banking product or service such as an insurance brokerage or a wealth management practice, the structure of the transaction may take on any number of commercial forms, including a share or asset purchase. These will likely not be subject to provincial rules if in-province. However, national credit unions will need to comply with OSFI rules related to the separation of certain businesses from core banking locations (e.g. insurance).

In addition to ensuring robust regulatory compliance, the board may take on several other roles at this stage of the process, including qualifying management's view of the potential partner, assessing the reasonableness of the transaction process, and reviewing any revised management perspectives on the opportunity.

As discussions progress, the board will likely require that management seek approval of the final MOU, or a definitive letter of intent ("LOI"), prior to its signing as well as of the communication plan for internal and external stakeholders. It is important that boards remain engaged and flexible in their requirements of management at this stage, as each M&A opportunity presents unique challenges.

*Case study:*

***Divestiture to expand insurance product offerings and facilitate growth***

*In 2013, Coast Capital Savings Credit Union ("Coast") divested its P&C insurance brokerage subsidiary to Western Financial Group ("Western"), a large insurance brokerage wholly owned by Desjardins Group. This sale followed a review that highlighted the potential risk of geographic concentration solely in British Columbia and the likelihood that resource constraints would limit the potential for growth. Through the sale of its insurance brokerage to a larger insurance industry participant, Coast crystalized a one-time impact on earnings of nearly $90 million and established a partnership model with a firm capable of providing its members with a broader suite of products. Further, given Coast's strategy of geographic expansion outside British Columbia, this transaction appears to clear the path for national growth in light of OSFI rules limiting the sale of insurance products from a retail banking branch.*

## Transaction formalization

Once the MOU or LOI is signed, a comprehensive due diligence investigation of the financial, strategic, operational, and legal matters must be conducted by one or both partners, depending on the nature of the opportunity. The purpose of this investigation is to identify, understand, and assess any issues that may frustrate value creation or potentially result in value diminution.

This stage of the process requires significant work and dedicated management resources. Given the volume of work and the potential for significant risk, management and/or the board often engage external professional advisors to assist with diligence efforts. An important first step in any due diligence activities is for management to define scope and to identify important financial and non-financial metrics for evaluation. The largest area of diligence is typically financial, and the two areas management should explore in detail are (1) the ability of the potential partner to maintain a historical level of earnings given the quality of its assets and plans, and (2) the ability of the combined business to extract synergies in the form of enhanced revenue and reduced costs.

In the case of a merger transaction, management may also be required to facilitate the due diligence of its own institution. In this case, a detailed internal review and reconciliation process will be required. In general terms, the greater the level of diligence planning, the more expeditious the diligence process and the greater the likelihood of success. Again, an independent advisor may be engaged to review and reconcile the financial records prior to sharing with the potential partner. The risk of ignoring this exercise may be material. To illustrate, during one of our advisory mandates, it was discovered by one of the parties in the course of reviewing its internal loan documentation that three out of every ten mortgage files had deficiencies. By identifying this issue in advance, management was able to put an appropriate mitigation plan in place prior to sharing its loan files with the potential partner. Such a review exercise can also help to improve the policies and practices of the institution going forward.

The board should take an active role in reviewing diligence findings on the potential partner as well as in assessing the internal readiness for diligence of its own institution. Through taking an active role, the board has better context for reviewing and improving the terms of a potential transaction.

*Transaction insights:*
***Key financial metrics***

*While there are many metrics that guide M&A, the following financial metrics are typically considered by system members:*

*Return on assets (net income / total assets) greater than 50 basis points*

*Return on equity (net income / equity) greater than 10%*

*Efficiency ratio (non-interest expenses / revenue) of less than 75%*

*Tier 1 capital ratio (equity and equity like capital / risk weighted assets) greater than 10%*

Following due diligence, the management team and board of each institution must decide whether to pursue the opportunity or to abandon their efforts. In most instances, issuing a revised MOU or LOI to reflect new information may be necessary, and some terms may require renegotiation. Also, holding a member vote, which may or may not be necessary depending on the type of opportunity, is nonetheless an important consideration for management and the board to ensure alignment with its member community. Once the decision to proceed further is formalized, the appropriate governing bodies must be informed and counsel needs to begin drafting legal agreements.

At this stage, management should begin creating the right messages for internal and external stakeholders. While the content will be unique for each opportunity, these communications should include a clear description of the proposed transaction, the high-level plan for success, and the impact of the potential transaction on the stakeholder. A common challenge is determining the right time to communicate with your stakeholders. In the absence of a member vote, communication typically occurs after all legal agreements are signed but prior to financial close. The board should review all communication plans and recommend revisions to key messages and to timing as appropriate.

Importantly, a post-transaction integration plan that includes detailed roles and responsibilities should be drafted by management at this stage. This will help inform both the drafting of legal agreements and the integration of the businesses should this be required. The integration plan should also contemplate the Day 1 activities, roles, and responsibilities of the partners, as the first day following a transaction is critical for all stakeholders. Detailed negotiations often occur at this stage of the process, since the post-transaction business plan may contemplate the exit of key staff as well as the centralization of certain business functions.

The board must be confident that the transaction will create value and that integration plans will crystalize this value. Boards often consult with independent advisors prior to formalizing any agreements to help review and assess the risks and merits of a given transaction.

It is also important for boards to reconsider and reassess other paths to creating value at this time, as business realities may have changed. For example, other potential partners may have approached the institution about M&A, or a unique organic growth opportunity may have become available. It is prudent for boards to consider all value-creating options even though this may result in delaying the opportunity at hand.

## Integration

Many M&A opportunities fail to deliver on value-creation expectations due to a lack of pre- and post-transaction integration planning and execution. It is our experience that successful integrations leverage due diligence efforts and have a detailed integration plan in place prior to closing.

Using the integration plan as a road map, the management team and board should track and evaluate integration progress at planned intervals to measure success and calibrate efforts as required. This exercise also ensures that the team and culture are well exercised for

a subsequent transaction should that be contemplated. The importance of a sound integration plan and execution cannot be overstated.

In the case of the acquisition of a non-banking business (such as an insurance brokerage), a transition period may be needed to ensure the orderly transfer of business to the acquiring institution. In exchange, the vending institution would receive compensation for operating the business in the normal course and for working with the acquirer to ensure a successful hand-off. Given the complexities of such an arrangement, the managements of both institutions must define their mutual roles and responsibilities and quantify the costs of such an arrangement with precision. The terms of a transition are formally set out in a legal agreement called a transition services agreement that is signed at the same time as the other legal documents.

In the course of their overall integration process review, the board will specifically need to ensure that the integration remains focused on value creation and that all transaction efforts to date are properly considered. At this stage, if the board observes that management resources are challenged, it should carefully evaluate the need for additional support and possibly engage external consultants. Through taking a long-term role in the integration process, the board not only fulfills its fiduciary responsibilities but also enhances its level of preparedness for future transaction opportunities.

The M&A lifecycle does not end at financial close. Through incorporating integration best practices into the M&A process, an institution favourably positions itself for assessing future M&A opportunities and executing with greater precision.

The appendix provides a concise summary of management and board best practices in M&A.

*Case study:*
***Under-scale credit union pursuing M&A and looking for the right opportunity***

*It is difficult to walk away from an M&A opportunity once a lot of time has been invested by management and the board. As part of its growth strategy, an Ontario-based credit union was looking for M&A opportunities within the province and decided to pursue one opportunity that appeared to align with its strategic objectives. The potential partner had underperformed for a few years given a decline in members and an inability to find new areas of profitable growth. Detailed due diligence material was shared, reviewed, and incorporated into a financial model, whose output was then measured against key success criteria. After conducting this diligence, it became clear that the nature of the deposit base was unfavourable, the potential for member attrition was too great, and the ability to cross-sell products too challenging. Even with the greater scale of a combined institution, the pro forma financial model illustrated that the risk level was too high relative to the board-approved success criteria. Management decided to abandon the transaction.*

# How prepared is your institution for M&A?

M&A is a primary means of creating economic value and is increasingly seen by many members of the credit union system as a path to achieving greater success in a rapidly changing and increasingly national system. Now is the time for your management team and board to ask important questions about the market position of your institution in a quickly evolving credit union system.

While this paper provides a best practice framework for system members to explore M&A, it is important for your institution to begin planning and revising its own long-term strategic and M&A plans today, to focus on creating value for members in new ways, to reset risk tolerances in light of rampant change affecting the credit union system, and to ask "How prepared are we for M&A?"

***Key questions for management teams and boards:***

- *How prepared is your institution for expanded competition from banks and larger, possibly national, credit unions?*
- *Are your growth plans ambitious enough? What proportion focuses on organic, internal growth versus merger or acquisition growth?*
- *Are there non-core businesses or assets that could be divested to free up capital for other value-creation opportunities?*
- *Do you have a formal M&A plan, and is it aligned with your strategic plan?*
- *Are all of the capabilities to successfully execute strategic and M&A plans in-house?*
- *How would you respond to a solicitation from possible M&A partners?*

# Appendix: Summary of management and board best practices in M&A

Corporate and M&A strategy

Partner prioritization

Transaction exploration

Transaction formalization

Integration

**Management**

Developing the corporate strategy through:

- Analyzing and assessing banking trends
- Benchmarking financial performance and assessing the competitive landscape
- Gathering and incorporating industry best practices
- Identifying and prioritizing value-creation options
- Assessing internal capabilities and constraints
- Setting attainable and ambitious goals

Developing an M&A strategy through:

- Ensuring that the strategy addresses corporate goals and improves constraints
- Exploring options for non-core businesses
- Developing formal protocols for responding to unsolicited M&A requests
- Establishing success criteria
- Assessing internal M&A wherewithal and engaging advisors as required
- Allocating capital and human resources to M&A activity
- Educating and engaging with the board

**Board**

- Ensuring that management has the right experience and resources to effectively execute
- Ensuring that the corporate and M&A strategies are evidence based
- Engaging and working with management to help shape the corporate and M&A strategies
- Confirming that industry and business realities are well understood by the board
- Checking that value creation is well defined, measured, tracked, and improved
- Ensuring that the M&A strategy aligns with the corporate strategy
- Ensuring that appropriate governance structures are in place
- Certifying that capital and resources are properly allocated and that risk and return are measured from a “portfolio perspective”
- Advising on appropriate communications with members and regulators

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**Management**

- Identifying, screening, and prioritizing potential partners that best meet success criteria
- Integrating potential partner profiles into a high-level financial model to quantify value creation
- Developing a short list of potential partner profiles, including an investment thesis for each on the potential for value creation and the preferred structure (merger, partnership, joint venture, etc.)
- Preparing an appropriate overview of your credit union, its strategy, and its public objectives to exchange with potential partners
- Determining the right sequence and approach to contacting each potential partner
- Communicating the M&A strategy to the right internal constituents and possibly to members

**Board**

- Assessing organizational preparedness for M&A as well as confirming management consensus
- Reviewing the investment theses and assessing the potential for value creation
- Assisting management with crafting the right approach to each potential partner given unique insight or industry relationships held by the board
- Ensuring that important business and strategic relationships will not be prejudiced by the M&A strategy
- Ensuring that the financial model incorporates or will incorporate the right metrics and scenarios required of the board
- Identifying conflicts of interest and establishing special independent committees as required
- Establishing M&A protocols, including the role of the board throughout the M&A process
- Evaluating the need for and possibly retaining an external transaction advisor

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**Management**

- Initiating contact, arranging an exploratory meeting, and confirming a shared vision
- Determining a preliminary timetable
- Signing an NDA, exchanging information, and confirming interest
- Analyzing the potential partner and incorporating any new information into the financial model
- Considering the requirement for preliminary or formal valuations of both parties
- Drafting a preliminary MOU that sets out the shared vision, process, important milestones, roles and responsibilities, and communication protocols
- Understanding and acting on any regulatory requirements (provincial and/or federal)
- Engaging the board at important milestones
- Determining a communication strategy should a third party inquire about a possible transaction
- Conducting an internal diligence review and assembling a data room

**Board**

- Confirming that preliminary diligence qualifies the potential partner and that there is merit in continuing discussions
- Assessing the reasonableness and completeness of the transaction process and timetable
- Reviewing any revised management views, including refreshed scenario output from the financial model
- Reviewing and improving the MOU before any exchange
- Ensuring all regulatory matters are addressed
- Reviewing the communication plan with stakeholders, including members and regulators
- Ensuring that internal records are thoroughly reviewed prior to diligence by the potential partner

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**Management**

- Determining due diligence protocols and metrics for accounting, risk adjudication, operations, information technology, human resources, culture, and legal
- Conducting due diligence in important areas
- Facilitating the potential partner’s due diligence
- Identifying, quantifying, and managing issues
- Determining an appropriate valuation and/or exchange ratio if required
- Engaging an advisor to conduct any independent valuations as required
- Ensuring appropriate accounting treatment
- Incorporating any new information into the financial model and revising the MOU or LOI as required
- Negotiating the details, including roles and responsibilities post transaction
- Drafting all transaction and supporting agreements
- Developing a Day 1 plan and an integration plan
- Fulfilling any regulatory requirements
- Communicating with stakeholders

**Board**

- Ensuring that management sufficiently undertakes due diligence and that all risks are manageable
- Understanding and challenging the type, amount, and likelihood of value creation
- Ensuring that management has conducted the right scenario analyses and sensitivities to assess risk
- Ensuring that the business case to proceed is sound and based on facts
- Reviewing any valuation reports and/or perspectives of external advisors
- Assessing and improving management’s plan for value creation post transaction
- Understanding and reviewing important transaction and service agreement terms
- Steering the transaction through unforeseen transaction complexities
- Establishing a clear negotiating range if required
- Engaging financial advisors at this stage (or earlier)
- Reviewing communication plans

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**Management**

- Designing and implementing the new business
- Executing Day 1 requirements (immediately following close) and ensuring integration plans are coordinated among work streams
- Allocating and managing resources for integration efforts
- Providing execution leadership for integration efforts
- Effecting and measuring value creation against detailed and defined targets
- Communicating plans and ongoing efforts to stakeholders

**Board**

- Reviewing the integration plan, identifying risks, and establishing success parameters
- Ensuring that corporate and M&A strategy, due diligence, and other transaction outputs fully inform integration efforts
- Ensuring that the right team is in place to oversee integration activities
- Ensuring that integration activities are focused on value creation and that most/all issues are mitigated prior to closing
- Striking the right balance between creating value and devising a more complicated integration plan
- Reviewing and approving all communication plans
- Governing and monitoring the integration over the long term
- Debriefing with management to identify areas for improvement in future M&A opportunities

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About the author:
John Jazwinski advises executives and boards on all aspects of M&A, from strategic planning and execution through to integration. John has advised some of the largest credit unions in Canada, including Vancity and Coast Capital as well as mid-tier credit unions and specialty lenders. John authors credit union industry publications, speaks at industry conferences, and is frequently consulted as an M&A subject matter expert.

ENDNOTES:
[1] "21st century co-operative – re-write the rules of collaboration," J. Jazwinski, D. MacDonald, L. McIntosh

About Exemplum:

We are corporate and M&A transaction advisors. Our approach involves simplifying the complex, leveraging facts and frameworks, and delivering clear advice. This approach ensures that our clients make efficient and informed business and transaction decisions.

We provide advice in support of transformative events and transactions, including the development of corporate strategic plans, mergers, acquisitions, divestitures, capital raises, and special shareholder situations.

Exemplum was formed by big-four professionals seeking to make corporate and transaction consulting less complex and more accessible to clients. Our experience is drawn from advising some of North America's largest companies and mid-market businesses in most industries.

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