6 tips for effectively managing M&A communications

By Shane Dolan

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Recently, the National Bank of Abu Dhabi merged with the First Gulf Bank to create First Abu Dhabi Bank, the largest financial institution in the UAE with assets totalling $186bn. This not only represents a significant achievement for all parties involved, but it could also herald further merger and acquisition activity across the UAE - bringing both significant opportunities as well as challenges to the businesses involved.

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As companies continue to expand, they are constantly on the lookout for the next growth opportunity. From entering new markets to launching new products and services, every option requires due diligence and a thoughtful communications strategy from both an internal and external stakeholder perspective.

Planned mergers or acquisitions are a great way to accelerate growth through the adoption of new technologies, skillsets, markets and geographic reach. But businesses be warned – many listed companies fail in this space due to mismanagement of stakeholders' expectations and financial forecasts from a business and communications perspective.

It's vital before any planned M&A to confirm the viability of the transaction through all channels. Using the 'Bridge' Protocol, a set of steps to ensure an effective communications strategy, companies can craft a narrative and strengthen the optics of the deal – a crucial move in today's ever-connected world. Through clear and transparent communication, companies can avoid any 'market' misinformation that might detract from the value and core benefits of the transaction.

For effective M&A communications, here are the 6 best practices:

1. Be in control

In the initial stages, limit the circle of people who know about a planned transaction. Unofficial communication often leads to misinformation which can be detrimental for all parties involved, especially those operating within regulated environments. To mitigate the risk of distortion, a proactive communications strategy must be put in place. This strategy should include a timeline for corporate announcements, approved content and messaging for target audiences as well as a contingency plan for unexpected events like media leaks or a crisis.

It's important that all information output is controlled and distributed. Any inaccuracies should be monitored and addressed quickly to ensure accurate news is in the market place and the rationale for the proposed deal is clear and understood.

2. Remain consistent

In the planning stage of a merger or acquisition, a set of core messages should be developed to outline every aspect of the deal. These core messages should be bolstered through in-depth Q&As and briefing sheets that support the company's spokespeople who will be engaging with different audiences, including investors and the media. This controlled approach will ensure that all external communication materials are consistent and can address any potential concerns that may arise.

Additionally, having a consistent messaging cadence surrounding the deal will showcase a company's accountability. It is a subtle, yet effective way to engage shareholders organically while keeping them in the loop.

3. Inform and make commentary transparent

Transparency can be difficult due to the regulatory environment and the risks of revealing too much sensitive information to the competition. However, there are many ways to talk about a deal without divulging price or commercially sensitive information such as exact P&L figures or financial forecasts. Transaction background information can be explained through a variety of channels: industry research, thought leadership articles and letters to both internal and external audiences. Further means of communications include corporate videos, microsites, infographics – even traditional press statements.

Every transaction will have a series of opportunities and potential challenges to deal with. A valued in-house or external communications adviser should always be close to the Board to advise accordingly.

4. Develop content

As mentioned, M&As often involve complex financial and operating details. Thus, companies must be mindful of their target audience and adapt the content and messaging accordingly. For example, legal jargon would not be appropriate when communicating with insurance customers who are more interested in potential changes to their benefits, services or premiums.

Companies should craft engaging content that not only reflects their brand's ethos in an authentic way, but works in conjunction with their digital strategy. This can be done through articles, infographics, multi-media as well as social platforms.

5. Go digital

Content must be hyper-personalised to address each audience in a format they can easily follow. Search Engine Optimisation can help target specific audiences while measuring both effectiveness and cost benefits. Other tactics include demographic targeting, retargeting via cookie data analysis, geo-targeting via zip codes or IP addresses as well as contextual targeting which looks at the category or keywords of a website.

Valuation metrics are just as diverse as targeting tactics. Metrics can be categorised by unique visitors, subscribes and followers, engagement and reach, click-to-open rates as well as conversion to sales ratios, all of which are supported by various types of smart analytic software. Aashti Bawa, a digital colleague of mine says, "It is not about having a digital strategy, but more about having a strategy for a digital world."

6. Evolve – the end of the deal is only the beginning

Once the transaction is complete the on-going story only begins. Companies will need to consistently communicate updated business strategy, performance, key milestones achieved, etc. in order to explain the rationale for the initial transaction. For listed businesses, this will also require ongoing financial reporting, integration updates, analyst earning calls as well as shareholder and investor roadshows. Annual reports, which will require the C-Suite and Investor Relations and Corporate

Communications teams to work closely together, are another great way to maintain communications.

There is no doubt that a merger or acquisition can make or break a company. Performing due diligence, and effectively communicating with stakeholders is key to gaining more than trust, but success.

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