

PANORAMA 360

THE INSURANCE AND WEALTH
MANAGEMENT

MERGER AND ACQUISITION
METHODOLOGY

Version 3.0



THE DEFINITIVE REFERENCE FOR MANAGING INSURANCE AND
WEALTH MANAGEMENT MERGERS AND ACQUISITIONS.

Panorama 360 - Merger and Acquisition Methodology

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Introduction

The financial services industry is consolidating constantly. Each year, several companies enter into merger and acquisition agreements in order to grow and gain infrastructure efficiencies and to acquire new clients. Unfortunately, a number of these mergers and acquisitions do not deliver the expected cost savings or revenue synergies.

Many merger initiatives drag on endlessly. There is often insufficient understanding of what is being merged or purchased. The plan to align the two organizations is often superficial. The subsequent steps and accountabilities to ensure that benefits are delivered are not specified. Cultures clash over processes and information technology. These factors can make the difference between success and failure. A structured and focused management approach to planning merger projects contributes to success in building a thriving new business entity.

In order to manage a successful merger project, a multi-disciplinary project team needs to actively participate throughout the project. This team is responsible for managing change.

Depending on the vision, the business objectives and the nature of the agreement between the two companies, a number of areas within the acquired organization need to be adjusted in order to integrate it with the acquiring organization. To achieve a successful merger and acquisition project, it is important to thoroughly scope the project, identifying all the activities that need to happen.

Approach

To support merger and acquisition projects, a project checklist has been developed to support the project team during the planning phase. This approach can be used by any organization operating in the Financial Services industry value chain, either in preparation for an acquisition or as a result of a merger agreement. Users of this approach can be insurance companies, bank, credit unions, brokers, investment advisors, fund managers, etc...

More than 300 merger and acquisition oriented questions have been developed using the Panorama 360 – Insurance and Wealth Management Enterprise Business Architecture Framework book.

This list of questions should be used as a checklist to provide guidance to the merger team members. By answering the questions, the team members will identify areas within the company that will be impacted.

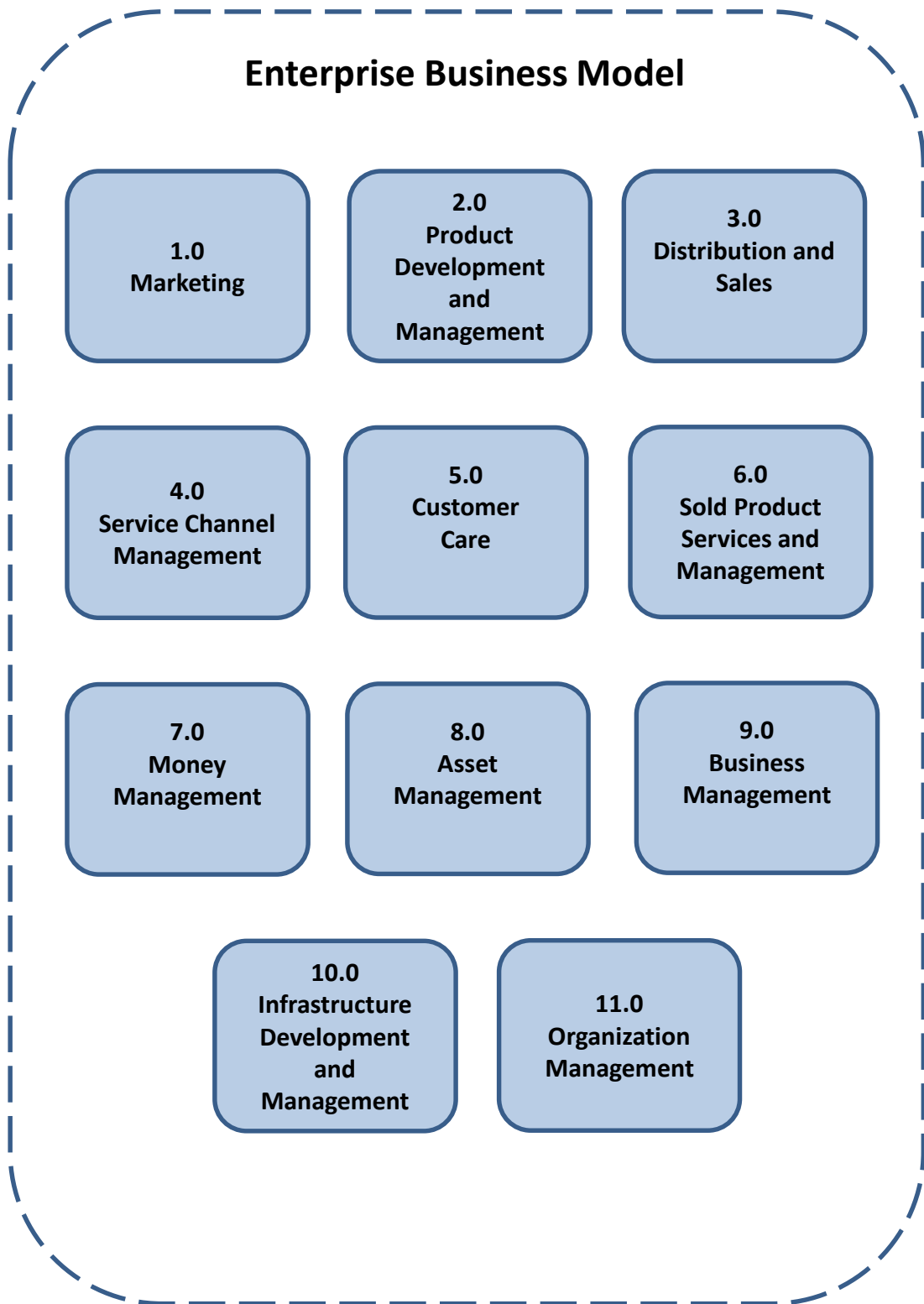
Subsequently, these identified areas of change will need to be analyzed and the magnitude of the change assessed and quantified, which will then form the base for the enterprise wide project plan.

Each merger project is unique and new challenges may be identified from project to project. Consequently, the list of questions will evolve and this document should be updated when new questions are identified. This will allow subsequent project team to take advantage of the accumulated knowledge in this discipline if other mergers take place.

This document is divided in 11 sections. Each section is a business domain within the organization that needs to be managed by the executive management of the company. Each business domain is subdivided into 75 business capabilities.

Each business domain and business capabilities are taken directly from the Panorama 360 Insurance and Wealth Management Enterprise Business Architecture Framework which is a comprehensive book that can be purchased separately in paperback or in e-book version on the Internet.

The 11 business domains to consider in a merger project are:



The list of questions is not organized according to the organization structure but into functional domains that are part of the Insurance and Wealth Management value chain. Each functional domain is then subdivided into major functions that that could be impacted during a merger and acquisition.

For each major function, a number of questions have been developed from best practices. By answering these questions, the project team will identify the impacts from the merger project on the organization, which should become part of a master plan to integrate totally or partially the companies.

For the purpose of this document, the term “merger” will signify any merger, acquisition, portfolio acquisition or partnership between two or more companies.

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The business capabilities that may need to be addressed in a merger project are:

