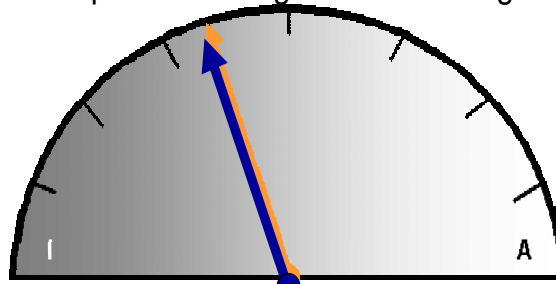


Pre-deal strategy & planning
The spectrum of organizational integration



"Investment" model	"Assimilation" model
<ul style="list-style-type: none"> ▪ Buy/invest under principle that the acquired organization is well-run with significant upside due to market conditions or potential demand ▪ Leadership left intact ▪ Systems, policies, and processes left to the discretion of leadership, often unchanged ▪ Human capital strategies, programs, and culture are left to the discretion of leadership, often unchanged—some communications are required ▪ Typically private equity firms and "portfolio model" corporations 	<ul style="list-style-type: none"> • Acquire under principle that value will be best derived by fully assimilating the acquired organization into the existing organization with no vestiges remaining • Leadership replaced ▪ Systems, policies, and processes replaced by the buyer's ▪ Human capital strategies, programs, and culture are replaced with the buyer's ▪ Significant communications required ▪ Typically publicly-held corporations