



FEATURES

42ND ANNUAL GENERAL MEETING, 29 JULY 2015

The 42nd Annual General Meeting was successfully convened on 29th (Wednesday) July 2015, 6.00 pm at Safir Room, Hotel Istana, Kuala Lumpur. There were 16 voting member-institutions attending the AGM.

The presiding chairman Prof Dr Mohd Khanif Yusop made a slide presentation to highlight the activities and events during his term 2014-2015. The Chairman also recorded his appreciation to the Exco members, members of the Board and the Secretariat on their support and good work during his term as the President.

Prof Dr Mohd Khanif Yusop was nominated to be the Election Chairman and there were no objections from the other members.

New office bearers were elected for term 2015/2016 at the AGM. For the post of President, Dato' Ismail bin Ngah was duly elected as the President on majority vote.

By way of secret balloting, the following were duly elected:-

- President : Dato' Ismail Bin Ngah (ILAM)
- Deputy President : Mr John C.P. Chang (MPS)
- Vice President : Dato' Abd Radzak bin Abd Malek (CILTM)
- Vice President : Hj Daud Amatzin (IIPM)
- Honorary Secretary : Ir. Gunasagaran Kristnan (IEM)
- Honorary Treasurer : Dato' Dr Vincent Ng In Hooi (VAM)
- Ordinary Member : Sr Yee Ia Howe (CIOBM)
- Assoc. Prof. Hj Ahmad Suhaimi bin Ismail (MIP)
- Dato' Sr Lau Wai Seang (RISM)
- Dr. Wan Rasidah binti Kadir (MSSS)
- Dr. Paul Chelliah (VAM)
- Immediate Past President : Prof. Dr. Mohd Khanif Yusop (AIM)(invited ex-official)

The Annual General Meeting was adjourned at 8.15 pm followed with Hari Raya Open House Celebration at the same venue.



42nd AGM, 29th July 2015



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PRESIDENT'S MESSAGE

DATO' LAr ISMAIL BIN NGAH

I would like to take this opportunity to congratulate and welcome all the newly elected BIM Executive Committee for the 2015/2016 session. As the new President it is my sincere hope that BIM will continue to remain relevance to attain its vision and mission. It is time to put our act together and to pull our resources to achieve what we are meant to be.

BIM envisioned to be a globally professional center of excellence that serve the society. We are committed to professional excellence through the practice of high ethical standards and integrity. The roles of professionals are paramount to help steer the country's progress especially in time of economic uncertainties. In order for BIM to stay progressive and relevance, we need to relook at BIM Strategic Plan Towards 2020 that was developed many years ago. In view of this I am hoping that BIM could conduct a short forum to gather ideas and to update BIM Strategic and Action Plans.



BIM must be seen and heard. We need to position BIM as an important organisation that represent professionals especially in the government decision making process. We need to find the right avenue to remain friendly yet effective in rendering our services to stake holders. We need to communicate, engage and collaborate among member organisations to make a greater impact. I would like to urge all member association to come forward and help BIM form a strong voice to be seen and heard.

I am looking forwards to having a good team to work with and humbly offer my leadership as needed.

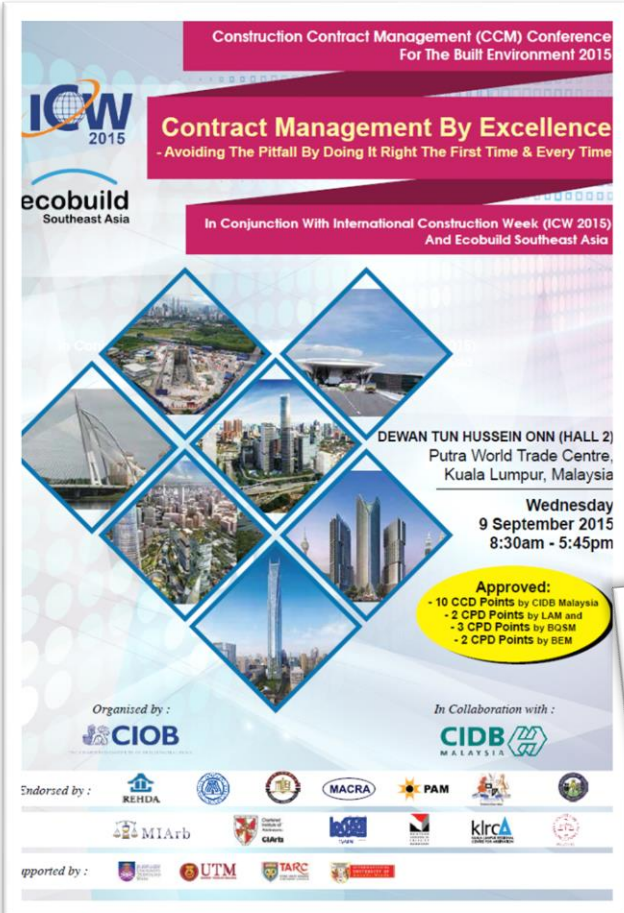
DATO' LAr ISMAIL NGAH

President.

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ABOUT MEMBERS

CONSTRUCTION CONTRACT MANAGEMENT (CCM) CONFERENCE FOR THE BUILT ENVIRONMENT 2015



Date : 9 September 2015 (Wednesday)

Time : 8.30 am - 5.45 pm

Venue : Dewan Tun Hussein Onn (Hall 2), Putra World

Trade Centre, Kuala Lumpur, Malaysia

For more information, kindly visit at : www.ciob.org/events

INTRODUCTION

Project life cycle encompasses the process from Inception through Design Development & Project Documentation, Project Procurement & Award, Contract & Project Execution, to Project Close-out & Post-construction Administration.

Construction & Engineering Contracts are vital to project delivery process. These contracts tend to attract contractual problems due to the complex nature of the work itself and the complicated commercial arrangement involved. Efficient and effective contract management by all parties are the prerequisites in minimising, if not eliminating the pitfalls towards project success.

THE EVENT

The One-day Conference will present nine (9) papers by the respective industry practitioners & professionals involved in the project life cycle to share their views on the pitfalls and challenges in Contract Management and Administration.

PURPOSE AND OBJECTIVE

The purpose of the Conference is to highlight on the reasons for the prevalence and avoidance of pitfalls in contract management and administration practices.

Many contracts are now conducted in different ways evolved from the traditional approach, with more openness between and amongst the parties. This has to some extent, cushioned and reduced conflicts or impact amongst the parties with improved performance and outputs for all concerned. The Conference aims to examine the real issues and consider the best practices to adopt in Contract Management & Administration by excellence.

EVENT HIGHLIGHTS

- The Roles and Contractual Obligations of parties involved in managing the contract effectively and efficiently.
- The importance of Contract Management and Administrative function by the respective professionals and practitioners throughout the entire project life cycle.
- The Pitfalls and Challenges encountered by the parties involved in Contract Management and Administration.
- The Best Practices in achieving Contract Management and Administration excellence.
- The need for "Professionalisation" of Contract Management and Administration personnel as part of Human Capital Capacity and Competency Development.

TARGET GROUP

Construction practitioners and professionals involved in or associated with Contract Management & Administration throughout the entire project life cycle.

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7th INTERNATIONAL CONFERENCE ON WORLD CLASS SUSTAINABLE CITIES (WCSC 2015)

Date : 29 September 2015
(Tuesday)

Time : 8.00 am - 5.30 pm

Venue : The Royal Chulan,
Kuala Lumpur, Malaysia

For more information, kindly
visit at : www.wcsckl.com

7TH INTERNATIONAL CONFERENCE ON
WORLD CLASS SUSTAINABLE CITIES 2015
29TH SEPTEMBER 2015 • THE ROYALE CHULAN KUALA LUMPUR, MALAYSIA



Jointly organised by



REHDA
Wilayah Persekutuan
(K.L.) Branch



MIP



PAM

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Kuala Lumpur
City Hall

SPEAKERS 2015



Mr. Mitchell Silver *(To be confirmed)*
Commissioner of the New York City Department of Parks and Recreation
Mitchell J. Silver became Commissioner of the New York City Department of Parks and Recreation in May 2014. Commissioner Silver is also the immediate past president of the American Planning Association (APA). He is an award-winning planner with almost 30 years of experience and he is internationally recognized for his leadership in the planning profession and his contributions to contemporary planning issues.



Mr Stephen Luoni
*Director of the University of Arkansas Community Design Center
Director, Distinguished Professor*
Stephen Luoni is director of the University of Arkansas Community Design Center (UACDC), an outreach program of the Fay Jones School of Architecture. Luoni is the Steven L. Anderson Chair in Architecture and Urban Studies and a Distinguished Professor of architecture.



Mr Sascha Haselmayer
CEO, CityMart
Sascha Haselmayer trained at the Architectural Association and in 2003 co-founded Living Labs Global (now co-branded Citymart.com, co-founded Citymart.com, the marketplace for cities and co-founder of Interlace-Invent, advising on socio-economic and development strategies in cities. He is an Ashoka Fellow and selected member of the Clinton Global Initiative.



Ms Catarina Rolfsdotter-Jansson
Journalist, Moderator, Innovator, Sweden
Born in 1963. Studied political science and Press Science at Lund University, Sweden and journalism at Skurup School of Journalism 1983-1986. 1993 she attended Channel 7's TV-education in New York and in 2011 the Natural Step-education in Stockholm. Catarina has worked as a freelance journalist since 1991 after having worked at Swedish newspapers the first years of her career. She has worked out of Sweden, New York and Singapore and is currently based in Malmö, Sweden where she runs her company Rolfsdotter AB. recently been the program host of a Swedish national TV-program called Arga doktorn (The angry doctor) about the health care system.

Featuring



WCSC Malaysia



World Class Sustainable Cities

WCSC2015
INTERNATIONAL CONFERENCE ON
WORLD CLASS SUSTAINABLE CITIES

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CURRENT ISSUES

KL FACES LIVABILITY CHALLENGE AS WORLD-CLASS CITY

Bernama, 5 June 2015



PETALING JAYA (June 5): Livability is one of the many challenges that Kuala Lumpur faces to achieve competitiveness with other cities worldwide.

Malaysian Institute of Planners (MIP) general manager Khairiah Talha said this factor was very important for Malaysia's capital as it played a vital role to transform itself to a world-class sustainable and competitive city.

"Livability covers a lot of items, not just economic and social well-being but it also includes political stability," she said at a press conference in Kelana Jaya, near Petaling Jaya, Selangor, yesterday.

The press conference was held in Wisma Rehda, in conjunction with the 7th International Conference on World Class Sustainable Cities 2015 (WCSC 2015) on September 25.

Responding to a question on the challenges faced by Kuala Lumpur to become a greater city as what is planned under the 11th Malaysia Plan, Khairiah said the city had to increase the element of livability or the idea to have a world-class sustainable and competitive city would not take root.

It was reported that the government had identified Kuala Lumpur, Kuching, Kota Kinabalu and Johor Baru as cities that would boost economic growth.

However, a comprehensive master plan will be required for that to be realised.

According to Khairiah, the presence of the livability element will benefit all quarters such as for the public to access places and for goods and services to move fast in the city. Thus, livability relates closely to the other challenges, like the transportation system.

She pointed out that many competitive cities worldwide, like London and New York, had very good integrated, super-efficient public transportation, which made it very attractive for local and global investors.

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"The primary challenges that impact on competitiveness and livability are our transportation system and traffic which play a vital role in city competitiveness, and how safe and fast it is for people to move," she said.

Also present at the event were WCSC 2015 organising chairman Datuk NK Tong who noted that the international conference would bring together ideas and best practices on what made cities sustainable places to live and work in.

The annual conference, co-organised by the Real Estate and Housing Developers' Association Malaysia (Rehda) KL, MIP and the Malaysian Institute of Architects, aims to increase awareness of city dwellers and other stakeholders on what makes a city tick.

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USING MEDICINES CORRECTLY

The Star, 7 July 2015

HOME medication review is a service designed to assist patients at homes to maximise the benefit of their medication regimen and prevent problems related to medication.

The service is not new to the developed regions of the world.

In Malaysia, however, the concept is still unknown to the healthcare system.

Therefore, to have a better understanding of the home review process and to assess its acceptability among Malaysian patients, the School of Pharmaceutical Sciences, Universiti Sains Malaysia, came up with the idea to pilot a home medication review programme in Bukit Minyak, Penang.

After receiving the required approvals, we selected Type 2 diabetes mellitus patients from the Bukit Minyak outpatient clinic who agreed to participate in the programme.

The selected patients were eager yet surprised to know about a service where the pharmacist can visit them at their home for medicine management.

During the visits, people were friendly, took out all medications they were taking and asked questions about the medicines and supplements they were taking.

It was worrisome to know that the majority of the patients were not taking their medications as prescribed.

They had issues with storage, dosage, indications and frequency of taking the prescribed medicines.

The majority of the patients did not have a proper place to keep their medications.

Some kept them in the kitchen cabinet near the stove and a few kept all inside the refrigerator.

The majority of the patients were also keen to know about the type of food they could consume and health supplements they could take with their medications.

During the process, we also came across a few drug-related problems which were missed during the usual follow-up at the clinic.

All drug-related problems were discussed with the physicians in the clinic and assessments were then forwarded to them for further consideration.

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Keeping all issues, questions and inquiries of the patients in mind, we started sessions on individual medication counselling and disease management guidance.

Apart from reviewing patients' medications, we assessed their knowledge of diabetes-related diseases and adherence to medication, and provided them with customised interventions based on a pre and post-assessment schedule.

The home medication review was highly successful in achieving its goals, as there was a significant decrease in glycaemic control and a noteworthy increase in the participants' levels of knowledge about their disease and adherence to medication was reported at the end of the pilot study.

To conclude, the home medication review programme gave a clear picture into how patients manage their medications at home once they leave the healthcare setting.

Hence, it can be shaped as an alternative platform for pharmacists to educate and review patients' medications and identify drug-related problems beyond the healthcare setting.

The approach of reaching out to patients by the pharmacists will also be of comfort to the patients that they are taken care of and are willing to voice out their problems.

EE PIN CHOW

PROF DR MOHAMED AZMI HASSALI

DR FAHAD SALEEM

School of Pharmaceutical Sciences

Universiti Sains Malaysia

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HARNESS STEM FOR ENGINEERING

The Star, 9 July 2015

AS Malaysia gears up to developed nation status by 2020, there is still much to do to get there.

One of the most direct ways to arrive at the vision is to ensure a sufficient and growing number of engineers.

Increase in the number of engineering students is paramount to meet the nation's need for engineers who would implement and maintain the many economic development projects. During his visit to the International Bureau of Education (IBE) in Geneva in April, Deputy Prime Minister Tan Sri Muhyiddin Yassin spoke of the need for Malaysia to harness skills and knowledge in Science, Technology, Engineering and Mathematics (STEM).

Muhyiddin also pointed out that the countries which started on the same level as Malaysia had moved much further ahead, crediting it to their wisdom in making full use of STEM to boost their country's fortunes.

As such, he emphasised the need for human capital development in STEM, which he considers vital in the national transformation process.

To achieve this, a strategy comprising a series of actionable plans must be able to support the production rates needed for generating skilled STEM human capital at two levels, namely secondary schools and tertiary institutions, to reach the target of 500,000 STEM graduates by 2020, according to Muhyiddin.

Although the solution is apparent, its execution remains challenging.

One of the factors hindering this step to greater national development is getting students to love science, or science classes. Science and mathematics as school subjects must be made interesting, easy to understand, as well as more hands-on and exploratory. This is in line with the Government's aim for 60% science and technology-based education by 2020.

For the engineering profession, interest in science, technology, engineering and mathematics in school will result in more qualified students who are eligible to pursue engineering courses in universities.

Through the increase in engineering students, the nation's need for engineers would be met. This would translate into greater implementation and maintenance of the country's economic development projects.

The Institution of Engineers Malaysia (IEM) lauds the Government's effort to promote interest among students to study science in schools.

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Without the large number of science students, there will surely be a corresponding limitation in the ability of universities to produce the number of engineers needed.

As a national association with the nation's interests at heart, IEM has been actively involved in conducting school career awareness talks, arranging competitions and exhibiting interesting projects on engineering to school children to promote interest in engineering. IEM has also set up IEM Student to encourage students to choose sections in various universities in Malaysia.

Engineering students are also encouraged to join IEM as Student Members which will enable them to access IEM resources and activities such as talks and networking. IEM is one of the supporting members (together with AAET, MiGHT, Utar and NSC) for the Kuala Lumpur Engineering Science Fair, an annual programme to promote interest in STEM among primary and secondary school pupils.

We believe that career prospects will be a major factor in the students' decision in their studies and career options.

Prospects for engineers include top level positions, attractive remuneration as well as status recognition, which will be a great motivation for students to take up STEM Education and thus pursue a career in engineering.

Students must be made aware that job prospects for engineering graduates remain bright as Government allocation for infrastructure development has supported the demand for engineers.

National development towards an industrial nation has also spurred the demand for engineers. Students, and parents too, must realise that a career in engineering is not only limited to the five traditional branches of engineering, namely Civil, Mechanical, Electrical, Electronic and Chemical Engineering. Through the years, engineering has expanded into many new disciplines such as Aeronautical Engineering, Environmental Engineering, Maritime Engineering, Mining Engineering, Oil and Gas Engineering, among many others, which would be exciting career options for students.

The Government being the largest employer should provide equal opportunity and create a structured pathway for all science-based professionals, in particular engineers, to take up high positions in the civil service.

Recognition of the contribution of engineering success and seeing it as a pathway to top positions in the civil service will be a great motivator for students to pursue STEM education in Malaysia.

DATUK IR. LIM CHOW HOCK
President
The Institution of Engineers, Malaysia

GROWTH THROUGH M & A: PROMISE & REALITY

The Malaysian Accountant, July - August 2015

The secret of success is constancy to purpose.— Benjamin Disraeli

It isn't unusual for a company pursuing a merger or acquisition to express high hopes that the deal will be a growth engine. The intention, quite reasonably, is that the resulting combination of products, people and pipelines will take the business to new heights.

Then reality sets in. The combined business has to deal with a presence in multiple markets, a larger and more diverse customer base, a more complex product and services portfolio, and a high level of people and operational complexity. Cost synergies, a tangible and often quickly attainable goal, take precedence over the grinding work of formulating, isolating and tracking revenue metrics and growth efforts. Cost reduction goals can even conflict with revenue growth opportunities.

Little wonder then that a majority of M&A deals intended specifically to enable growth fail to achieve their expressed growth objective. While M&A can be a road to growth, the decision to make the deal is only the first of many decisions that will affect its outcome. What can acquisition-oriented businesses do— especially those pursuing transactions with strategic growth as a goal— to increase their chances of success?

By the numbers

Our exploration of these issues began with an analysis of nearly 400 M&A transactions executed from 2001 through 2007.¹ We then narrowed the list to just over 100 deals in which the target revenues were material to the acquirer; growth was the expressed intention of the deal; and cost synergies were incidental. We then applied an analytical framework to the selected deals to determine which ones fulfilled those intentions and studied the various strategies and tactics utilized with respect to the rest of the transactions.

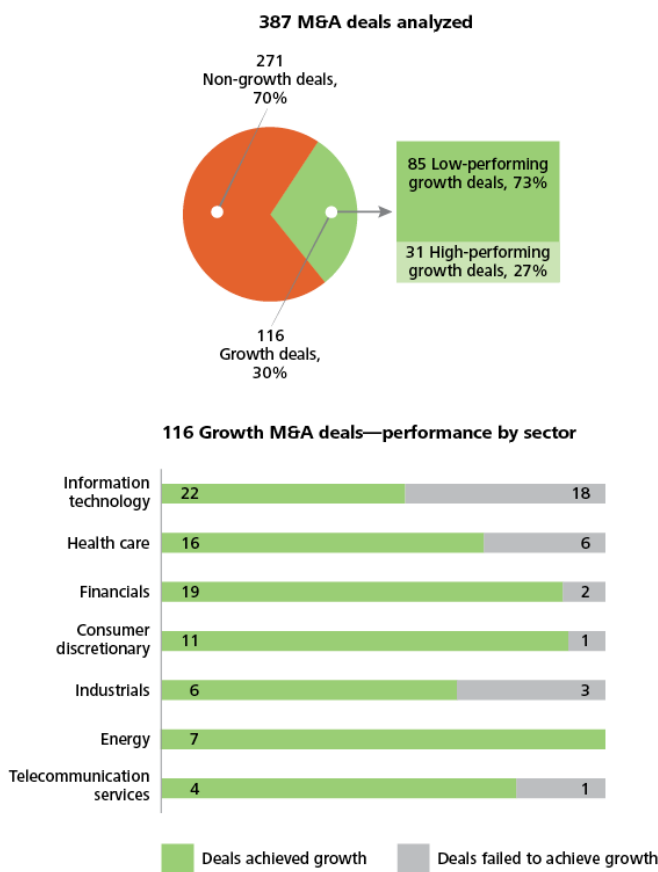
We stringently defined the study set as deals in which the acquirer had stated its intention to acquire a target with characteristics such as: a growth rate substantially higher than the acquirer's; adjacent or complementary products for cross-selling; a portfolio or pipeline of innovative products and services; or, a presence in fast-growing markets. Also included were deals in which the acquirer publicly stated revenue synergy targets to the financial community.

We then identified actions—or inaction—that appeared to have contributed to success or failure in “growing the business.” Finally, we assessed those actions and outcomes to affirm the findings and develop a framework to help businesses prepare for successful growth through M&A.

Based on criteria we established to define “pure growth deals,” our refined dataset contained 116 revenue synergy-focused deals (see figure 1). Further analysis revealed that:

Twenty-seven percent of the deals were what we classified as **high-performing growth deals**. These acquirers were able to consistently grow the combined businesses faster than the separate companies were likely to have grown absent the deal and in excess of industry growth.

Forty-five percent were **medium-performing growth deals**. They were able to grow the business, although inconsistently and at a slower rate than their pre-deal growth or industry growth rate.



Twenty-eight percent were **low-performing growth deals**, consistently producing flat or declining revenues with respect to their pre-deal revenues and in comparison to their industry growth rate.

The acquirers associated with the high-performing deals grew faster than they would have before those acquisitions. These companies reported higher actual revenues three years after the deal closed than what was projected based on historical and projected compound annual growth rates (CAGR) and after accounting for revenue-impacting internal or industry events within the three years after the deal close.

Review of 387 M&A deals revealed only 116 that qualified as growth-oriented transactions and were material for the acquirer. Further analysis of those 116 transactions identified high-, medium- and low-growth results. The research spanned industries and focused on deals listed in U.S. public markets and sized \$500 million and larger based on transaction price.

Figure 1. Breakdown of M&A deals
Source: Deloitte analysis

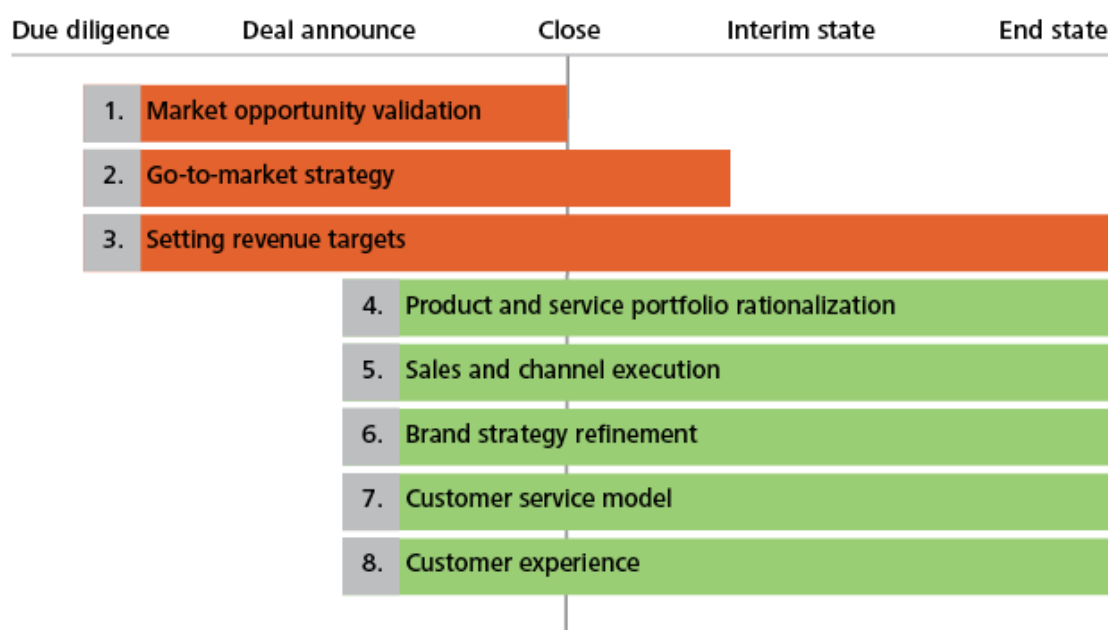
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Eight priorities: making expectations a reality

What characteristics, then, distinguished the high performers from the others? How were those companies able to beat the odds and achieve sustained growth post-integration?

Eight customer-focused priorities emerged as important enablers of successful growth associated with M&A transactions. We found that successful acquirers remained intensely focused on them from the earliest stages of a deal until they achieved their desired end state, no matter how far into the future that was. Equally important, they clearly understood the connectivity and dependencies between these eight areas and planned accordingly.

The first three priorities are strategic: They explore how an acquirer must identify specific opportunities created by the deal, develop strategies to capture them, and set financial targets and accountability for growth. The remaining five priorities address the tactical—the steps required to achieve the deal goals and realize the potential of the acquisition based on the strategic priorities. The timing of the activities around these priorities varies by acquirer, but successful acquirers generally began to focus on these activities before deal close, deploying “clean teams” as required to accelerate planning using competitively sensitive data (see figure 2). They then developed clear short- and long-term plans around the initiatives that were most critical to driving growth and had the discipline to see these through to completion.



Successful acquirers in our analyses complete most of the strategy definition and associated tactical planning prior to close. Many of these planning activities are completed in a clean-room environment to accelerate planning and enable execution to begin right after deal close.

Figure 2. Focus and timing of key priorities

Priority 1: Market opportunity validation

- How are we, as a combined company, positioned in our existing markets, and how can we sustain our differentiated capabilities to sustain our growth?
- What new opportunities are available to pursue as a result of the deal, and which of them have the highest growth potential?
- How will our target markets shift as a result of this merger or acquisition?

The first question in a growth-oriented deal is whether the growth opportunity is real and the combined entities can realistically capture that growth. We found that successful acquirers clearly prioritized specific opportunities based on agreed-upon criteria such as revenue growth potential or margin improvement.

Market analysis using primary and secondary research can identify potential opportunities by product, customer segment, market size or region. The deal model will be an input to this process, but it is typically not nearly detailed enough—having been created by bankers and the deal team with relatively little time and data. While plans cannot be discussed externally before deal close, customers may be consulted about what they expect from a deal, along with market analysts and specialist advisors.

This analysis typically covers the specific solutions the target offers and how they map into the acquirer's portfolio; the strength of the target's competition; and how well the combined company can penetrate markets going forward. This disciplined approach to analysis and prioritization forms the foundation for the success of the other priority areas—helping to ensure that all planning efforts are centered on the highest-value opportunities.

In assessing opportunities, it is important to involve people who will ultimately be accountable for obtaining results. Together, the functional and business unit personnel responsible for making the deal happen, and ultimately successful, must drive the analysis and buy into its results.

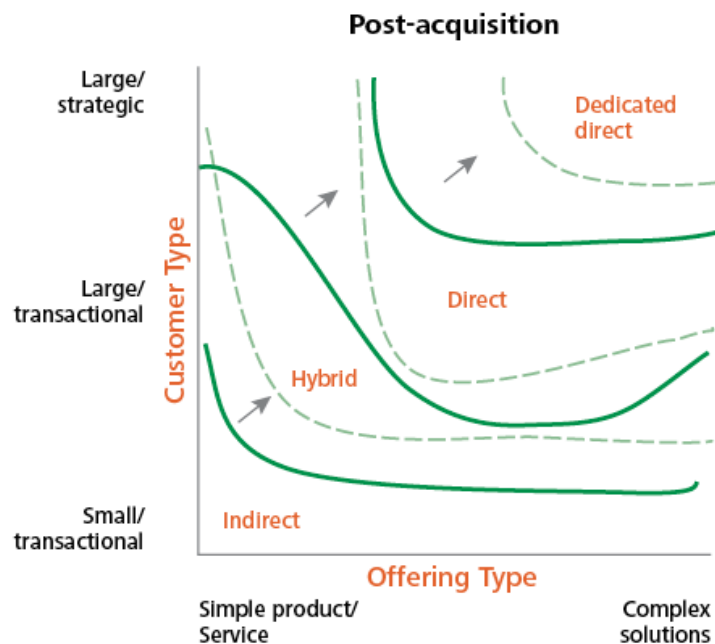
When the time comes for the integration team to present a promising opportunity to corporate leadership, realism should also trump optimism. A deal can be attractive from a product or market standpoint, but the numbers also need to make sense.

In a recent transaction involving two software companies, for example, the strategic rationale offered by the acquirer for pursuing the target company assumed that it would grow revenue fivefold over the first five years after the acquisition. However, the M&A team's market opportunity analysis ultimately determined that revenue was likely to grow only threefold, and that even reaching that level would require specific actions on the part of the acquirer. This helped the acquirer adjust the integration plan and better understand what measures would need to be put in place to accomplish such growth. By digging deeper into the market opportunity analysis, supplemented by proactive planning, the acquirer is currently on track to plan its growth to achieve its revenue projections.

Priority 2: Go-to-market strategy

- What are the specific market segments for both companies, and what is our combined value proposition for each segment?
- How should specific market segments be targeted—via direct and/or indirect sales channels?
- Does the new entity create channel conflict, and if so how much?

With specific market opportunities identified, the next step is determining how these must be attacked. A coherent go-to-market strategy is critical to achieving the growth objectives of the deal, maintaining business continuity, and deploying the talent and resources of both companies in the most efficient and effective way.



The solid green lines in the graph above indicate the distribution of sales resources to various channels based on customer size and offering complexity prior to an acquisition. The dotted lines show how the allocations shift post-acquisition as more integrated solutions are created and the routes to market change, driven by portfolio strategy and customer segmentation.

Figure 3. Acquisitions can dramatically reshape the go-to-market strategy (illustrative)

Adding the target company's offerings to the acquirer's product and service mix can shift the go-to-market approach in dramatic ways. Figure 3 is derived from our observations and illustrates the point. The solid green lines indicate the distribution of sales resources to various channels based on customer size and the complexity of offerings prior to an acquisition. The dotted lines show how the strategy shifts post-acquisition.

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Product-offering complexity has increased with the creation of more integrated solutions combining the products and services.

of the target and acquirer. The routes to market have therefore changed, and more offerings are pushed toward indirect and hybrid channels, allowing the direct channel to focus on the higher-value and most complex solutions. Such a visualization of the go-to-market strategy can help both the dealmakers and the people ultimately responsible for carrying out the strategy to understand and buy into the vision of the deal.

Go-to-market strategy should translate strategic inputs into an actionable, growth-focused structure defined by segment, market, product, channel and sales. It can be challenging to identify and prioritize the most critical strategic inputs, but doing so will determine the effectiveness of the deal vision, structure and subsequent decision-making when executing post-close.

This planning can enable better alignment of the post-merger sales channels with the post-merger product portfolio. A software company that primarily operated with an indirect sales model (selling via channel partners) was considering the acquisition of a SaaS company with a direct sales model and its own sales force. To achieve growth objectives, the acquiring company focused resources upfront to determine the right mix of direct versus indirect sales based on the market strategy it established, as well as whether it needed to build additional specific capabilities. Based on this the company was able to plan necessary adjustments to its sales channels after deal close, accelerating the time to results.

Priority 3: Setting revenue targets

- What are our revenue and margin goals for this acquisition?
- Who will be accountable for the results?
- How will initiatives be tracked?

It's been said that an obsessive focus on the business case is a key to M&A success. One way to actualize this focus is to establish specific revenue and margin goals for the deal and assign accountability for them to the right business leaders.

Many companies, though, tend to track cost savings more closely than revenue impact—simply because these savings are typically shorter term, specific and measurable. In many cases, revenue and margin goals for the new business unit are adjusted, and there is no separate tracking of synergies. Using this approach, company leaders may know they are obtaining some growth, but they don't know what they may be leaving on the table or whether the business unit is in fact executing against the strategy that led to the acquisition.

In a recent deal, a technology manufacturer acquired a services company that historically had provided solutions agnostically, incorporating hardware from various vendors. The

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acquirer expected to improve the business unit's margins by replacing the equipment from other suppliers with its own. Unanswered, however, was the question of whether the services operation's customers would be willing to switch to the acquirer's gear. Determining the impact of such a shift required working with the sales force to determine how customers were likely to react to the change, in some cases down to an account-by-account basis. Which products would they be willing to swap out? Would they resist the switch because of solution complexity or other concerns? Such analysis, completed before the deal closed, was essential to establishing realistic sales projections and factoring them into the sales team's goals and compensation structure.

Priority 4: Product and service portfolio rationalization

- What products and services will be included in our post-deal portfolio?
- How will they be bundled in terms of value proposition and priced?
- To what extent will we need to rationalize redundant products and services?
- How do we confirm portfolio alignment with our business and go-to-market strategies?

Determination of which products and services the combined company will take to market is driven by the market opportunity validation conducted at the outset of the deal exploration. Specific consideration should also be given to short- versus long-term opportunities. In the short term, steps may be taken to quickly create new product bundles or solutions, or there may be "quick hit" product improvements courtesy of technology brought in by the acquired business, or pipeline analysis might highlight specific in-process opportunities to leverage the value proposition of the combined entities.

Longer-term product alignment decisions are inherently more difficult because of factors such as customers' unwillingness to "switch horses," employee loyalty to products they have spent years creating, and sheer technical and operational complexity. However, it is important to put a stake in the ground early on to guide how to organize resources and achieve more in-depth integration of products or to pool R&D resources to drive more collaboration. Messages should convey the M&A story and quickly reassure customers and markets concerning the go-forward strategy.

A high-level product road map provides a starting point for rationalization. What offerings are in the product pipelines of the two companies, and when will they be ready to go to market? Does one company have a product that can be enhanced through integration with a product developed by the other? How can products be combined and marketed as solutions differently because of the deal? The services portfolio presents similar yet distinct considerations. One company may be charging for services while the other provides them at no cost. How will services be described, packaged and sold?

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The merger of two biotechnology companies provides insight with regard to how these rationalization questions can be addressed. Both companies offered gene sequencing systems that determine an organism's DNA, as well as gene splicing processes for artificially joining pieces of genetic material. It was evident that one company had superior sequencing systems, while the other was stronger in splicing. Leaders of the soon-to-be combined enterprise carefully considered how customers of both companies might be affected by the rationalization process. They examined how to meet the needs of customers possessing the weaker solutions in the short term, how to migrate them to the stronger offerings during their next purchasing cycle, and how to structure pricing, incentives and other offering features.

Inevitably, some existing products that customers have invested in may need to be retired. In such cases, delivering the news early and in a constructive way to both customers and sales personnel will reduce confusion and anxiety, as well as lay out a migration path to other solutions.

Priority 5: Sales and channel execution

- How should our sales organization be structured in terms of territories and assigned coverage?
- What is the new sales incentive or compensation model, and how will it be communicated and administered?
- What is the right mix of channels to reach customers?
- How will our partners be affected by the proposed new model?

The next series of critical execution decisions are around how sales resources should be deployed and how external channels and partners can best be used to support them. Again, it is important to start with the identified market opportunities and confirmed go-to-market strategy.

Customer segmentation is the thread that ties everything together, yet every company has a slightly different way of segmenting its customers. Therefore, when conducting a merger it is essential to understand which target segments are most important across the combined companies and then decide how to dedicate or redeploy the sales force to match the highest-priority clients. They are more likely to succeed if they are deployed in the right market segment with the right sales quota and incentives.

The experience of a life sciences company illustrates how consideration of sales issues can boost deal performance by reducing customer churn and protecting base revenues. In the process of acquiring a larger competitor with similar product lines, the company established a "clean room" for a team to analyze the two companies' sales environments and identify key products and customers to drive future growth. The "clean team" determined what it regarded as the optimal market footprint and customer segmentation for the combined company.

Priority 7: Customer service model

- How will we maintain and enhance our service levels post-deal-close?
- How does our service model need to scale up to support growth?
- Can we develop a common service model that supports the vision of the combined capability?

In the best of cases, a merger or acquisition can be an opportunity to improve the customer service of the combined company. Creating a broad customer service strategy can be vital to retaining customers post-transaction and preventing the deal from negatively affecting service.

Achieving these goals can be difficult, however. The combined companies may have widely varying service strategies and capabilities. Overlapping or redundant contact center footprints and capabilities may exist, or different outsourcing models may exist. Effort is required to understand the market position of both companies compared with their competitors' servicing capabilities and performance. Customer service is especially important in some industries and deals, particularly those that are consumer facing, and in those cases should be a focal point of implementation planning.

By way of example, the acquirer of a software company realized that the service model was going to be an important factor in realizing the promise of the acquisition to its customers. This approach required a fundamental rethinking of the business operating model while making sure that the customer service model could scale up and meet ongoing demand from cross-selling and up-selling. This required the acquirer to develop a clear services strategy, well aligned with the sales strategy, to support the integrated technology solutions created through the acquisition. This new strategy was communicated internally through the use of a services playbook to confirm consistent customer messaging and internal process alignment. The goals: to drive a consistent customer care experience to support its growth strategy and to retain its most important customer base.

Priority 8: Defining customer experience

- How does the customer experience of the combined company compare to leading practices?
- Does the acquisition present an opportunity to create something better?
- What changes, if any, are expected in the customer experience life cycle based on all areas of the integration plan?

The quality of customer touch points with the combined company can be impacted by even the slightest changes in product, sales or services strategy. Understanding these changes and what they mean to customers can make the difference between strong customer

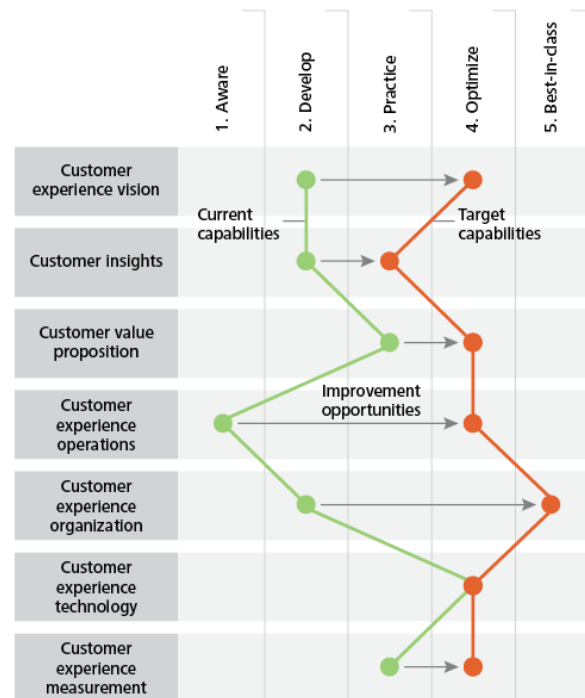
retention and a major uptick in customer churn. Understanding these changes and what they meant to customers can make the difference between strong customer retention and a major uptick in customer churn. A deal can create several customer experience-related issues. Customers may hear confusing, unclear or contradictory messages about the transaction and its potential impact on their services or products.

Inadequately preparing all customer-facing employees to deal with customer questions or new processes can also irreparably damage relationships.

To prevent such issues, all customer touch points need to be evaluated. Critical to this is understanding where the real “moments of truth” for customers are—those points in the relationship life cycle that drive strengthened loyalty or cause customers to look elsewhere. The integration team should walk in a customer’s shoes and understand the impact of any proposed changes. If positive, how should value be maximized? If negative, what mitigation plans are needed?

In any merger, it’s highly unlikely that all of the services, products and customer interaction processes will remain the same. Therefore, it is important to define the characteristics of the new customer experience up front, map potential changes to bridge the gap between the old and new environment, and determine the best way to bring customers along (see figure 4).

In a recent banking merger, a large national institution acquired a smaller regional competitor. The target’s customers were widely understood to value the “community-focused” approach of the bank and felt strong



A customer experience gap assessment can show potential risk areas that might arise post-integration, as well as opportunities to create a better customer experience.

Figure 4. Customer experience gap assessment (illustrative)

loyalty to its brand as well as to specific employees in local branches. The integration plan involved moving all target processes and customer touch points (in branches as well as digital) to the acquirer model, which would mean numerous changes in how the bank interacted with its customers. To address this, specific research was undertaken in the early planning stages to understand what was really important to customers, and detailed “journey maps” were created to walk through how proposed changes would look and feel to customers in different segments.

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This enabled the bank to prepare more focused communications to address the concerns of specific customer types, as well as to confirm that customer-facing employees were ready and prepared to deal with potential issues. It also highlighted some areas where improvements could be made on the acquirer side based on approaches taken by the target.

Leveraging smart planning to forge solid growth

M&A transactions almost always offer viable opportunities to achieve cost synergies and drive efficiency. But growth-oriented companies should not allow themselves to become trapped by a short-term focus and simply attempt to save their way to the deal success target.

Success in growth-oriented M&A hinges on taking a disciplined approach based on a real understanding of the actions and initiatives required to drive short- and long-term value. By addressing the eight priorities outlined here, both early in the deal process and throughout the integration, companies can emerge as high performers that capture the expected value of their growth opportunities.

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PERSONALITY

DATO' LAr. ISMAIL BIN NGAH, PRESIDENT OF BALAI IKHTISAS MALAYSIA FOR TERM 2015/2016



Dato' LAr Ismail Ngah is a landscape architect and town planner by qualification with over 30 years of working experience. He was the Principal Advisor to the Government of Malaysia on the development of landscape and parks throughout the country from **1996 to 2010**, in his capacity as the **Director General** of the **National Landscape Department Malaysia**. He retired from government service in 2010 to advance his career in other fields. He is currently the **President**, of the **International Federation of Landscape Architects (IFLA) Asia Pacific Region (2012-2015)** a professional organisation based in France. He is also the current **President** of the **Malaysia Parks, Amenity and Reception Association (MyParks)**. He is also serving as Chairman of Koperasi Permodalan Usahawan Selangor Berhad since 2012.

Dato' LAr Ismail Ngah obtained his Bachelor in Town and Country Planning in 1981 and later obtained his **Masters in Landscape Design from Sheffield University in 1988**. He first served the government as a Town Planner at the Federal Department of Town and Country Planning and later became the Director for Public Parks and Landscape in 1990. In 1996, Dato' was appointed the 1st Director-General of the newly established National Landscape Department. As a Director General he was responsible to transform Malaysia into a beautiful Garden Nation in line with the country's vision 2020. He was responsible in the formulation of national policies and guidelines for national landscape development in Malaysia such as the *National landscape Policy*, *The National Landscape Guidelines* and the *Tree Conservation Strategy*. He initiated the formulation of *Landscape Master Plans* for all capital cities in Malaysia. He is also central in the establishment of Botanical, Town and State Public Parks, including *The Bukit Kiara Recreational Park* in Kuala Lumpur and contributed in the preparation of Landscape Master Plans for *Putrajaya*, the National Administrative Center of Malaysia and for the *Cyberjaya Multimedia Super Corridor (MSC)*. He was also the Advisor to the Landscape Master Plan for the Kuala Lumpur International Airport (KLIA). He also initiated the 1st International Malaysian Landscape and Garden Festival (LAMAN) in 2004 and subsequently organized in 2006 and 2008 in the capital city of Kuala Lumpur

Dato' LAr Ismail Ngah was appointed Chairman of Morphosis Design, a leading landscape architectural practice in Malaysia from 2011-2012. Under the advice of the Prime Minister Dato' initiated the establishment of of Landskap Malaysia, a not for profit organization to inculcate the love for landscape and environment among Malaysian from 2010-2011.

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He later appointed as the Chief Executive Officer of Landscape Malaysia (2010- 2011) and was actively involved in social and community activities such as the community reforestation program or *Hutan Kita-Our Forest* programs namely in Kuala Lumpur, Putrajaya and Johor Bahru.

Dato' Ismail was twice the President of the **Institute of Landscape Architects Malaysia (ILAM) from 1996 to 2010**. He was also the Advisor to the **Malaysian Landscape Industry Organization or SILARA**. Dato' is the country's representative to International Federation of Landscape Architects (IFLA) since 1998. He was appointed Chairman of the Design Selection Committee representing IFLA Asia Pacific for the Jinzhou China Landscape and Garden Festival that was launched in 2013. Dato' Ismail was also the **Asia Pacific Chairman for the International Federation of Parks and Recreation Administration (IFPRA)** from 2005 to 2008 and also served as the IFPRA Commissioner for Malaysia since 2002. He is also the **Deputy President of OISCA (Organisation for Industrial, Spiritual and Cultural Advancement)** a Japan based non governmental organisation for Malaysia since 2012.

Dato'was actively involved with **Balai Ikhtisas Malaysia (BIM)** way back in 1992. He started as Assistant Honorary Secretary (1992-93), Vice President (1998-99, 2013-2014), Deputy President (2014-15) and currently serving as the President of BIM (2015-16).

Academically Dato' had been speakers at various local and international conferences and seminars especially on subject related to Landscape, Town Planning, Environmental and Management. He was adjunct professor and external examiner for UiTM and UTM for Landscape Program for many years.

Dato' Ismail's personal achievement however, is the momentous planting of 101,042 trees in one minute all across Malaysia under the Millennium Tree Planting Campaign in 2000, which entered the *Guinness Book of World Records*, organized by the National Landscape Department.

BIM MEMBER INSTITUTIONS

- Malaysian Pharmaceutical Society (MPS)
- Royal Institution of Surveyors Malaysia (RISM)
- The Institution of Engineers Malaysia (IEM)
- Pertubuhan Akitteknik Malaysia (PAM)
- Malaysian Medical Association (MMA)
- Malaysian Dental Association (MDA)
- Malaysian Institute of Planners (MIP)
- Veterinary Association Malaysia (VAM)
- Malaysian Institute of Interior Designers (MIID)
- Malaysian Society of Soil Science (MSSS)
- Malaysian Association of Social Workers (MASW)
- The Plastics & Rubber Institute of Malaysia (PRIM)
- Agricultural Institute of Malaysia (AIM)
- Institut Rimbawan Malaysia (IRIM)
- The Chartered Institute of Building Malaysia (CIOBM)
- Institute of Landscape Architects Malaysia (ILAM)
- Institute of Internal Auditors Malaysia (IIAM)
- Institut Bahan Malaysia (ICOMM)
- The Chartered Institute of Logistics And Transport Malaysia (CILTM)
- International Institution of Plantation Management (IIPM)

CORPORATE AFFILIATE

- Malaysian Association of Productivity (MAP)
- Malaysian Institute of Human Resource Management