

# Upskill your way through successful mergers, acquisitions and reorganizations

Use enterprise-wide learning to integrate teams and identify and close skill gaps



**ProEdge**

A PwC Product



Mergers and acquisitions (M&A) and workforce reorganization can create a wealth of opportunities for companies seeking rapid growth, transformation and market expansion. In the US, 57% of executives say their companies plan to pursue new M&A opportunities in the next 12 months, according to a recent [PwC CEO survey](#). These executives also revealed their motivations for pursuing M&As:

- 31% want to expand or diversify their mix of products and services
- 24% wish to consolidate in their sector or industry
- 26% seek to acquire new capabilities, including technology, processes and talent

To cultivate resilience, many organizations are also looking to restructure, reorganize or downsize operations. Whether you're seeking to merge with or buy a new business—or be acquired or reorganize strategically—you need to make sure you have the right technology and skilled employees to successfully navigate this change.

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How can you make sure an organizational change will actually accelerate business transformation? What can you do to retain the right people before, during and after the deal? What can you do to make sure people have the right skill sets, as well as access to the technology and data they need to thrive?

To answer these questions and meet these challenges, you need a clear, accurate view of your current tech and staff skills. You also need a solid plan for developing and acquiring the new capabilities that can set up your employees—and your business—for success.

Let's look at some of the opportunities and potential drawbacks of mergers, acquisitions and reorganizations, and discover how a digital upskilling program can help your company take advantage of these kinds of organizational changes.

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# Making the most of talent

A company's success depends on its people. Keep employees at the center of an M&A deal and continue investing in them during the process—and beyond. Alleviating employee concerns about the future can set your organization up for a smoother transition. It's also a good way to make sure your valuable talent doesn't leave before the deal goes through.

There are multiple human resource and talent issues to consider both before an acquisition and afterwards, when you'll be managing the new, combined workforce. Key questions to ask include:

- Is our talent ready for the future-state of our organization? Do we have the right skills?
- Do we have the right change management teams and approaches in place to navigate both sides of the deal?
- What is our plan to retain existing talent and acquire new talent?

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Engaging and retaining talent in an acquisition is critical to realizing the full value of the deal. M&As usually move forward because both sides are betting they could be more profitable together. One of the main drivers of M&A is to acquire strategic talent and critical skills. This is especially true in transformational acquisitions.

According to a [\*\*PwC integration survey\*\*](#), transformational acquisitions involve going after new markets, channels, products or operations in a way that fundamentally changes the fully integrated organization.

Because transformational deals combine such different types of workforces and cultures, they demand increased attention on the people element of the equation. That's where the value of upskilling programs can make a difference, especially across three key areas: alignment, assessment and analysis.



# Alignment

Many organizations enter into deals seeking to acquire new capabilities and to diversify their products and services. As a result, companies often buy businesses from completely different sectors. This can result in a combined organization with wildly divergent skill sets, cultures, assets and other operating models. In these cases, alignment is more challenging and should be accounted for in any integration plans.

An educational program that focuses on a company's key values, expectations and practices, can guide and inform the actions of employees and help them feel like a unified team. By providing engaging training opportunities, you can help your people develop systems of shared beliefs and values.

An upskilling solution like **PwC's ProEdge** can help create a cohesive culture and drive better alignment between merging organizations. ProEdge is a cloud-based platform designed to help companies identify and close skill gaps through personalized, function-specific learning experiences.





# Assessment

Many companies lack a clear understanding of the skills their workers have today, much less a good idea of which skills they'll need for their newly combined organization. According to [PwC's 23rd Annual Global CEO Survey](#), 79% of CEOs surveyed said they're concerned their organizations won't have the digital skills needed to meet the demands of emerging roles.

For a recently merged or acquired company, there are likely to be even more blind spots. That's why it's essential to use an upskilling solution that can identify where your skill gaps are today, where they're likely to be tomorrow and what you need to do to close those gaps.

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ProEdge can help you conduct a skill gap analysis across your organization. A powerful component of this solution is **ProEdge Plan**, a systematic, data-driven approach to understanding your current workforce profile. Using these insights, you can develop robust, forward-looking plans while taking into account the needs of the entire enterprise, including individuals, teams and functions. You can also evaluate redundancies and use data-driven insights to help you make any difficult choices about reductions.

With the Plan's AI-powered data, you can build learning pathways to close skill gaps for individuals and teams. In an M&A scenario, an upskilling program like ProEdge can also be used to uncover skills employees may have that were not previously utilized, which would then make it easier for those workers to find new positions in the organization. Additionally, employees who don't have the required skills could quickly upskill for new roles. Those who still aren't a good fit for roles in the new structure would upskill—and arm themselves with more marketable capabilities—before moving on to a different organization.





# Analysis

One of the returns on an M&A investment is the benefit gained by bringing together skills from different organizations. But persistent skills gaps can prevent you from realizing this union's full potential.

Ideally, your workforce should be fully prepared for change before the M&A deal moves forward. Sometimes this isn't feasible, and sometimes it doesn't matter because any kind of change and ambiguity can cause employees to start looking elsewhere for jobs. That can put your business at risk of losing key talent before, during and after the course of the deal.

To help prevent this kind of talent loss, it's important to develop retention strategies throughout the process, and to conduct ongoing analyses to uncover:

- Whether or not people believed they would have opportunities to learn and upskill
- Underlying reasons for talent loss (e.g., perceived loss of status, external opportunities)
- Ways to prevent talent loss going forward



Engaging in upskilling efforts can help with retention efforts in a variety of ways. For instance, employees appreciate and respond positively when they perceive their company is investing in their skills and their future. A [\*\*PwC CEO Panel Survey\*\*](#) found that 93% of CEOs who introduce upskilling programs see increased talent acquisition and retention along with higher productivity and a more resilient workforce.

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# Using upskilling to navigate downsizing and reorganization

Significant reorganizations and downsizing actions can cause a great deal of anxiety in any workforce. In these cases, the human part of the equation can be more difficult to manage. As demonstrated in the [PwC integration survey](#), absorption deals, also known as consolidations, typically involve similar workforces with talents and skills that may be more familiar to the acquiring company. Naturally, this means there would likely be redundancies that require significant headcount reduction.

However, there are ways to approach reorganizations and downsizing initiatives in a way that benefits your business and your people. For example, rather than making sweeping decisions about headcount adjustments without clear guidance, you can use data-driven insights to develop more hyper-targeted strategies. This would likely result in the least amount of impact on the workforce.



Upskilling platforms like ProEdge can help you conduct a thorough assessment to uncover redundancies among teams and identify skills that may no longer be required in the new structure. It can also help assess whether employees are a good match for a role with the parent company based on their resume or skill assessment. Having a clear view of your staff's capabilities can make those difficult decisions easier. It can also help you prepare people for the future, no matter the outcome. You can use the insights you gain to give people an onramp to other opportunities, even outside your company. That's a strategy that's good for your business and your people.

“Stickiness” is a way to measure how well a business resonates with consumers. Sticky companies receive more referrals and gain more customer loyalty. When

you're operating with a people-first mindset, your organization can also be sticky to employees. Businesses that downsize while investing in the future of impacted employees can reap huge benefits. In today's highly connected and increasingly social talent marketplace, it's important to maintain the reputation of your brand among potential new hires—whether they're new to your company or returning after a layoff.

ProEdge helps make people feel more resilient in face of whatever happens. Rather than feeling redundant and unwanted, employees can be made to feel valued, since your business continues to invest in their future. You can set them up for success elsewhere while your brand reaps the benefits of a great reputation.





Reorganizations can merge teams that have different levels of digital skill capabilities. With upskilling, you can bring everyone up to speed. Before a reorganization, survey your people's skills to gain a baseline talent assessment. If you uncover individuals or teams that aren't investing the time to gain new skills and are still working in outdated ways, ProEdge can help you pinpoint areas of development.

Not only does that make teams more efficient and productive, it also helps people automate manual, repetitive tasks. This improves the quality of work by eliminating human error while freeing people up to focus on activities that provide more value—and that are more rewarding to do. In fact, upskilling can help people do more than gain new skills. It can also help them become more knowledgeable, so they learn how to learn. Once they've successfully gained new skills, they also acquire the ability to keep learning and growing throughout their careers as they inevitably evolve.



# Preparing for the future

If the pandemic has taught us anything, it's that organizations should be agile, and employees need to build resilience. That's especially true for businesses considering large-scale operational shifts like mergers, acquisitions and reorganizations.

A robust platform that takes the guesswork out of implementing a large scale upskilling program is especially valuable. Because **ProEdge can be tailored to the unique needs of your organization**, it's easier to develop customized learning pathways for employees that can help them navigate change with confidence.





# Invest in Tomorrow

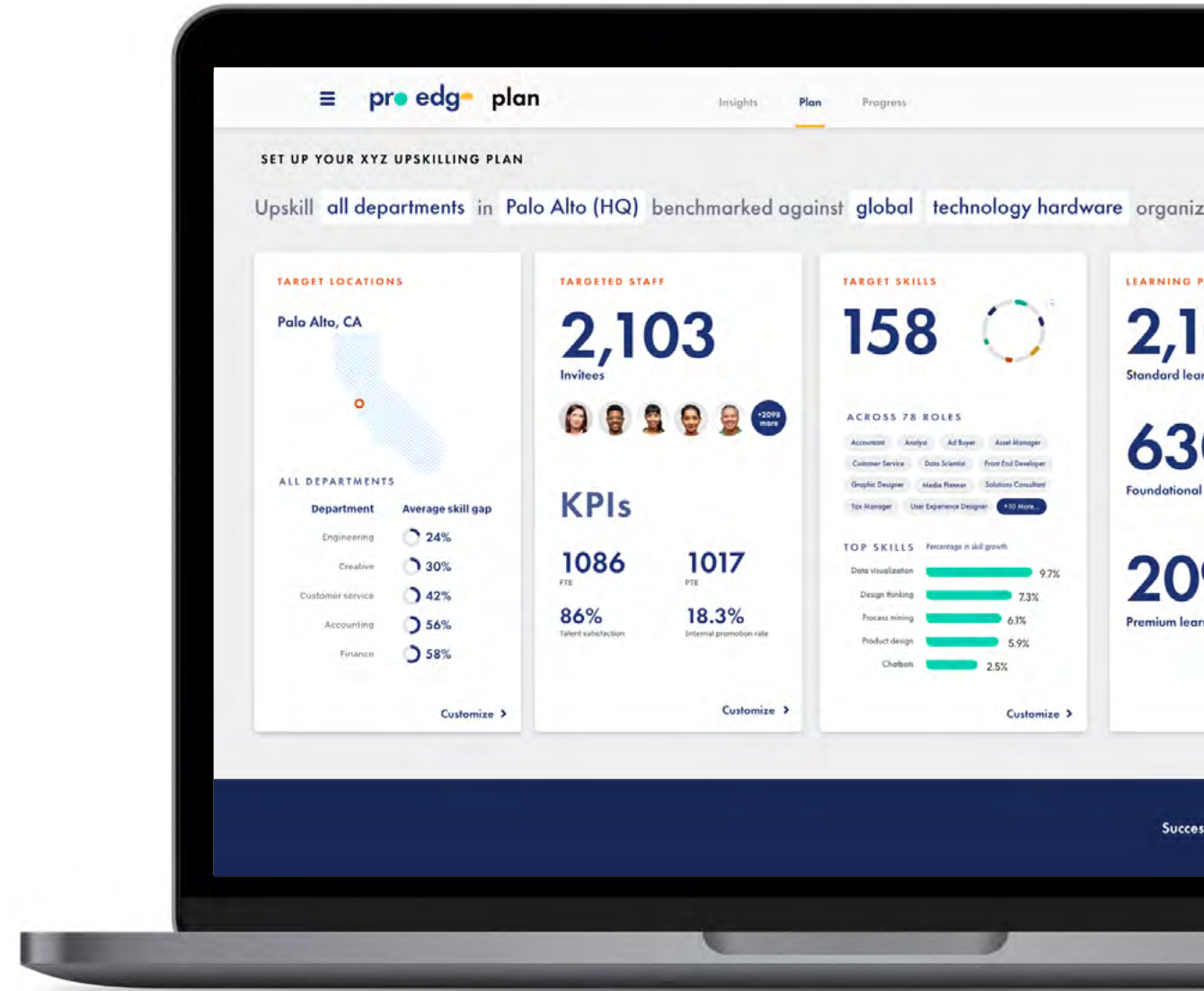
Stay ahead of the curve with PwC ProEdge, the revolutionary way to upskill your people and prepare your organization for tomorrow. This unique platform allows you to pinpoint critical skill gaps and effectively help close them with automatically generated personalized learning pathways. Leading curated content, coursework and hands-on learning empower your workforce to make an immediate impact through citizen-led innovation. Access to digital tools enables solution-building that scales across teams. This is how ProEdge helps your people to perform at their highest level—giving them the power to help transform your entire organization.

[Learn more at ProEdge.PwC.com](https://ProEdge.PwC.com)



# Additional resources:

- Find out how to [adapt learning strategies for employees](#) across every career stage.
- Discover what's next for America's workforce post-COVID-19 in the [PwC Workforce Pulse survey](#).
- Learn how to [develop upskilling programs](#) that can help employees adapt and evolve.







Learn more at [ProEdge.PwC.com](https://ProEdge.PwC.com)



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