

Post-merger integration, the missing link for successful acquisitions?

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## **Introduction**

Despite the high failure rates of M&As, companies continue using M&As as a method for external growth. An article by Shen (2016) in the magazine Fortune suggests that in 2015, a \$5 trillion worth of deals were made. Yet, Shen (2016) also mentions that the failure rates of M&As are estimated to be between 70% and 90%. These statistics show that extensive research into this research topic is required for practical use. Having a better idea of the mechanisms that influence M&A performance will help companies to improve their acquisitions.

A substantial amount of research has already been conducted on how acquisitions can be successful. Trichterborn, Knyphausen-Aufsess, and Schweizer (2016) argue that companies should build a dedicated M&A function to increase M&A performance. In comparison, Bauer and Matzler (2014) claim that companies need to assess strategic complementarity, cultural fit, and the degree of integration when acquiring a company. Vermeulen (2005) claims that acquisitions can be used to improve overall performance when firms are substantially different up to a certain point. He provided a tool to assess whether the acquisition target is sufficiently distinctive from the acquiring company (p. 48).

However, less research has been conducted on the process of acquiring. Acquiring a company that is a perfect target according to existing literature is not a guarantee for successful acquisition performance. Finding the right acquisition target is only one of the aspects of an acquisition. Al-Laham, Schweizer, and Amburgey (2010) suggest that the performance of M&As increases as the M&A experience of the acquirer increases. This could mean that companies with more experience in the process of acquiring could yield better outcomes than similar acquisitions done by competitors. An example of such a company is Cisco, as discussed in the article of Dyer, Kale, and Singh (2003). The Cisco example shows that having an M&A function within the company can help to maintain M&A capabilities within a company as suggested by Trichterborn et al. (2016).

These researches show that companies with significant M&A capabilities can yield better results from acquisitions. Therefore, research in the process of acquiring is necessary to reveal how a 'good' acquisition process can help companies to improve their acquisition performance. Following a capability approach, this would mean that companies need to increase their capabilities in the acquisition process to increase the likelihood of successful acquisitions. Muehlfeld, Rao Sahib, and Van Witteloostuijn (2012) suggest that experiential

learning in acquisition processes is an important predictor of post-acquisition performance. When using experiential learning, companies can increase their M&A capabilities overtime.

A research stream that is focused on increasing insights into the process of acquiring is post-merger integration (PMI) research. Steigenberger (2016) provided a PMI framework based on a literature review of 193 different articles (p. 3). This framework shows what factors organizations should take into account during PMI. Other reviews came up with similar frameworks (Gomes, Angwin, Weber & Yedidia Tarba, 2013) but yet many questions remain unanswered (Graebner, Heimeriks, Huy & Vaara, 2017).

This research will try to provide insights into the process of post-merger integration by studying several research gaps that were identified during recent reviews (Steigenberger 2016; Gomes et al., 2013; Graebner et al., 2017). Graebner et al. (2017) reviewed the existing literature regarding PMI and discussed topics within strategic perspectives on integration, sociocultural integration, and experience and learning. Graebner et al. (2017) identified multiple questions on different sub-topics that still need to be addressed in future research. For example, existing literature found that ‘prior experience is necessary but not sufficient for improving M&A performance’ (Graebner et al., 2017, p. 20). Based on this finding, Graebner et al. (2017) suggest that future research should find out what the practices are through which learning regarding PMI takes place (p. 20). Steigenberger (2016) developed a PMI framework including topics such as context, structural interventions, and leadership and communication-based interventions. Steigenberger (2016) suggests that future research design their research agenda based on this framework and encourages to study the interactions between sub-topics. Similarly, Gomes et al. (2013) argue that there is a lack of research on interrelationships between different post-merger processes such as integration strategies and speed of implementation. This research will both answer questions on specific PMI topics such as experience and study interactions between different sub-topics of PMI.

Based on the research gaps identified in the PMI literature, this research will answer two research questions that are divided into several sub-questions. Addressing these questions increase insights into the integration of acquisitions and does therefore also link to research on M&A capabilities of companies. This thesis will use a company in the food logistics industry as a case study. Several acquisitions overtime will be analyzed with the aim of answering the following research questions:

*How does experience influence the process of post-merger integration?*

*How do different management practices influence the outcomes of PMI?*

Acquisitions of Agro Merchants will be used as a case study to conduct research in this topic. Agro Merchants is a food logistics company which was founded in January 2013. Agro Merchants aims to achieve growth by acquiring family-owned businesses in multiple countries (Agro Merchants, 2015). This research will analyze several acquisitions that have been done the past years in order to see how this process works and if the process has been changed over time. Successful and less successful acquisitions will be compared to see what differences in the process lead to the different outcomes. For each acquisition, observations will be combined with interviews and information from organizational documents to come to insights in both research questions. This research will take an inductive research approach which means that the observations will be used to come to a theory. By doing this, several research gaps can be addressed within one study.

This thesis will be structured as following. First, a background of the literature on PMI will be provided to provide insights on the important concepts in this research. Also, the sub-questions that will be addressed to answer the research questions will be specified. This helps to understand the scope of the observations that are conducted. Next, the methods that are used to collect the data will be described. Following, the results of the collected data will be presented in an analysis chapter. These results will be compared to the existing literature in order to find theories that can be linked to this research. Finally, a summarizing conclusion will be used to answer the research question and to provide recommendations for managers and further research.

## **Theoretical background**

In this chapter, a theoretical background is provided that is used as the basis of this research. The theoretical background stems from research on M&A capabilities and PMI research. The literature that is discussed will lead to an overview of several sub-questions that will be used to study the influence of experience in PMI and the effectiveness of several management practices.

### Post-merger integrations (PMI)

Early research conducted by Jemison and Sitkin (1986) provided the groundwork of PMI research by arguing that the acquisition process starts with screening of targets and ends with the integration a few years after the acquisition. Many scholars attempted to develop an understanding of PMI by reviewing literature, yet Steigenberger (2016) claims that ‘none has sufficiently addressed the concern that the field needs a comprehensive understanding of M&A integration’ (p. 2). PMI is considered as research that focuses on the integration of newly acquired companies, which is the case when the ownership is transferred to the other party. This research is following the definition of Gomes et al. (2013), who make a clear distinction between pre- and post-merger acquisitions.

Recent reviews of the PMI literature focused on converging existing literature into a comprehensive theoretical framework of this phenomenon. Gomes et al. (2013) identify a number of critical success factors in both pre- and post-merger phases of acquisitions. Zollo and Singh (2004) take a knowledge-based view on acquisitions and developed a framework that involves the influence of target characteristics, post-acquisition decisions, and integration capabilities on acquisition performance. Most recent framework of PMI was created by Steigenberger (2016). Steigenberger (2016) takes into account different factors, such as context (e.g. cultural distance and experience), collective sensemaking, structural interventions (e.g. integration speed), and leadership and communication-based interventions. Topics that return in every framework are the depth and speed of the integration, leadership and communication influences, culture, and experience.

Although scholars found that PMI is an important aspect of M&A performance and frameworks have already been developed, many questions remain unanswered. Graebner et al. (2017) analyzed the existing literature with a process perspective since they found that research was fragmented (p. 1.). As a result of this analysis, Graebner et al. (2017) determined four perspectives for future research. These perspectives are: temporality,

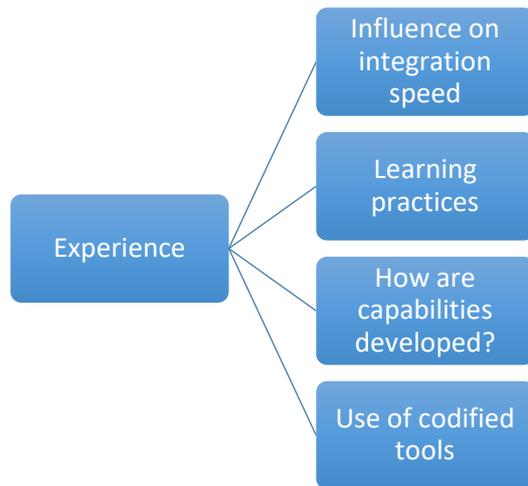
decision-making, practices and tools, and emotionality. These four perspectives can be used to increase insights into topics such as structural integration, sociocultural integration, and experience and learning.

### Sub-topics

Based on research gaps that were identified by multiple reviews (Graebner et al., 2017; Steigenberger, 2016; Gomes et al., 2013; Zollo & Singh, 2004), this research will focus on the factors experience and management practices.

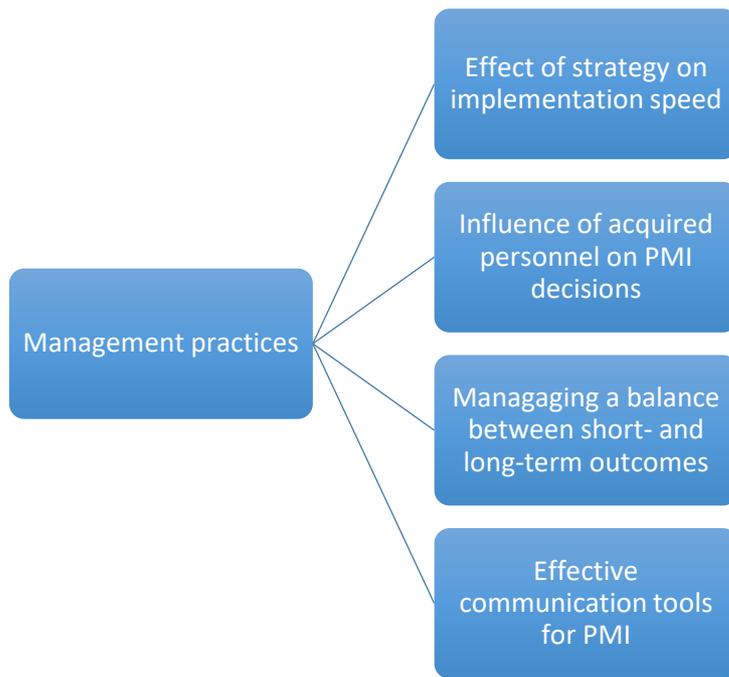
Acquisition experience is a factor that returns in three of the four frameworks of PMI that were used in this study. Also, Trichterborn et al. (2015) claims that M&A experience has a positive influence on M&A performance. In contrast, Steigenberger (2016) argues that firms can fall into a negative learning curve when the number of previous integration events is small. Zollo (2009) refers to this negative learning curve as “superstitious learning” (p 894). Graebner et al. (2017) adds to this by claiming that ‘there is inconclusive evidence of the link between acquisition experience and performance’ (p. 16).

Because of this inconclusive evidence, scholars urge the need for future research on acquisition experience. This research will address this topic by analyzing the influence of experience on integration speed, the practices through which learning takes place, the development of PMI capabilities over time, and the use of codified tools. These sub-topics of experience are perceived as interesting research topics by Steigenberger (2016) and Graebner et al. (2017). By addressing these topics, insights in the effects of experience in PMI can be increased and the research question ‘*how does experience influence the process of post-merger integration?*’ can be answered. Figure 1 visualizes the sub-topics of experience that are used in this research.



*Figure 1: sub-topics of experience*

The next set of sub-topics is used to answer the research question: ‘*how do different management practices influence the outcomes of PMI?*’. The first management practice that will be analyzed is to what extent integration strategies affect the speed of implementation of the integration. Different types of integration strategies will be analyzed based on their intended synergy and human integration. This will provide the possibility to compare observed integration strategies with four integration styles framed by Haspeslagh & Jemison (1991). Second, the influence of acquired personnel on PMI decisions will be researched. This relates to getting insights into the influence of power and politics on PMI decisions. The focus will be on how the acquired personnel can influence PMI decisions instead of the outcomes of this process. Next, this research will determine how managers balance short- and long-term outcomes during PMI. Also, the managers’ temporal capabilities will be considered in order to study how these capabilities influence the focus on short- and long-term outcomes. Furthermore, this study will analyze what communication tools can be used to foster organizational identification during PMI. Finally, individual and organizational factors influencing PMI decisions will be determined to get insights in the decision-making process of PMIs. Figure 2 summarizes what management practices are analyzed in this study.



*Figure 2: sub-topics of management practices*

For all sub-topics regarding the processes of PMI there will be analyzed how temporality influences the outcomes. This means that practices that are effective early in the process could be less effective later in the PMI process (Graebner et al., 2017).

## **Research design**

In this chapter, the design of the research will be discussed. This will be done by subsequently discussing the research context and the data collection approach. This research will take an inductive approach to PMI by comparing multiple cases within Agro Merchants. This builds upon the suggestion of Eisenhardt (1989) that building theory from cases can generate novel theories (p. 546). This research is exploratory and therefore a multiple-case study is an appropriate research method.

Six cases of PMI within Agro Merchants will be compared in order to gain insights in the different sub-topics. These cases will be varying in successfulness and acquisition date so that topics such as experience and temporality can be studied. Studying multiple cases within the same company helps to limit the influence of other organizational factors, such as culture and structure.

As mentioned in the introduction, Agro Merchants is active in the food logistics industry. Agro Merchants provides innovative cold chain solutions by offering ‘physical infrastructure and storage/distribution capabilities, state-of-the-art information technology, quality control standards, and the highest level of food-safety regulatory compliance procedures in the industry’ (Agro Merchants, 2015). Agro Merchants aims to achieve growth by acquiring family-owned businesses. The International Association of Refrigerated Warehouses (IARW) annually publishes an overview of the 25 largest companies in the temperature-controlled warehousing and logistics providers (GCCA, n.a.). Agro Merchants ranks as 5<sup>th</sup> on the global list with a total warehousing space of approximately 6.2 million cubic meters (GCCA, n.a.). In Europe, Agro Merchants ranks as 3<sup>rd</sup> with a total space of 1.9 million cubic meters (GCCA, n.a.). March 2017, Agro Merchants ‘owns and operates 60 facilities in 10 countries in Europe, North America, Latin America, and Asia Pacific’ (Market Watch, 2017). Agro Merchants is a rapidly growing company that is an important player in their industry. This research will focus on the European division of Agro Merchants to limit the influence of cultural diversity.

In order to come to valid and more reliable findings, data triangulation will be used. Data triangulation is used because it provides the possibility to compare subjective data with objective data (Swanborn, 2010, p. 108). By doing this, a deeper understanding of the PMI processes can be generated. The data will be collected by conducting interviews, observations, and document analysis. The interviews will be conducted with managers from the acquiring company that were involved with the acquisition and PMI process. Managers

from the acquired companies will be interviewed about their role in the integration process. This means that 12 interviews will be done in total. These interviews will be semi-structured so that the interviews are structured but open for follow-up questions on topics that are more interesting or that need a better understanding. These interviews will be used to gather subjective data. The protocol that is followed during these interviews can be found in appendix A.

Next, observations of the PMI processes within Agro Merchants will be conducted. These observations will be made at meetings on the topic of PMI. Observational notes will be made by observing the interactions and processes from the background. By staying on the background, the involvement and influence of the researcher will stay as limited as possible so that the observations are valid and reliable. Next to the observations from the background, the researcher will engage in small conversations with the involved managers with the aim of getting a better understanding of the PMI process.

Lastly, a document analysis of the integration of six acquisitions will be conducted. This analysis is used to observe processes that have not been clearly addressed in the interviews and observations. By conducting a document analysis, the PMI approach of the involved managers can be evaluated. These findings can be compared with data collected with interviews and observations in order to get optimal insights.

The data will be collected in two different timeframes so that the data collected in the first timeframe can be compared to the information that is gathered in the second timeframe. This approach is supported by the research of Swanborn (2010). The first timeframe is from April to June 2017 and the second timeframe is in August 2017. During these timeframes, findings will be analysed and compared to existing literature.

The data collected during the interviews is analyzed based on the concept of open, axial, and selective coding which is used by the Grounded Theory Approach and also suggested by Verschuren and Doorewaard in a book published by Achterberg, Benschop, Hendriks, and van de Ven (2013). First, all data will be analyzed in order to get quotes regarding the PMI processes. Next, these quotes will be categorized based on the research gaps found in the existing literature. Also, additional topics that prove to be relevant during the data analysis process will be used as categories. Following, the quotes will be analyzed per category in order to find common concepts within these categories. These concepts will be further specified into second order themes that will be used for interpretation purposes in

the results chapter. For the observations and document analysis, practical meaning and theoretical application of the data will be used to come to theoretical findings. For example, data collected during the document analysis will be interpreted and linked to a category as found during the coding process of the interviews. The Grounded Theory Approach is useful for exploratory research because it stays close to empirical data. It helps to obtain an overall picture of a complex situation, yet coding is time-costly and can result in problems such as getting lost in the data. This problem is addressed by working structurally.

As mentioned before, the role of the researcher will be as small as possible so that there is no influence on the outcomes of this study. Participants will be informed about the aim of the research at the beginning of the interviews. Also, the participants are free to withdraw themselves from the research at any time. The results of this study will be anonymized and shared with Agro Merchants for internal use. The research will not be published. Agro Merchants can use this study as feedback on their PMI policy.

## Results

In this chapter, the findings of the gathered data will be discussed. Before, the research process will be described shortly. Following, the collected data will be used to discuss the sub-topics as mentioned in the second chapter.

The data was collected by conducting interviews with all managers of the European integration team and with two current managers of acquired companies. This was done because this fit Agro best and because this would result in insights from all perspectives. All interviews took between 30 and 60 minutes. The interviews with the managers from the EU headquarter were conducted in person. The interviews with the site managers were conducted via skype. One of the interviews with a site manager was cancelled because we could not schedule an appointment. All interviews were based on predetermined questions in a semi-structured interview. The questions for the site managers were different from the questions for the managers from the European headquarters and can be found in Appendix A. The European management team is a collection of all divisional managers on the European level; think of HR, purchasing, IT, and finance. Because of this, each interview was conducted from a different organizational perspective. After all interviews were transcribed, an extensive coding process lead to an overview of insights from each interview on each sub-topic (see Appendix B). This categorized data is being used for discussing the findings of each variable in this chapter. Following, these findings are being compared by a document analysis that is being conducted on recent integration documents of Agro.

First, the topics regarding the influence of experience on PMI will be discussed. These topics are the influence of experience on integration speed, the practices through which learning takes place, the development of PMI capabilities over time, and the use of codified tools.

### Influence of experience on integration speed

During the process, it became clear that the influence of experience would become difficult to find out. Agro Merchants had just started their integration process for a few months and therefore it was difficult to identify the influence of experience on integration speed.

*'All managers for Europe, except for Luuk, have been here shorter than 5/6 months on the headquarters. For function and as person. I am not sure if you can expect that in a period of 6 months you can make such a fundamental shift. Things have happened that contribute to synergies but we aren't there yet. A cultural shift goes very slow.'*

Yet, Agro managers expect the integration of sites to increase in speed as soon as the basis is made. Right now, the organization is still in development as well as the processes related to post-merger integration of acquired companies. This means that the integration speed is expected to be increased as soon as the integration experience increases.

*'No because it's not a job. It are skills you need to learn. And if you have those skills, you can just do them. So if you've done enough acquisitions, then you're better able to estimate if they are also worth the money. Because you learn from your mistakes.'*

As most managers are relatively unexperienced in managing integrations it makes sense that the integration speed of acquired companies is low. Once the processes are set up and the managers developed integration skills, Agro is planning on increasing the integration speed. As documented in the 2020 rebranding roadmap, new acquisitions need to be integrated in a period of 12 months. This is a big difference with the implementation of the current companies, which have only been involved in brand integration 3 years after the acquisition. This is an example of an integration process that first needed to be created before the organization could be integrated. It's important to notice that once the process is implemented and tested, Agro has the intention of speeding up the process. However, the 2020 strategy plan also shows that Agro is in a continuous state of development where different types of processes and activities are developed. It's therefore difficult to state when the integration is completed and when the organization is perceived as one brand. When integrating new acquisitions, the Agro management needs to take into account that sites have different wishes and expectations with regards to the integration. Therefore, it is important that the mindset of the acquired company is important for Agro. Agro can try to increase the integration speed but on the other hand they also need to take into account the wishes of acquired organizations.

*'I think a lot of people would like it to go slower. I want us to go faster because I want us to have one company, one brand, one family. Because I think that's great.'*

### Use of codified tools

Agro is currently not using many codified tools. Agro uses an integration scheme with blocks to analyze the progress of the integration for each functional department. Moreover, this scheme is used to plan the integration a few years ahead. Nonetheless, there are no further tools or guidelines for integration. The use of codified tools is higher for some managers than for others, yet this is their personal choice. Codified tools are used for different purposes.

*'Possibly. You don't know that. Depends on how you build up the template. Let's say we have a meeting of 4 hours. 1 hour is brainstorm session. Nothing on the program, just talking. Then we get new ideas. It will have its gains and losses. On the one hand you have more structure because it's the same everywhere. And you give some direction. Because if you let everyone do what they want, everybody has their own approach. I think the advantage of the standard approach for each discipline is that everybody gets a certain tool, use it for this.'*

The first purpose of codified tools is the use of codified tools to foster standardization. This type of documents are tools that managers can use to get a standardized format, e.g. a template for a working method. Although these tools are not yet created, multiple interviewees named standardization documents when talking about the use of codified tools. Other reasons for the use of codified tools are: efficiency (e.g. improved decision making processes), learning methods (e.g. learn by reviewing documented integration processes), managing the organization (e.g. managing the organization based on the 2020 strategy plan), retaining knowledge (e.g. retaining valuable knowledge created in the organization), hiding space (e.g. hiding behind documented processes instead of using your own skills).

### Development of PMI capabilities

Next, the development of PMI capabilities within Agro Merchants will be discussed. This topic can be divided into two different parts, namely the retention of capabilities and the loss of capabilities. PMI capabilities retention is enhanced by setting up a structure and by doing repeatable activities.

*'Yes eventually to take the meeting structure and the people in the team, they need to get things done, so they need to be distracted as few as possible by other things. That structure I try to set up as good as possible so that they can focus on their work.'*

The structure of Agro is set up so that the managers are empowered to work on their tasks. They are distracted as few as possible so that they can focus on their work. Also, Agro managers are involved in repeatable activities so that they develop the capabilities to perform this activity effectively. However, there is no data that suggests that Agro tries to maintain this PMI capabilities over time. On the other hand, data shows that the PMI capabilities have the potential of getting lost if Agro continues to deal with their capabilities like they do now.

*'The Agro team is completely new, you don't have a history of people that were already there. So then you encounter a lack of knowledge, or too much work. And at that moment you need to make a map of what you want to do. Then you look for the right person for that.'*

*'Yes. See we now encounter it because we're working on it. And you might later say well that was a path that we did well.'*

Agro is still a new company that needs to be built up from the ground. This comes with the problem that there are no structures and fixed processes. This results in a situation where managers need to deal with problems while they encounter it and then they deal with it in the best possible way they can.

*'Daan: Do you think that knowledge might be lost because of that, or other ideas? If you have an idea about something and someone else has a different idea, that that maybe connects but because you have few contact and don't talk much about that. Interviewee: Yes, but that's difficult because on the other hand you don't want a whole meeting culture.'*

When asking the managers about the communication of ideas with each other I encountered that knowledge might get lost. There seems to be a lack of structured communication about the development of PMI capabilities.

*'How you communicate? At this moment it is mostly on the job. This is what we all experience, we need to do it differently. And then you try to change it.'*

Problems are encountered on the job and are then dealt with. Yet, there is no communication platform for the managers to share their experience and to make sure that there is retention of PMI capabilities. The retention of PMI capabilities is mostly individual and is therefore likely to deteriorate over time either because a person leaves the organization or because the person cannot remember all different knowledge they processed.

### Learning practices

Finally, the learning practices with regards to PMI capabilities of Agro Merchants will be discussed. There are 2 practices through which learning regarding PMI takes place. The first practice is learning through experience.

*'Yes, we need to fall down and get up again. That's how you learn as a person and as an organization. We can't have all the skills and experts. But we need to give people space to make mistakes. That's what we need to learn.'*

*'Yes but maybe still not enough according to the manager. What you see a lot in the integration we are doing, everything needs to be set up. Mistakes are being made. The one deals differently with it than another. One says, I understand it and we need to set it up. This is what we learn from it. Next time we will do and we solve it internally. And the other says, we do it wrong again, everything goes wrong.'*

As stated before, Agro has not formalized their processes yet, therefore it is important for managers that they learn from the experiences they have during their daily activities. As the quotes show, Agro managers need to fall down and get up again in order to get further as a person and as organization. Managers learn by making mistakes and by acting upon these mistakes. Via learning by doing (and failing), managers get to understand how integrations work and what skills and capabilities they need in order to make post-merger integrations successful. Another practice through which the managers learn are via communication and from the experiences of other managers that are shared.

*'No no no. If we really have points of improvement. Then it definitely gets attention. I need to write down something really quickly.'*

This quote is an example from learning via communication. While being in an interview with one of the managers, I brought up a point that was apparently interesting and needed to be given more thought about by the interviewee. During our conversation, the interviewee learned something and decided to write that down immediately. This is exemplary for learning via communication with others.

*'We discuss it but more during the coffee breaks, not structurally. We don't have it on our schedules change management and human integration. It's more how are you doing that? Ah okay, makes sense. It's more during the coffee break. Not a scheduled point.'*

Most of the sharing of experiences takes place during coffee breaks and informal conversations. Managers try to engage in conversations with each other regularly as also observed during my time at the EU headquarter. The managers can ask each other about their activities, work together on a project, or share their ideas about processes so that they can bring their knowledge together and learn new practices. Learning from others can take place

at certain levels, for example learn from external consultants, learn from senior managers, or learn from customers. This means that learning via others does not necessarily need to take place within the organizational boundaries but can also occur in communication with other parties.

Next, the results for the topics regarding management practices in relationship to PMI are being discussed. These topics are: the effect of strategy on implementation speed, the influence of acquired personnel on PMI decisions, managing a balance between short- and long-term outcomes, and effective communication tools for PMI.

#### Influence of integration strategies on integration speed

According to research of Haspeslagh and Jemison (1991), integration strategies are based on two dimensions, namely the degree of desired strategic interdependence and the need for the acquired firm's organizational autonomy (Rosenzweig, 1993). Agro scores low on the degree of strategic interdependence as they acquire companies that are already performing well and that do have little to no added value for the other sites. The acquired firm does need some organizational autonomy in order to keep their business running. The local sites need to be managed closely so that the operation can keep going. On a strategic level, acquired organizations do not require much autonomy. This means that based on Haspeslagh and Jemison (1991), Agro should use both a preservation and absorption strategy. Preservation strategy on the operational level so that the companies can keep doing what they do well and an absorption strategy on a strategic level so that the whole organization can become one.

Based on the interviews and document analysis, Agro wants to focus on standardizing their processes and data (e.g. KPIs) so that business intelligence increases and the company can be managed as one.

*'Daan: Is this an essential phase for Agro to survive? Interviewee: Yes, I believe so. You need to professionalize, outgrow local companies and by doing that making 1 company. Whatever that might mean. I think that's essential.'*

*'Yes definitely. And you also need to integrate everywhere up to a certain level, you shouldn't want to integrate everything. Then it gets too much. You also need a level of flexibility and entrepreneurship at the sites. So it needs to add value.'*

As the data shows, Agro wants to integrate up to a level where the local sites can still remain flexible and entrepreneurial. This shows that the organization is using a preservation

strategy in order to remain the viability of local operations. Nonetheless, the document analysis shows that Agro wants to standardize several work streams on a global level (e.g. IT/HR). Also, they want to standardize data metrics so that the performances of different sites can be compared and used for business intelligence reasons (e.g. KPIs). On the other hand, the engineering roadmap shows that Agro does actually aim to become an industry-leading integrated engineering organization. This means that Agro would not only focus on standardization but also on alignment on different processes. However, this was not mentioned during the interviews and the organization does not seem to be ready for that yet. A standardization strategy focused on processes and data will take less time to be integrated than a human integration.

*‘Interviewee: All managers for Europe, except for Luuk, have been here shorter than 5/6 months on the headquarters. For function and as person. I am not sure if you can expect that in a period of 6 months you can make such a fundamental shift. Things have happened that contribute to synergies but we aren’t there yet. A cultural shift goes very slow.’*

When Agro actually wants to integrate the human dimension of all different sites, this will take significantly more time. A cultural shift goes very slow and will not be done before the planned operational standardization is completed.

#### The influence of acquired personnel on PMI decisions

Acquired personnel is influencing the PMI decisions of Agro Merchants in two different ways, namely by showing support and by providing input.

*‘Daan: So you take it also from their perspective so that there’s less resistance from that side? Interviewee: Support, yes. I think that if you approach them differently that you will hear: oh did we do it wrong? I am doing this for 20 years, I don’t need help.’*

*‘I think the important thing with integration is keeping everybody in the lit. Keeping everybody informed from the man that sweeps the yard to the top man in finance, everybody is an important part in the chain, everyone. We all need to be kept up to date. And if they feel like part of a family then they will work harder, that’s keeping people focused, keeping them happy. You cannot keep everybody happy all the time.’*

*‘Yes. And to reduce the resistance we would need to, would Johan and me, need to get an even more free role so we can go into the sites and talk with the managers.’*

It is important for Agro that the employees are happy and that they do not resist decisions being made. Therefore, Agro managers take into account the employees' opinions when making decisions. The employees and local sites need to stay in the lit and they try to keep the resistance low so that the employees will feel part of a family and work harder. Next to showing support which is a more reactive mode, employees can also proactively provide input for the Agro managers.

*'I offered Jan directly to think with them on certain aspects. It's more [indistinct] but that means that you're immediately aware of what is going to happen. And that you can eventually put your own ideas into that. But eventually the integration is being decided by Agro Merchants themselves.'*

*'We've had a meeting with Jason on that. He came over here and we had a meeting here and we told him what we think and he told us what he thinks. We have some targets and made a few calls, and had a few meetings.'*

*'Yes, I have quite a bit of influence yes. I always run things past Johan, so I have a chat with him and stuff. But you know we have a good relationship. He listens and we make decisions together. We're all part of one team mate. They can learn from us.'*

Local sites can get together with EU managers to come up with ideas and to provide their opinion on developments that they are involved with. This is aligned with the observation that EU managers try to be approachable. However, there was also an observation that local sites find that there is a lack of communication from the EU headquarter. This can be explained by the following quote.

*'Depends on the site. One site is more proactive than the other. Depends on the person that sits there.'*

The influence of the local sites is dependent on the proactiveness of the managers of the local sites.

*'By having moments, or tuning your communication on that and add resources to that. Tuning you can place it, what are learning moments and how are you communicating it to the other. We have for example Narrowcasting for the Maasvlakte. In the canteen. That's where you can post messages. Such things, are really easy to implement, Narrowcasting, but you can also implement an app internally. If you have framed that, then you can say, this is a learning moment for this target group in those countries. And then Narrowcast, without video*

*screening, but then you have an app for that, or mail, or video. But you need to work on that consciously.'*

Next to getting input from the managers of local sites, Agro also tries to give employees a platform to provide their input to the EU management. Yet, this can also be something difficult for employees. As one interviewee states:

*'I think there is really few knowledge about the acquisition.'*

### Balance between short- and long-term decisions during PMI

Following, the topic regarding managing a balance between short- and long-term outcomes regarding PMI is being discussed. For this topic, three themes are most important for Agro Merchants. The first theme is short-term pressure from others.

*'We are servant to the big investors. Making lists, making sure that the numbers are good. So that it can be showed to the top management and investors. That is for example why [for finance] the closing of the month is such a busy period.'*

*'You sense that that's in there. And the new people, they do have a long-term vision. But we deal with the US, so that's the short term.'*

Within Agro Merchants, short-term success is very important because the company is driven by the pressure of making money. This pressure comes from US investors who expect to get a good return on investments (ROI).

*'Well it's not long-term focused at all over here. It is really short-term, ticking boxes.'*

As a result, the Agro Merchants is an organization where it is important that you conform to the pressure from others to finish certain tasks in a certain time. This is often a challenge for the managers who therefore lack the time to focus on tasks important for long-term success of the company.

*'And to do what he can do best of course. That's it also. If you have too many balls in the air, you will have the tendency, and that goes for everybody, to catch the balls that you can actually catch best because you can have more balls in the air than. But are those the right things that you're doing. That's the question, for everybody. It is so busy that you cannot do everything and then you need to choose. And you choose for the things that you are most familiar with. Then you can make an estimation of what you can process.'*

Managers are struggling with the time pressure and therefore often focus on simple tasks that they have done before. These tasks are often on the short-term so that these managers can show that they have actually used their time effectively. This means that the managers have a high focus on short-term tasks. Nonetheless, Agro also thinks that long-term partnerships with suppliers and customers are important.

*'Daan: Do you work towards a goal in the long term or not? Interviewee: Yes, the answer is yes. If I look at the long-term purchases. This is the volume that we have and the ambition we have. So the volume will increase. I am looking for two partners most times because if one partner is in trouble then you at least have the second partner to deal with the problems. So that the operation can continue. So approach as few parties as possible with long-term contracts, with a yearly escape possibility for us. That's my dream scenario.'*

Agro Merchants is focused on these long-term partnerships so that they can guarantee continuity of operations. They can get contracts for lower costs from the suppliers and they build a good relationship with their clients so that there will always be demand for their services. A lot of these relationships with customers are based on former contacts from local companies with these customers. The network of all local sites can be used to guarantee a continuity of operations. This is an important long-term focus for Agro Merchants.

*'Actually the short term is a step for the long term. Unless it's a priority because somewhere. Then we need to do something or organize a project.'*

Although there is a high focus on the short term because of external pressure, Agro Merchants still perceives the short term as a step for the long term. This means that all short term steps that are being taken should result in an organization as being described in the strategy plan for 2020.

*'If you would ask everybody what is the long-term goal. I am not sure if you will get the same answers. You will hear going to the exchange, yes or no, becoming a 3PL, yes or no. We all have an image but it's not all the same.'*

Although there is a clear strategic plan, not everybody has the same vision of how the organization will get there. All managers have a similar goal but the road of how to get there can differ per person.

*'Yes long term. Rebranding, for focus, signage and such is all short term. But culture, values, norms, everything that is connected. That is long term. But how are you doing that. That's a point that is important.'*

Some aspects of the integration are more likely to result in short-term decisions while other aspects (such as culture, values, and norms) are dealt with by using long-term temporal capabilities.

#### Communication tools used to foster organizational identification during PMI

Agro uses multiple communication tools to foster organizational identification of the employees. The following quotes give an overview of all the different communication tools that are being used.

*'Well, a part of the handbook is about norms and values and is standardized. The other part of the handbook is related to legislation is specific and that is a very big part. And therefore, it is essential that I have a good HR manager for each country.'*

*'The beautiful thing of mail is that you can inform everybody. But you also need to be careful that you send too many details to a MD. If a mail is very long about a detail that is not important to him, I just want to know if it's done. And if I ask my team member, how is it going and he answer good, then it's good. What a MD wants to be informed about, just making this up myself now, is what is the result for my EBITDA.'*

*'Well, I think people don't know what the difference is. I think, what Jan is doing now, the rebranding part, now we get more to that. Now it all starts. Look, if I walk around with clothing of Agro I have more the feeling that I work for Agro. And if I walk with the logo of Urk or Harthoorn, then I just work for Harthoorn with my Harthoorn jacket. Very nice that we call it Agro. But if I walk with Agro clothing and everything is with the logo of Agro and Agro is on the warehouse. Then we people will start to see like hey that's Agro and I walk with Agro clothing.'*

*'I don't know about that. At this moment, I think we can improve in that. At every level you have certain groups that can be connected between the sites. I name TD for example. But how do you let them share their knowledge. I think, in the future, we can improve on that. And what is then the best approach. Are you going to build discussion forums, or we meet once or twice per year, or a combination. Do you do that with an app. We*

*have an idea of getting an app. So, that everybody has access to the app and then you have your own group. A sort of forum where you can ask questions.'*

*'I have no insights in that. We of course ask the managers. And mostly for rebranding and integration. Check well what's happening on the floor. Try to anticipate. Things that are playing. We also for example have a question list in there. If you get this question, you can answer it like this and this. Also to increase the knowledge of the managers. But we could do more for that. We try to do it in a natural way, with such an employee survey, we try to get people involved. In that employee survey, all relevant questions related to that will come back. We want to, we are working on posters, we hear your voice, and that is also in the norms and values. And those are also everywhere. You are a part of and we want to hear your opinion.'*

*'For example yes. There was the suggestion here during the Christmas drink to, we couldn't attend the opening of Maasvlakte, to go there on our own. And in April that happened, a small period before we communicated that to Harthoorn and they immediately joined. And soon everybody will come, from the south of the country, where we have been, to Harthoorn and Urk to do the same.'*

Agro Merchants is using many different communication tools to foster organizational identification. These tools are used for communicating information from the EU managers to the employees, communicating information from the employees to the managers, and fostering communication between employees of different sites. The tools being used by Agro Merchants are: a handbook for standards, using email for informing employees, the use of symbols (e.g. company clothing), the use of discussion platforms (e.g. the use of an app), conducting an employee survey, using posters to foster feedback, using norms and values to communicate the importance of specific activities such as providing feedback, and arranging a national level company meeting where employees from different sites can meet each other.

### Team interaction

A final topic that was found to be important during the data analyzing process was the importance of team interaction. This topic describes the interaction between the EU management team.

*'The irregularity is the only regularity. That needs to become standard. We do have it [appointed] standard but that's not with Johan and Jan but purely the team itself. Nanya,*

*Luuk, Cornelis is there, finance, Ronald, all disciplines that actually need to carry the integration. Then you need to sit at least once per month together. The one doesn't have to say much, the other says a lot. Just a moment even if you don't have anything up front.'*

*'Next to that, once per two weeks or month we have a team meeting. In which everybody shortly says what they are working on.'*

The first important aspect of team interaction is team communication. Although the team consists of a small group of managers. During the interviews, I found that there were almost no moments when the whole team was together. Although some interviewees claimed that there were team meetings, others said there are not.

*'Yes. But I do for example not know, when Nanya is working on working conditions harmonization, how does that compare to IT. Do I need to facilitate? How is she organizing that. Am I required or not. I have no clue.'*

As this quote shows, some managers have no clue of what other members of the team are doing and if they can help them. I think this shows that there are no regular team meetings where the team discusses what everybody is working on.

*'We have. We are of course a small team. So you get the information. We only have 2 spaces. Not all our own rooms. So there's a lot of interaction with the team.'*

*'And there's a lot of mutual contact. Very much.'*

Although there are not many team meetings, there is a lot of informal communication that happens when team members are present in the office. There are only two offices which means that there are multiple people working in the same room. My observations confirmed that there is a lot of contact during the day which can sometimes be too much distraction to work effectively. This is especially the case for the smallest office of the two. A reason for this could be that these managers have been working for Agro since day 1 so they know each other the best.

*'To do that, we need a trust curve. We don't have that now Daan. We are not high in the trust curve.'*

The second dimension of team interaction is team synergy. Right now, the managers of the team lack the trust and synergy to be working effectively as a team. This is an issue in

integration because different functional work streams need to work together to achieve optimal results. This cannot happen if the trust is low.

*'I think that it will make an enormous difference if we start to manage more relation focused than instead of performance focused. Although I question if it is performance focused because we are all just linked to each other. Very simply, Ronald does quality, but quality is very often about people.'*

The third dimension of team interaction is team focus. This dimension is about what the focus of the team is. Agro seems to have a team that is focused on high performance and with less focus on team relations. This could be a reason for the lack of synergy and communication within the team.

### Conceptual model

Based on the analyzed data, a conceptual model can be drawn that integrates all different topics. First, a model regarding the development of PMI experience will be discussed, which is followed by the final model that integrates all aspects.

As figure 3 shows, the final result of PMI experience is an increase in integration speed. Integration speed is influenced by 2 dimensions, which are the amount of PMI knowledge and the amount of standardization of integration practices. The amount of PMI knowledge is based on the ability of an organization to develop learning practices to acquire PMI knowledge, and an organization's ability to retain that knowledge. One of the elements of learning practices is learning from communication and experience of others. In order to achieve this, it is important that there is positive team interaction. When the team interaction is good, the learning curve will be increased and the collaboration between different functional work streams will be improved.

The retention of knowledge is influenced by the use of codified tools. If an organization makes extensive use of codified tools, knowledge will be formalized and will remain within the organization even when people are leaving. Therefore, codified tools can be used as a method to retain knowledge. A second manner in which codified tools can be used is to foster standardization. These tools can be used to create a standard working method for integrations so that it becomes easier for managers to execute integrations based on these tools. This means that when the standardization of integration practices is high, managers can

increase the integration speed. Figure 3 shows how the different dimensions on PMI experience result in increased integration speed.

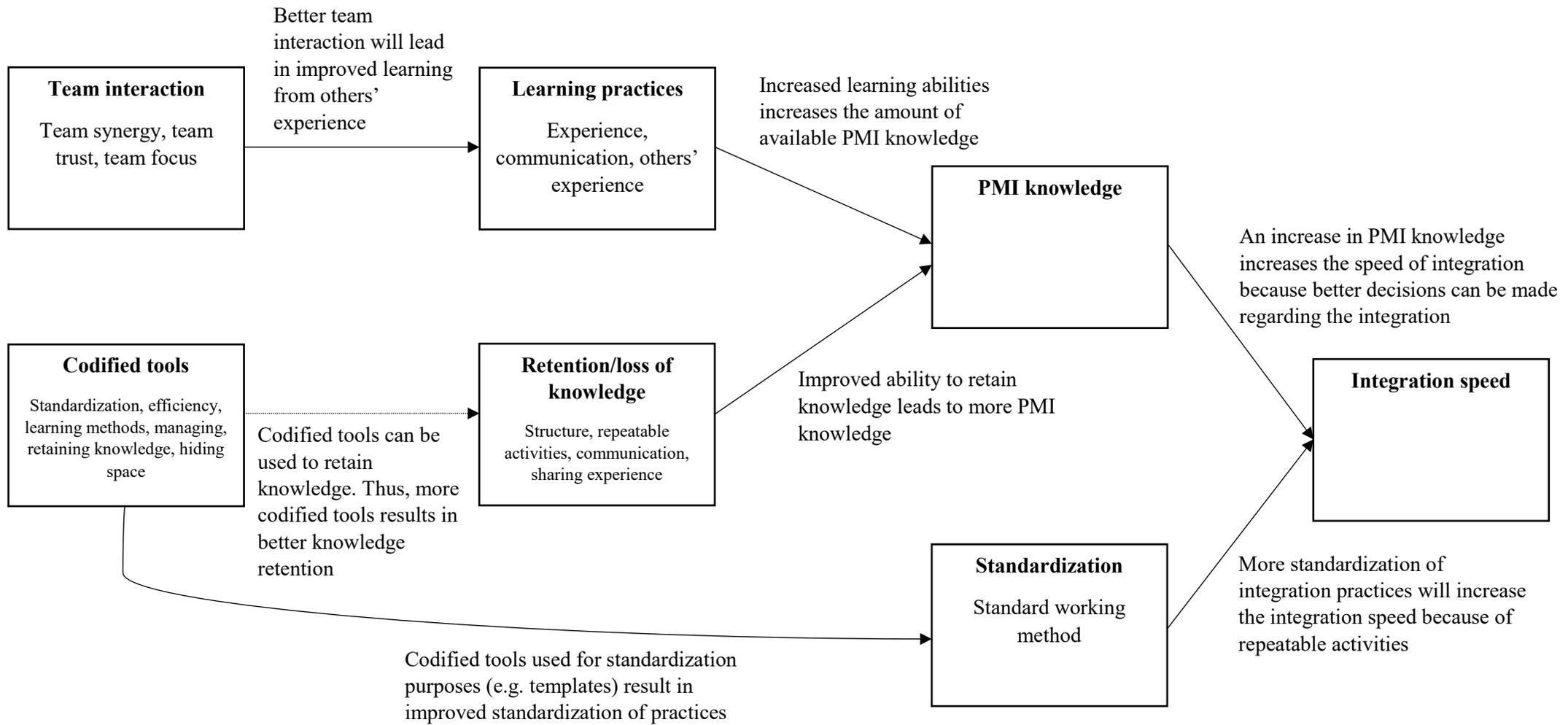


Figure 3: influence of PMI experience on integration speed

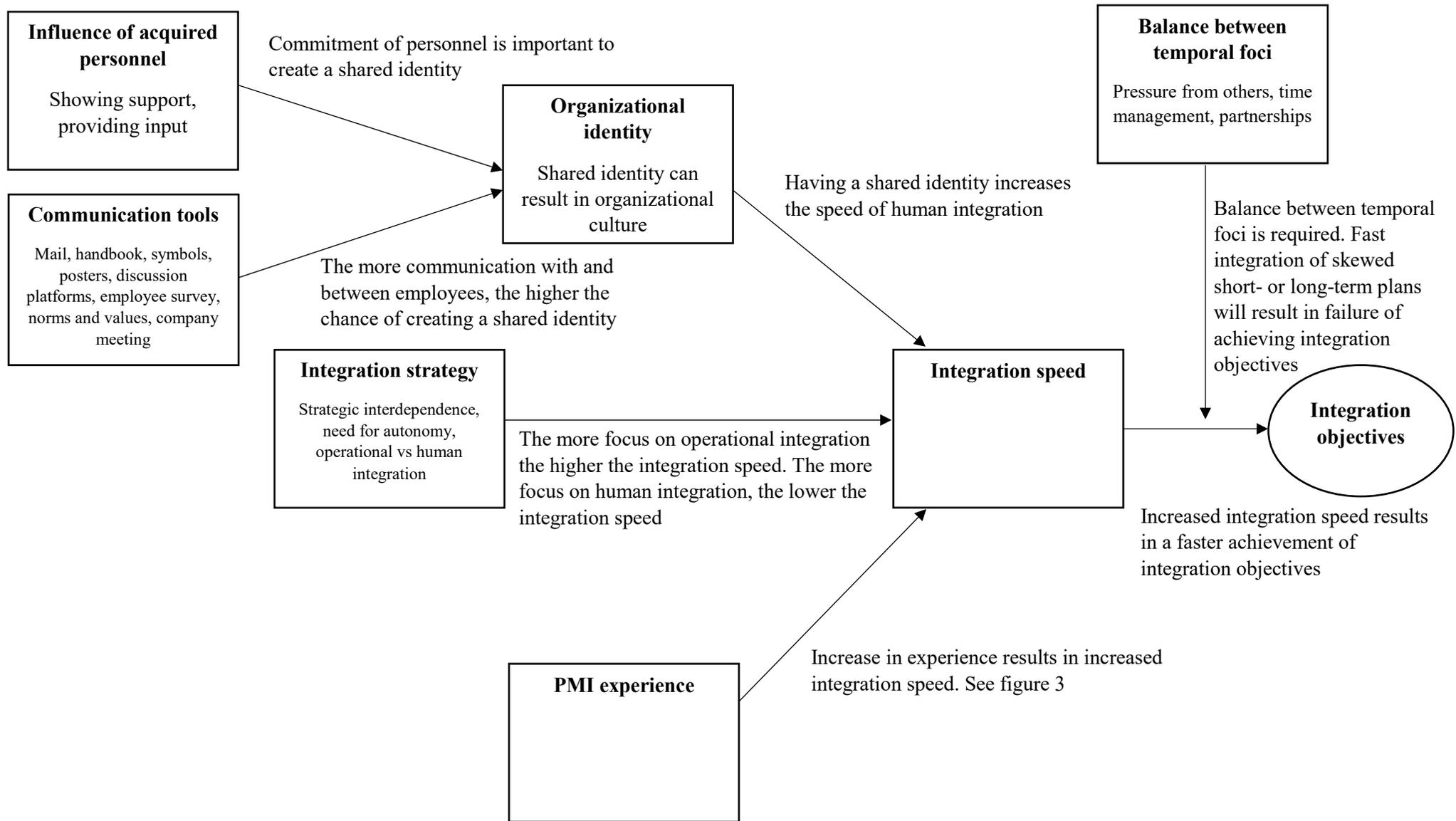


Figure 4: Dimensions influencing achievement integration objectives

The second conceptual model that is derived from the data discusses the relationship of different management practices to the integration objectives of Agro Merchants. The integration objective of Agro Merchants is to become 1 brand and 1 operating organization that is industry leading as stated in their integration plan for 2020.

In order to become one company, it is important for Agro Merchants to increase the integration speed. This is important since they are constantly adding new organizations and because they have not been able to become completely integrated yet. Integration speed is seen as an outcome influenced by different factors. As soon as Agro Merchants increases their integration speed, the organization will be able to achieve their integration objectives faster.

The first factor influencing integration speed is PMI experience of the managers as explained in figure 3. A second factor that influences integration speed is the amount of focus on the operational integration of a company instead of human integration. A human integration requires a cultural shift in the organization which takes a long time before it can be accomplished. Therefore, companies who merely integrate the operational facets of an organization can have a higher integration speed.

The third factor that is related to integration speed is the amount of organizational identification of the employees with the larger organization. This dimension is seen as the development of an organizational culture where everyone feels part of a big family. This factor influences integration speed since human integration will be easier to achieve if there is a shared identity within the organization. This will also increase the speed of the human integration of Agro Merchants.

Organizational identification is influenced by the use of communication tools within the organization and the influence of acquired personnel on PMI decisions. The more influence and communication tools the personnel has, the better they are able to identify themselves with the larger organization. If employees have more influence on PMI decisions, by showing support and providing input, they will be more likely to feel committed to the decisions that are taken. When the employees have more influence, their commitment and consensus about the decisions will be higher. They are therefore more likely to feel involved in the organization which is helpful for creating a shared identity. This shared identity is enhanced by offering multiple communication tools that foster communication with and between employees. If the amount and different types of communication can increase,

employees are more likely to share their ideas and to get a shared identity. Managers can reinforce this by communicating norms and values towards the employees.

The relationship between integration speed and achievement of integration objectives is influenced by the balance between short- and long-term decisions. This dimension describes the influence of external pressure and how the organization deals with their resources to be successful both in the short- and in the long-term. The temporal focus of executive managers needs to fit the characteristics of the external environment in order to be effective. A lack of balance will lead to choices that hinder the organization in achieving their integration objectives in either the short- or long-term.

Figure 4 shows how the different topics are linked to the achievement of integration objectives by Agro Merchants. In the next chapter, the findings discussed above will be linked to the existing literature in the field of PMI.

## **Discussion**

In this chapter the theoretical models created previously will be compared with existing literature in order to elaborate on the added value of this study. This will be done by discussing the existing literature related to the findings of this research. The comparison between the findings and existing literature is summarized in table 1.

### PMI experience

Graebner et al. (2017) identify two types of learning from experience. First, companies can learn through direct experience, which is categorized as experiential learning. Next, organizations can also learn through knowledge codification and articulation, which is defined as deliberate learning (p. 17). This research includes both experiential and deliberate learning into the model. This is possible because these two different learning methods do not exclude each other. Previous studies on the effect of experience on PMI performance report mixed findings. Research from Pennings, Barkema, and Douma (1994) shows that ‘experience is conducive to good expansion outcomes’ (p. 630), e.g. acquisitions. This finding was confirmed by other studies (Bruton, Oviatt, & White, 1994; Vermeulen & Barkema, 2001). Nonetheless, Barkema and Schijven (2008) report that findings are mixed and that there is inconclusive evidence on the effect of acquisition experience on performance. Next to a positive effect, other studies report negative (Ellis, Reus, Lamont, & Ranft, 2011), or insignificant results (Hayward, 2002). A possible explanation for these mixed results is provided by research conducted by Haleblan and Finkelstein (1999), who report that the effect of acquisition experience varies from positive to negative, based on similarity between acquisitions.

Existing literature regarding deliberate learning (Zollo & Singh, 2004) found that ‘although acquirer experience does not directly influence acquisition performance, acquirers that codify their experience in manuals and tools outperform those that do not’ (Graebner et al., 2017, p. 17). Kale and Singh (2007) argue that the deliberate learning process consists of four methods: articulation, codification, sharing, and internalization. Each aspect plays an important role in the development of alliance management skills. These aspects were also used in the study of Trichterborn et al. (2016), who operationalized these aspects to measure the amount of M&A capabilities of an organization. This research found that M&A capabilities have a positive effect on M&A performance (p. 770). On the other hand, Heimeriks, Schijven, and Gates (2012) argue that codification is a double-edged sword and that it can also hinder deliberate learning.

This research adds value to the existing literature by creating a framework that incorporates a combination both experiential and deliberate learning in order to optimize the amount of PMI knowledge available within an organization. This framework offers more insights into the process of knowledge development. If researchers have a better understanding of the development of PMI experience, further research can take into account the influence of this process on PMI performance. In this study, there was no data that measured performance, however, an increase in PMI experience results in a potential increase of integration speed. Because of available knowledge and codified tools, managers are better able to respond to problems and can use standardized processes to handle different types of situations. By assessing the development process of PMI knowledge, this research answers multiple topics for further research as stated by Graebner et al. (2017, p. 20).

First, there was found that managers involved with PMI tasks learn through their own experience, communication, and experience from others. In order for this to be successful, it is important that there is a team where managers can share their ideas. These findings are similar to the four aspects of Kale and Singh (2007), who also found that knowledge sharing is an important practice for increasing PMI knowledge.

Second, PMI capabilities are developed and maintained over time by having a structure that allows for PMI development, repeatable activities, communication, and sharing experience. If managers experience repeatable activities regularly, managers will be able to reflect on the process if they are allowed time to do this. This reflection can be used to foster experiential learning. Following, deliberate learning needs to be used in order to communicate and share the experience with others within the organization. This can be done by using codified tools, which is useful for making sure that the knowledge does not deteriorate over time. Besides, the codified tools can be used for deliberate learning purposes so that knowledge is shared and the PMI knowledge within an organization increases

Codified tools are used for multiple purposes in the PMI process. Organizations can decide to invest in codified tools with the purpose of standardization, efficiency, managing, learning methods, and retaining knowledge, but codified tools can also be a hiding space. In other words, codified tools can be used for both formalizing the PMI processes and improving and retaining learning capabilities. However, data also suggests that codified tools creates a hiding space for people that can be used to legitimize their actions. This is in line with findings of Heimeriks et al. (2012). The use of codified tools for standardizing processes

has not been studied extensively yet. However, Hayward (2002) suggests that when firms acquire companies moderately similar to previous acquisitions, acquisition performance increases. When using standardized processes during the integration, similarity between acquisitions could result in better outcomes.

This study argues that acquirers invest in codified tools if it has a practical value for them. Although managers at Agro Merchants see the need for codified tools, the creation of such documents is not yet realized. Further research could study how organizations create codified tools once there is willingness to do so. Summarizing, the theoretical model adds to the literature regarding PMI experience by finding answers for multiple questions regarding the PMI knowledge development process.

### Overview findings

Topic	Findings	Existing literature	References
Learning practices	Learn through own experience, communication, and experience from others	Learning process consists of articulation, codification, sharing, and internalization	Kale & Singh, 2007
Retention/loss of knowledge	Structure, repeatable activities, communication, sharing experience	Acquirers use experiential and deliberate learning to increase PMI experience	Graebner et al., 2017
Codified tools	Formalizing PMI processes, improving and retaining learning capabilities, hiding space	Acquirers using codified tools outperform those that do not. Codification is important for deliberate learning but also a hiding space for people	Zollo & Singh, 2004; Kale & Singh, 2007; Heimeriks et al., 2012
Standardization	Organization creates a standard working method for PMI processes. Codification used to document these practices	Acquisitions performance improves when prior acquisitions are similar to current acquisitions	Hayward, 2002
Communication tools for organizational identification	Top management communication tools for desired identity communication and member-level tools for sensemaking	Top management can promote an organizational identity and organizational members use their own sensemaking for creating an organizational identity	Vieru & Rivard, 2014
Influence of acquired personnel	Personnel influences PMI decision making via providing input and showing support	Matrix model for possible responses of personnel. Supportive/resistive and active/passive responses	Bourantes & Nicandrou, 1998
Integration strategies	Task integration is faster than human integration	Task integration and human integration need to fit for optimal results	Birkinshaw et al., 2000
Integration speed	Increase in integration speed improves achievement of integration objectives	Increase in integration speed helps to ensure internal reorganization goals	Cording et al., 2008
Temporality	Managers experience external pressure for short-term results but also strive for long-term partnerships		

*Table 1: overview findings per topic compared to existing literature*

## PMI objectives

Next, the second model regarding the achievement of integration objectives will be discussed. This will be done by discussing the findings for each studied PMI practice separately and finally by evaluating the added value of this model for the PMI literature.

### *Communication tools used for identification*

This topic was studied in order to get insights in the communication tools that can be used to foster organizational identification during PMI (Graebner et al., 2017, p. 20). Communication is ‘the extent to which organization members from the acquirer and the acquired unit correspond through various media across former firm boundaries during acquisition integration’ (Reus & Lamont, 2009, p. 1301). This can be done via communication tools such as ‘written memos, reports, e-mail, phone conversations, meetings and social events’ (Reus & Lamont, 2009, p. 1306), but also via symbols (Schneider & Dunbar, 1992), and storytelling (Vaara & Tienari, 2011). Larsson and Finkelstein (1999) found that communication is important for realizing synergies. They argue that both coordination and symbols are important for organizations during the acquisition integration process.

In this paper, the definition of organizational identification by Dick, Ullrich, and Tissington (2006) is used. They define organizational identification as ‘the extent to which these [organizational] beliefs become self-referential for a member of the organization’ (Dick et al., 2006, p. S71). As Vieru and Rivard (2014) argue, ‘issues of change in organizational identity arise as an organization attempts to answer the question “Who are we?”’ (p. 382). Although management can promote a desired organizational identity towards members, they also create their own identity via the concept of sensemaking. Sensemaking is defined as ‘the development of ongoing retrospective meanings of what individuals are doing in an organizational context (Weick, 1995).

In this paper, the identified communication tools are: e-mail, handbook, symbols, posters, discussion platforms, employee survey, norms and values, and company meetings. A handbook for standards, symbols, posters, and norms and values are tool that can be used by top management to communicate a desired organizational identity towards the members of an organization. Next, discussion platforms and company meetings can be used by members for sensemaking of the post-merger organization, so that an organizational identity can be created.

### *Influence of acquired personnel*

In the previous chapter, there was found that personnel of acquired companies can influence the PMI decision making via both showing support and providing input. This finding is similar to the matrix model of Bourantes and Nicandrou (1998), who suggest four types of employee responses towards acquisitions. Members can respond supportive or resistive towards acquisitions, and this response can be passive or active. Providing input and ideas towards the acquirers is active supportive because it involves active participation and helps acquirers with solving problems (Bourantes & Nicandrou, 1998, p. 76). Providing support is a more passive positioning of acquired personnel. Acquirers want these employees to be supportive and want to prevent resistance from them. They do therefore take into account wishes of these passive employees as well as from the more active employees. Acquirers need to monitor the feelings towards the acquisition from the employees in order to keep them supportive of the integration.

It is important for organizations to keep individuals supportive towards the integration process because the stance of an individual is socially constructed (Steigenberger, 2016; Brannen and Peterson, 2009). Passive support of acquired personnel can therefore have an influence on the position of other employees towards the integration process. Moreover, acquired personnel will also use sensemaking to get their own ideas about the integration process. When combined, sensemaking and interactions with others create the basis for organizational identification of acquired personnel.

Acquired personnel does therefore influence PMI decision-making in multiple ways, such as providing input and showing support for the integration process. Employees can also influence PMI decision-making by being actively resistant towards the integration process but there was no data that showed this type of influencing within Agro Merchants.

### *Effect of integration strategies on integration speed*

Early research on integration strategies suggests different integration strategies based on different theoretical concepts. Hapeslagh and Jemison (1991) argue that organizations should assess the degree of strategic interdependence and the need for continuing organizational autonomy when integrating an acquired company. This theory is based on a process perspective of post-merger integrations. However, Navahandi and Malekzadeh (1988) take an organizational behavior approach towards post-merger integrations, which leads to a model

of acculturation, which are ‘ways in which two groups adapt to each other and resolve emergent conflict’ (p. 11). Yet, this study combines the process perspective with the organizational behavior perspective as used Birkinshaw, Bresman, and Hakåson (2000). This theoretical framework argues that strategic and organizational fit offer a potential for synergies, yet the realization of these synergies is dependent on the abilities of the management to execute an effect PMI process. Birkinshaw et al. (2000) argue that the PMI process consist of a task integration and a human integration. The task integration focuses on value creation, while the human integration is focused on capability sharing and creating a shared identity (p. 398). Birkinshaw et al. (2000) suggest that acquisition success is dependent on both task and human integration, and that achieving one ahead of the other will result in suboptimal outcomes (p. 420). Besides, they claim that the first phase of integration takes 5-7 years. During this phase, there is still a limited link between task and human integration processes (Birkinshaw et al., 2000, p. 421). In the second phase, companies will start to develop synergies based on knowledge transfer and combination. This means that the integration speed of both the task and human integration is slow because both processes need to fit each other.

In this research, there was found that the speed of task integration is faster than human integration within Agro Merchants. Although this is similar to the findings of Birkinshaw et al. (2000, p. 419), this does mean that the difference in integration progress between the two processes can lead to sub-optimal results for Agro Merchants. When assessing the influence of integration strategies on integration speed, Birkinshaw et al. (2000) suggest that although an integration strategy can increase the integration speed, this is not necessarily beneficial for the outcomes of an integration.

#### *The effect of increased integration speed*

In our model, multiple factors such as PMI experience, integration strategies, and organizational identification increase the integration speed of an organization. However, existing literature is inconclusive about the influence of increased integration speed on PMI performance. Although scholars suggest that increased integration speed helps to ensure employee commitment (Schweizer & Patzelt, 2012) and internal reorganization goal achievement (Cording, Christmann, & King, 2008), others argue that slow integration helps to learn about the acquirer’s technologies and capabilities (Ranft & Lord, 2002), and improves knowledge creation among employees (Lee, Park, & Kim, 2014). While it is

unclear what the effect of integration speed on PMI performance is, Vester (2002) suggests that high integration speed is one of the six key elements during acquisitions.

In this research, there is argued that increased integration speed improves the achievement of integration objectives, which is similar to the study of Cording et al. (2008). Nonetheless, there is no evidence that this will also lead to improved PMI performance.

#### *Balance between short- and long-term outcomes during PMI*

Data of our study shows that managers have difficulties with keeping a balance between short- and long-term outcomes. The reason for this is that they are regularly exposed to pressure from others (e.g. investors) while they also try to build long-term partnerships with suppliers and customers. Although Graebner et al. (2017) argue that the balance between short- and long-term outcomes during PMI is interesting for future research (p. 12), no research on this topic has been conducted yet. Our findings could therefore give an indication for future research what to focus on when studying this topic.

## **Conclusion**

As discussed before, M&As are a much used method for achieving external growth of an organization. However, numbers show that a high amount of these acquisitions fail. Better insights in the acquisition process are required to decrease the failure rate of this growth method. This research takes the perspective of the PMI literature to get better insights into the acquisition process. Although some frameworks regarding PMI processes have been developed (Steigenberger, 2016; Gomes et al., 2013), many questions regarding this topic remain unanswered (Graebner et al., 2017). This study researched the PMI process of a rapidly growing food logistic company by conducting interviews with managers from the European headquarter and managers from acquired companies, making observations, and performing a document analysis. The retrieved data was used to discuss multiple topics regarding the PMI process based on found literature gaps. By studying these topics, this study aims to answer the following research questions:

*How does experience influence the process of post-merger integration?*

*How do different management practices influence the outcomes of PMI?*

Experience influences the PMI process via integration speed. The more PMI knowledge is available to acquirers, the easier it becomes to perform repeatable activities. PMI knowledge is developed by using learning practices and needs to be retained via retention process, such as codifying and sharing developed knowledge. Besides, codified tools can be used to create standardized processes for acquirers. These tools can be used as guidelines during the PMI process. These findings are in line with existing literature on the use of codified tools (Graebner et al., 2017, p. 20). However, this research adds that companies decide to invest in such tools when it has a practical value for them. Since these tools are based on the practical value, the caused rigidity should be small. Codified tools can provide managers with a framework that can be used for PMI processes.

The PMI experience framework addresses the research gaps in two ways. First, the framework answers multiple questions identified by Graebner et al. (2017). This research found that managers learn both from their own experience and from experience of others. This means that communication about experience is also a condition that is necessary for improving the PMI performance. Also, the availability of structured PMI processes within the organization improves the ability to learn from PMI activities. Older companies have more time for setting up these processes, which influences their ability to learn (Graebner et al., p.

20). Finally, the PMI experience framework shows that both experiential and deliberate learning need to be combined in order to achieve optimal PMI experience. Companies should not only use one type of learning but should combine different practices. For example, companies need to have a good process for maintaining PMI experience because otherwise PMI learning practices are unnecessary.

In our model, PMI outcomes were operationalized as the achievement of integration objectives. This was done because there was no data available about the performance of the acquired firms. The achievement of integration objectives is dependent on the integration speed of the acquirers. A higher integration speed will lead to a faster achievement of the integration objectives.

Integration speed is influenced via PMI experience, integration strategies, and the presence of a shared organizational identity. Integration strategies influence the integration speed because data suggests that a task integration takes shorter time to be accomplished than a human integration. The reason for this is that a cultural shift goes very slow. Existing literature suggests that a misfit between the task- and human integration will result in sub-optimal outcomes of the PMI performance (Birkinshaw et al., 2000). Further research is needed to see how these two integration perspectives interact. A shared organizational identity can be developed via the use of communication tools and by increasing commitment amongst acquired personnel. Finally, temporal focus was found to have a moderating effect on the achievement of integration objectives. A temporal focus that is not in balance will result in problems with achieving integration objectives. Nonetheless, the moderating effect of temporal focus was not reflected in existing literature.

This framework addresses multiple interactions between different research topics such as integration strategies and integration speed, and the influence of communication tools and influence of acquired personnel on the development of a shared post-merger identity. Next to previously found tools such as stereotypes and metaphors, this study identified other tools that can be used for the development of a post-merger identity such as discussion platforms, posters, and a handbook for standards. The framework addresses the lack of research on interrelationships between different PMI sub-topics (Steigenberger, 2016; Gomes et al., 2013). Finally, there was found that acquired personnel can influence PMI decision making via providing input and showing support. This finding addresses one of the unresolved questions as stated by Graebner et al. (2017, p. 19).

### Future research and limitations

Further research on post-merger integrations is required in order to answer the remainder questions as stated by Graebner et al. (2017). This is important for getting more extensive insights into the processes involved with post-merger integrations.

Also, future research is needed to test the models developed in this study in different settings. This could for example be done in different cultures, industries, firm sizes, or firm age. Besides, quantitative research can be performed in order to test the generalizability of these results in different organizations. This is important for the development of a PMI model that can be used by all different types of organizations.

Because of the inductive research approach, this research also had several limitations that need to be addressed in future research. First, the available data did not include any information about the influence of our models on PMI outcomes. Second, the current integration structure of Agro Merchants made it difficult to combine the effectiveness of different practices in different situations. Next, some of the research topics and their links to other findings should be further specified. Further elaboration is required for the influence of using acquired personnel during PMI decision making on organizational identification and the moderating effect of temporal focus. Following, existing literature shows inconclusive evidence on the effect of integration speed is for PMI performances. This is an important topic to extensively study for further research because this will help companies to improve the success rate of M&As.

### Managerial implications

The findings of this research offer PMI practitioners better insights in how they can successfully achieve their integration goals. This study answers multiple questions regarding the processes of PMI activities which can be used by practitioners. Interesting for practitioners is the importance of investing in codified tools for the retention of knowledge. When a firm invests in such tools, processes can be standardized which offers possibilities for evaluation and improvement of the PMI process. Acquirers could use this study to set-up a process for PMI knowledge development based on the found learning practices and knowledge retention activities. Also, this study provides suggestions for practitioners which communication tools can be used to foster organizational identification. These findings have a high practical relevance since they are relatively easy to implement and when used correctly can have a positive influence on the development of a shared identity. The practical

value of being able to increase integration speed is questionable since literature is inconclusive about the effect of integration speed on firm performance. Yet, the possibility of increasing integration speed can be important for acquired companies that wish to be integrated quickly.

For Agro Merchants, our findings show that they need to invest more assets in creating PMI processes for the development of PMI knowledge. Although multiple managers see the need for more experience sharing and codification, these processes are not developed yet. This could result in problems for the organization once managers with knowledge of their part of the process decide to leave the firm. On the other hand, Agro Merchants puts a lot of effort in communicating to and with their employees and they do take into account the opinion of acquired personnel in their PMI decisions. This is beneficial for the organizational identification of the members and can result in an effective human integration. When the human integration has the right fit with the task integration, Agro Merchants could experience good integration performances which will help them to become a global industry leader in the food logistics industry.

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## **Appendix A: Interview protocol**

### Interview with acquired company

What is your role in Agro Merchants? For how long have you been working at Agro Merchants?

Have you been involved in integrating acquired companies before at Agro Merchants or in previous jobs?

How are you involved in the integration of [insert company name]?

How did the acquisition of [insert company name] develop?

How was the integration of [insert company name] planned to go?

To what extent did you focus on achieving synergies and human integration during the integration process?

How was the tension between short- and long-term outcomes managed? How did you respond when decisions between short- and long-term outcomes needed to be made?

In what way were codified tools used for making decisions in the integration process?

Is the progress of the integration process codified in documents? If yes, in what way is this used? Are these documents used for other integrations?

To what extent are integration decisions influenced by personnel from the acquired company?

How was the acquisition communicated to the employees? Were the employees getting updates on the progress of the integration? If so, what did these updates look like?

What would you do differently in future integrations?

Are you satisfied with the outcomes of the acquisition?

How do you think that Agro Merchants can improve their integration process? Would sharing integration experiences across the management team lead to better outcomes in the future?

In what way are integration capabilities shared across the organization?

Where do you see this company stand in one year from now? Has the integration lead to improved performances? Have there been any major changes for the company?

Interview with acquiring company

What is your role in [insert company name]?

Since when have you been working for [insert company name]?

Have you been involved in the integration of [insert company name] in Agro Merchants?

Do you have any experience with integrating acquired companies?

How much influence do you have on decisions regarding the integration?

How are developments in the integration communicated to you?

Do you think that the acquisition is more beneficial in the short- or long-term? Why?

Are you satisfied with the outcomes of the acquisition? Is your company performing better than before the acquisition?

What do you think that could have gone better after the acquisition was done?

How do you think that Agro Merchants can improve their integration process?

Where do you see this company stand in one year from now? Has the integration lead to improved performances? Have there been any major changes for the company?

## Appendix B: Code tree interviews

Quotes	1st order concepts	2nd order themes	Dimension
<p>All managers for Europe, except for Luuk, have been here shorter than 5/6 months on the headquarters. For function and as person. I am not sure if you can expect that in a period of 6 months you can make such a fundamental shift. Things have happened that contribute to synergies but we aren't there yet. A cultural shift goes very slow.</p>	<p>Integration speed is slow because cultural shift takes time</p>	<p>Human integration takes time</p>	
<p>No, not yet. It is a puzzle that needs to be done. And the growth within Europe went really fast. And because of that is doing the puzzle, maybe it's not fast enough. Maybe we do not have the right parts. I don't know all that. But the puzzle can't be completed yet.</p>	<p>Growth went fast but puzzle isn't done yet</p>	<p>Structural integration is not ready yet</p>	
<p>Daan: So now you try to catch up in that area? Interviewee: Yes. But that takes time. We are not on a level that I want to be at. If I would ask every MD right now very practical if they understand what we want to do, then the answer would be no.</p>	<p>Agro is not on the right level yet</p>	<p>Structural integration is not ready yet</p>	
<p>Yes. And that will later be faster when the rebranding is also finished. Because for customers, it is then clear what and for what Agro can do things, and where we can do that.</p>	<p>The integration speed will increase after rebranding</p>	<p>Structural integration is not ready yet</p>	
<p>For the integration, what could have gone better. Uhm. Probably I'd like it all to happen a little faster. It took a long time to get the rebranding done. But once it got half done, comes up with all the uniforms and everything. The people here having the uniforms and Agro signs up everywhere. We're still wearing our Sawyers uniforms and we'd like to happen it a little bit faster.</p>	<p>Local site prefers faster integration</p>	<p>Integration speed can be increased</p>	

			Influence of experience on integration speed
I think a lot of people would like it to go slower. I want us to go faster because I want us to have one company, one brand, one family. Because I think that's great.	Other sites prefer to integrate slower	Other sites prefer slower integration	
Euhm. There's happening a lot. But well, eventually I always think it can go faster and better. But I'm satisfied with how it goes now.	It can go faster but the current integration speed is satisfying	Integration speed can be increased	
Yes but I already see now that we're short of resources to get the integrations really from the ground.	The resources for integrating are limited	Limited resources slow integration down	
The basis needs to be made. The foundation. And later it is adding a barn. So now it's much more far-reaching. The phase we're at.	Deep integrations now to set a basis	More experience will increase integration speed	
No because it's not a job. It are skills you need to learn. And if you have those skills, you can just do them. So if you've done enough acquisitions, then you're better able to estimate if they are also worth the money. Because you learn from your mistakes.	Experience will improve integration skills	More experience will increase integration speed	

Quotes	1st order concepts	2nd order themes	Dimension
<p>No because it's not a job. It are skills you need to learn. And if you have those skills, you can just do them. So if you've done enough acquisitions, then you're better able to estimate if they are also worth the money. Because you learn from your mistakes.</p>	<p>PMI capabilities are attained by getting experience</p>	<p>Learn from experience</p>	
<p>Yes, we need to fall down and get up again. That's how you learn as a person and as an organization. We can't have all the skills and experts. But we need to give people space to make mistakes. That's what we need to learn.</p>	<p>Learn by falling down and getting up again</p>	<p>Learn from experience</p>	
<p>How you communicate? At this moment it is mostly on the job. This is what we all experience, we need to do it differently. And then you try to change it.</p>	<p>Learn practices on the job</p>	<p>Learn from experience</p>	
<p>Yes but maybe still not enough according to the manager. What you see a lot in the integration we are doing, everything needs to be set up. Mistakes are being made. The one deals differently with it then another. One says, I understand it and we need to set it up. This is what we learn from it. Next time we will do and we solve it internally. And the other says, we do it wrong again, everything goes wrong.</p>	<p>Managers need to learn from their mistakes</p>	<p>Learn from experience</p>	

<p>Yes, and you don't accomplish that by filling in a scheme, but you accomplish that by doing this [talking]. Talk to each other and discuss how you're going to solve this. And where is your expertise required and when is mine. How do we make sure with the two of us that something happens. And that working together is something we should do.</p>	<p>Practices can be learned when communicating with each other</p>	<p>Learn from communication/others' experience</p>
<p>Yes, when you look at purchase, we have different start methods. First, you hear something when there's a development or a new site. Now I know Robert-Jan does a lot of projects for new sites. Then I join him but now he also comes to me to ask me if I can take a look at some things. So together we need to learn what works best.</p>	<p>Experience is shared between others to foster learning</p>	<p>Learn from communication/others' experience</p>
<p>We discuss it but more during the coffee breaks, not structurally. We don't have it on our schedules change management and human integration. It's more how are you doing that? Ah okay, makes sense. It's more during the coffee break. Not a scheduled point.</p>	<p>Integrations are discussed during informal conversations to gain knowledge</p>	<p>Learn from communication/others' experience</p>
<p>No no no. If we really have points of improvement. Then it definitely gets attention. I need to write down something really quickly.</p>	<p>Getting new ideas during conversations with others</p>	<p>Learn from communication/others' experience</p>
<p>By having moments, or tuning your communication on that and add resources to that. Tuning you can place it, what are learning moments and how are you communicating it to the other.</p>	<p>Moments of communication can be used to learn from each other</p>	<p>Learn from communication/others' experience</p>

**Practices through which learning takes place**

Quotes	1st order concepts	2nd order themes	Dimension
<p>Daan: Do you think that knowledge might be lost because of that, or other ideas? If you have an idea about something and someone else has a different idea, that that maybe connects but because you have few contact and don't talk much about that. Interviewee: Yes, but that's difficult because on the other hand you don't want a whole meeting culture.</p>	<p>Knowledge might be lost because they don't want a whole meeting culture</p>	<p>Loss of knowledge</p>	
<p>How you communicate? At this moment it is mostly on the job. This is what we all experience, we need to do it differently. And then you try to change it.</p>	<p>Communication is on the job based on experienced problems</p>	<p>Loss of knowledge</p>	
<p>Yes. See we now encounter it because we're working on it. And you might later say well that was a path that we did well.</p>	<p>Problems are encountered during the process</p>	<p>Loss of knowledge</p>	
<p>Yet too few. Within the same discipline, we have the structure that there's a team. So a person for Europe and then for each country or site, how the structure is, is there a team member. Then there needs to be a structure, like once a month we go into a call and then we'll set that up.</p>	<p>There are too few meetings about integration</p>	<p>Loss of knowledge</p>	
<p>The Agro team is completely new, you don't have a history of people that were already there. So then you encounter a lack of knowledge, or too much work. And at that moment you need to make a map of what you want to do. Then you look for the right person for that.</p>	<p>There is a lack of knowledge because the team is new</p>	<p>Loss of knowledge</p>	

Yes but it becomes repeatable. You can say, for the cells we have this system. For the WMS-system we have this. What system do they have, how big is the difference. Then it's easier to compare things and to see the differences.	Activities become repeatable	PMI capabilities retention	Development of PMI capabilities
And I think that foremost for integration that you're starting point is addressed very personal because that is your basis.	Integrations have a very personal basis	PMI capabilities retention	
Yes. That's what you saw in the beginning with setting up. Is that the team was very proactive towards the sites, like this needs to happen and this and this. And those are the basic points. Now it needs to go the different direction. Eventually it needs to go from the country MD so that it will really be done, and he will become responsible for that.	The team used to be proactive but now it is more in the hands of the country MD	PMI capabilities retention	
Yes eventually to take the meeting structure and the people in the team, they need to get things done, so they need to be distracted as few as possible by other things. That structure I try to set up as good as possible so that they can focus on their work.	The structure is set up so that things can be done	PMI capabilities retention	

Quotes	1st order concepts	2nd order themes	Dimension
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<p>Yes. Also because the projects we have now are becoming more and more formalized. And that is so that we can do things for efficiently. In the process, you can forget a switch every time but then you need to go back again to the table and meet each other. But you can also say, I have a decision tree. This and this happened, yes, well okay, signed, and gone. That's what you want. And that's where you see that we're still struggling. That is for the US and for ourselves, really the process.</p>	<p>Codified documents for becoming more efficient</p>	<p>Codified tools for efficiency</p>	
<p>Possibly. You don't know that. Depends on how you build up the template. Let's say we have a meeting of 4 hours. 1 hour is brainstorm session. Nothing on the program, just talking. Then we get new ideas. It will have its gains and losses. On the one hand you have more structure because it's the same everywhere. And you give some direction. Because if you let everyone do what they want, everybody has their own approach. I think the advantage of the standard approach for each discipline is that everybody gets a certain tool, use it for this.</p>	<p>Codified tools are used to standardize the integration process</p>	<p>Codified tools for standardization</p>	
<p>Yes creating a working method. If you have managers who work for multiple disciplines, they know, okay, this will happen, this is coming. And they will prepare themselves better.</p>	<p>Codified tools are used to create a working method</p>	<p>Codified tools for standardization</p>	
<p>I'd prefer to have a handbook. Like what does integration mean? For IT, we have 4 bullet points, to write those out, so that a new site knows exactly when they join the group, this is going to happen. But when I see how much work there is, then that's just not the priority now.</p>	<p>Codified tools are used to set a standard working method</p>	<p>Codified tools for standardization</p>	

<p>And do you think that it should become more structured? Interviewee: Yes I think so. One of the questions that I've been involved with in the past. I've been involved in the integration of projects where we did the same for customers and then change management and communication management really was a part of the work stream of the integration. We hired Capgemini purely for change management. That was a project on itself. Which was also documented, goals, approach, and was also measured and controlled.</p>	<p>Codified tools are used to structure integrations</p>	<p>Codified tools for standardization</p>	
<p>Yes yes. Then you talk about structure again. Okay, this is the structure, so sort of a template. Within you meeting culture, where you come together, and then those facets return. So also the learning aspect returns. Slide in there, what did we learn?</p>	<p>Codified tools are used as a learning method for future integrations</p>	<p>Codified tools as a learning method</p>	
<p>Exactly. The excel planning and the presentation. That's what we manage everything on.</p>	<p>Codified tools are used to manage the organization</p>	<p>Codified tools for managing</p>	<p>How to decide to invest in creation of codified tools</p>
<p>At this moment the documentation can be somewhat better yes. At this moment I can't think about some people leaving. But everyone is replaceable, that's how realistic I am.</p>	<p>Codified tools can be used to retain important knowledge</p>	<p>Codified tools for knowledge retention</p>	
<p>Yes there is a sort of scheme that we need to fill in with blocks for the integration.</p>	<p>Codified tools are used for integration progress monitoring</p>	<p>Codified tools for managing</p>	

<p>It gives an enormous space for people to hide. You see that the big companies, Shell, Akzo Nobel, they have frameworks but no detailed versions. And why? They are not structured driven organizations but relationship driven organizations. People are proud to work there.</p>	<p>Codified tools give an enormous space to hide</p>	<p>Codified tools as hiding space</p>
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<b>Quotes</b>	<b>1st order concepts</b>	<b>2nd order themes</b>	<b>Dimension</b>
<p>Daan: So you take it also from their perspective so that there's less resistance from that side? Interviewee: Support, yes. I think that if you approach them differently that you will hear: oh did we do it wrong? I am doing this for 20 years, I don't need help.</p>	<p>Employees' support is taking into account when making decisions for their jobs</p>	<p>Influencing by showing support</p>	
<p>I offered Jan directly to think with them on certain aspects. It's more [indistinct] but that means that you're immediately aware of what is going to happen. And that you can eventually put your own ideas into that. But eventually the integration is being decided by Agro Merchants themselves.</p>	<p>Local sites can give input to the EU headquarters about certain aspects but do not decide</p>	<p>Influencing by providing input</p>	
<p>We have an intern, Ezra, we said, we are doing an employee survey</p>	<p>Employees' thoughts are monitored with an employee survey</p>	<p>Influencing by showing support</p>	
<p>We've had a meeting with Jason on that. He came over here and we had a meeting here and we told him what we think and he told us what he thinks. We have some targets and made a few calls, and had a few meetings.</p>	<p>Local sites are sometimes approached for advise on investment decisions</p>	<p>Influencing by providing input</p>	

<p>I think the important thing with integration is keeping everybody in the lit. Keeping everybody informed from the man that sweeps the yard to the top man in finance, everybody is an important part in the chain, everyone. We all need to be kept up to date. And if they feel like part of a family then they will work harder, that's keeping people focused, keeping them happy. You cannot keep everybody happy all the time.</p>	<p>Employees need to stay in the lit and therefore always need to be taken into account</p>	<p>Influencing by showing support</p>
<p>Yes the country MD. It should be that once per month, we have the plans, once per month based on the standardized template we want to report the progress. And then per country we have a day session and then the several disciplines will all be there for an hour. Then we discuss the progress in The Netherlands for example on IT. Then for HR. Then for purchase. And then there will be a list of action points. Issues will be discussed and such. So in 3 days, we have Spain, Ireland, and The Netherlands, and Austria but that's one company so that one falls away most of the times. But then you try set the structure differently. The one time that meeting is here with the European team and the other time I go there. And then I sit with the shared service center team of the country itself, and then I hear their input that I can take with me.</p>	<p>Local sites get opportunities to share their input with the EU management</p>	<p>Influencing by providing input</p>
<p>Depends on the site. One site is more proactive than the other. Depends on the person that sits there.</p>	<p>The influence of employees also depends on the proactiveness of these individuals</p>	<p>Influencing by providing input dependent on proactiveness</p>

<p>They do contact me. If I walk around they talk to me. Because I walk around.</p>	<p>Managers are approached when walking around</p>	<p>Influencing by providing input</p>	<p>Influence of acquired personnel on PMI decisions</p>
<p>Daan: So you try to get into a dialogue somewhat more? Interviewee: Yes, but that's very difficult. All people who are very protecting of their own position which they did very well. There are more things, such as volume or European coverage that are important for the group.</p>	<p>Employees are involved in dialogue but it's difficult because people protect their own position</p>	<p>Influencing by providing input but also retaining own position</p>	
<p>Yes. And to reduce the resistance we would need to, would Johan and me, need to get an even more free role so we can go into the sites and talk with the managers.</p>	<p>Some managers would need a free role to get in touch with local sites and to reduce resistance</p>	<p>Influencing by showing support</p>	
<p>By having moments, or tuning your communication on that and add resources to that. Tuning you can place it, what are learning moments and how are you communicating it to the other. We have for example Narrowcasting for the Maasvlakte. In the canteen. That's where you can post messages. Such things, are really easy to implement, Narrowcasting, but you can also implement an app internally. If you have framed that, then you can say, this is a learning moment for this target group in those countries. And then Narrowcast, without video screening, but then you have an app for that, or mail, or video. But you need to work on that consciously.</p>	<p>Employees are getting a platform to discuss their opinion</p>	<p>Influencing by providing input</p>	

<p>Yes, I have quite a bit of influence yes. I always run things past Johan, so I have a chat with him and stuff. But you know we have a good relationship. He listens and we make decisions together. We're all part of one team mate. They can learn from us and.</p>	<p>Managers of local sites can have informal relationships with EU managers</p>	<p>Influencing by providing input</p>
<p>I think there is really few knowledge about the acquisition.</p>	<p>Employees have few knowledge about the acquisition</p>	<p>Difficulties with influencing because of insufficient knowledge</p>

<b>Quotes</b>	<b>1st order concepts</b>	<b>2nd order themes</b>	<b>Dimension</b>
<p>Daan: So cost-saving mostly? Interviewee: Yes but also service and standardization. Good example is the first big tender that we finished, this was last week, is on material handling equipment: heftrucks, reach-trucks, everything that can drive inside. First we took a look at how much units we are talking about. We did a whole inventarization with the 3 of us. And together with Portugal we have about 550 units. Which is a lot.</p>	<p>Integration based on cost reduction and standardization</p>	<p>Standardization strategy</p>	

<p>Yes. Nice is the truck tender. I got a call last week, because we just acquired Portugal. But I heard that they also have Toyota there but according to them the price was really sharp. So we were happy about that. Actually you always have 2 reactions for yourself. Like well, it can't be true, did I do my job well. On the other hand, I hope so, that means we can make some improvements for the group. That's also important. And if you can balance that well and get an answer on both then you're working professionally. And that's what we will do now. How are the contracts there. And we will go back to Toyota because the contract will be signed but if we acquire a new site we want from you the best price guarantee. If Toyota can or does deliver cheaper somewhere else in Europe, then we want that price for the whole group. We need clauses for that. And we will also look at Portugal. We know that Portugal is just one now. And maybe the coming years during the contract that a lot of acquisitions will be done. And that's how you learn more.</p>	<p>Reaching cost reduction and high levels of service and standardization</p>	<p>Standardization strategy</p>
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<p>No I think mostly for the integrations you see standardization. And you need to do that on a certain level. If that's the right approach, the future will tell. Of course we're also only coming from a family company and while doing we're learning. But we face our limits sometimes, like how are we going to solve this. But eventually by having the right approach with the team, for me personally also, because for me a lot of things have changed of course. I have my moments that I think, well. But then the team is there to support me, to look back and let's go. That's great. You have a team of people around you, that's fantastic. That's the beautiful thing of Agro. In the past with Harthoorn, we didn't have the possibility to hire such people, and now we can. So that's great.</p>	<p>The integrations are now focused on standardization</p>	<p>Standardization strategy</p>	<p>Influence of integration strategies on implementation speed</p>
<p>Daan: Is this an essential phase for Agro to survive? Interviewee: Yes, I believe so. You need to professionalize, outgrow local companies and by doing that making 1 company. Whatever that might mean. I think that's essential.</p>	<p>Agro needs to become 1 company that outgrows local companies</p>	<p>Standardization strategy</p>	
<p>Yes. But also consistency, so that everybody deals with things in the same way. The valuation of assets, valuation of immaterial assets, that needs to be conform. Because if you're consolidating, then you want that you are adding apples on apples, and not apples and pears.</p>	<p>Consistency is required so that everybody deals with things in the same way</p>	<p>Standardization strategy</p>	
<p>Yes definitely. And you also need to integrate everywhere up to a certain level, you shouldn't want to integrate everything. Then it gets too much. You also need a level of flexibility and entrepreneurship at the sites. So it needs to add value.</p>	<p>Integrate up to a certain level so that you remain a level of flexibility and entrepreneurship</p>	<p>Standardization strategy up to a limit</p>	

<p>Nanya: All managers for Europe, except for Luuk, have been here shorter than 5/6 months on the headquarters. For function and as person. I am not sure if you can expect that in a period of 6 months you can make such a fundamental shift. Things have happened that contribute to synergies but we aren't there yet. A cultural shift goes very slow.</p>	<p>Cultural shift goes very slow</p>	<p>Cultural integration takes more time</p>
<p>Synergy? Yes. To reach synergies, we first need to have respect for the being different of others. And that step, how much I would like to say that we made that, we didn't.</p>	<p>Respect for being different required to achieve synergy</p>	<p>Human integration required before standardization can be effective</p>

<b>Quotes</b>	<b>1st order concepts</b>	<b>2nd order themes</b>	<b>Dimension</b>
<p>Well, a part of the handbook is about norms and values and is standardized. The other part of the handbook is related to legislation is specific and that is a very big part. And therefore, it is essential that I have a good HR manager for each country.</p>	<p>Handbook for a standard of norms and values</p>	<p>Handbook for standards</p>	

<p>The MD's and the operational involved employees. If you look at the trucks. There is a status mail, that took a few months so approximately 4 e-mails. This is the status, this is where we're at. In the communication there's not always named who has the highest cards because that's not always obvious. You're not that far and it might also make the process more difficult. But you inform them. You inform about the progress. And the result. What can we expect and why are we doing it. And in the end you say, then and then is the next communication and we think, euh 31<sup>st</sup> of March, or 14<sup>th</sup> of May to be ready. Then everybody knows, they are still working for this reason so we still need to wait.</p>	<p>E-mail is used to inform MDs and operational employees on decisions that affect them</p>	<p>E-mail for informing</p>
<p>The beautiful thing of mail is that you can inform everybody. But you also need to be careful that you send too many details to a MD. If a mail is very long about a detail that is not important to him, I just want to know if it's done. And if I ask my team member, how is it going and he answer good, then it's good. What a MD wants to be informed about, just making this up myself now, is what is the result for my EBITDA.</p>	<p>Via mail everybody can be informed. Also be careful that you don't provide too many details to MDs</p>	<p>E-mail for informing</p>
<p>And with the MDs I don't have fixed meeting structures. And with Johan and Chad I do. Uh.. to what extent did you focus on achieving synergies and human integration.. Well that's actually the communication and tuning. So that's not enough. In the beginning it was not much which you resulted in some resistance and incomprehension. Therefore we needed to increase that.</p>	<p>Communication is used to achieve human integration</p>	<p>Communication</p>

<p>Well, I think people don't know what the difference is. I think, what Jan is doing now, the rebranding part, now we get more to that. Now it all starts. Look, if I walk around with clothing of Agro I have more the feeling that I work for Agro. And if I walk with the logo of Urk or Harthoorn, then I just work for Harthoorn with my Harthoorn jacket. Very nice that we call it Agro. But if I walk with Agro clothing and everything is with the logo of Agro and Agro is on the warehouse. Then we people will start to see like hey that's Agro and I walk with Agro clothing.</p>	<p>Use of branding is symbolic for integration</p>	<p>Symbols for integration</p>	
<p>I don't know about that. At this moment, I think we can improve in that. At every level you have certain groups that can be connected between the sites. I name TD for example. But how do you let them share their knowledge. I think, in the future, we can improve on that. And what is then the best approach. Are you going to build discussion forums, or we meet once or twice per year, or a combination. Do you do that with an app. We have an idea of getting an app. So, that everybody has access to the app and then you have your own group. A sort of forum where you can ask questions.</p>	<p>Build discussion forums &amp; creating an app</p>	<p>Discussion platforms for employees</p>	<p>Communication tools used to foster organizational identification</p>

<p>I have no insights in that. We of course ask the managers. And mostly for rebranding and integration. Check well what's happening on the floor. Try to anticipate. Things that are playing. We also for example have a question list in there. If you get this question, you can answer it like this and this. Also to increase the knowledge of the managers. But we could do more for that. We try to do it in a natural way, with such an employee survey, we try to get people involved. In that employee survey, all relevant questions related to that will come back. We want to, we are working on posters, we hear your voice, and that is also in the norms and values. And those are also everywhere. You are a part of and we want to hear your opinion.</p>	<p>Ask managers what is playing. Employee survey. Use of posters. Norms and values</p>	<p>Trying to get employees involved by employee survey, posters, enhanced by norms and values</p>
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<p>No. Totally not. And that's what you see at the sites, they deal with it differently. When we sold it, we told that this is the route that we are expecting. And back then we had the strong idea that we would remain under the name Harthoorn. And at one point you find out that it's smarter to, better for everybody, to change to Agro. More present in the market, different position, and that also attracts customers, so continuity for the future. The moment you find that out, then we start communicating here. In a way, this is what we see, this is what we expect. If all that, how fast, we don't know. But it will happen. If it then gets concrete yes. See, last year, after Christmas, it was concrete. So then we do at blue (site of Harthoorn) a small beer, then I name it. That's the start. Then it begins. Employee meeting tonight, then I will say it again. The moments we are together, I name it. For example, in light of the rebranding, we organized an event where employees can take a look at ADB, Maasvlakte, Opticool, we did that lately with Urk and Barneveld. Because they are now in that process, phase 1. Great experience. Urk guys, with the Barneveld guys, few beers. Goes great together and they enjoyed it a lot. But do you see that as change management, well... not really.</p>	<p>Visits of other local sites for organizational identification</p>	<p>National level company meeting</p>
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<p>For example yes. There was the suggestion here during the Christmas drink to, we couldn't attend the opening of Maasvlakte, to go there on our own. And in April that happened, a small period before we communicated that to Harthoorn and they immediately joined. And soon everybody will come, from the south of the country, where we have been, to Harthoorn and Urk to do the same.</p>	<p>Meeting with all Dutch sites to foster organizational identification</p>	<p>National level company meeting</p>
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Quotes	1st order concepts	2nd order themes	Dimension
<p>We are servant to the big investors. Making lists, making sure that the numbers are good. So that it can be showed to the top management and investors. That is for example why [for finance] the closing of the month is such a busy period.</p>	<p>Managers are servant to the big investors</p>	<p>Short-term pressure from others</p>	
<p>Everybody is busy with scoring towards Johan. I am in a male organization. Everybody is super busy with if Johan thinks I'm doing well, if Carlos thinks I'm doing well. And that is of course a very dangerous, short-termed vision within an organization where there is of course a short-term vision because money needs to be made and it needs to be sold. But that's over at least a period of 5 years. And we don't act on the period of 5 years.</p>	<p>People are busy with scoring points towards the top management which is a short-term vision</p>	<p>Short-term pressure from others</p>	
<p>You sense that that's in there. And the new people, they do have a long-term vision. But we deal with the US, so that's the short term.</p>	<p>The new [EU] people have a long-term vision but the US has a short-term vision</p>	<p>Short-term pressure from others</p>	

<p>Well it's not long-term focused at all over here. It is really short-term, ticking boxes.</p>	<p>The organization is focused on ticking boxes which is short-term</p>	<p>Short-term pressure from others</p>
<p>We are in a money driven organization right now and not in a culture drive organization.</p>	<p>Agro is a money driven organization</p>	<p>Short-term pressure from others</p>
<p>And to do what he can do best of course. That's it also. If you have too many balls in the air, you will have the tendency, and that goes for everybody, to catch the balls that you can actually catch best because you can have more balls in the air than. But are those the right things that you're doing. That's the question, for everybody. It is so busy that you cannot do everything and then you need to choose. And you choose for the things that you are most familiar with. Then you can make an estimation of what you can process.</p>	<p>When it's busy people tend to focus on things that they are most familiar with</p>	<p>Short-term focus based on familiarity of tasks</p>
<p>I think we are an input focused organization. When I send you an email or text message. You will immediately check and respond. You will say oh that was important. And then you're really busy and doing useful things, yet you're not doing your job.</p>	<p>Focus is on short term problems based on input</p>	<p>Short-term focus based on input</p>

<p>Yes, of course. It can be many more times efficient. But that entails that, I think, don't connect enough to the work that we are doing. And our organization, and so do we, needs to focus on the primary process. What are we doing in the market? And if you're too far away from that, you start formalizing, you're hard to reach, or you set up all sorts of procedures. You always need to ask, are we still working for the customer?</p>	<p>Need to focus on the primary process</p>	<p>Always focus on improving the primary processes</p>
<p>You also sense, and that's building a relationship with suppliers, you need to see together that when we are really strict [on budget] then we have an advantage now but in 8 months we won't have a supplier because they went bankrupt or they broke the contract. That doesn't work. So it's about continuity.</p>	<p>Continuity and relationships are important for contracts</p>	<p>Build long-term partnerships</p>
<p>Daan: Do you work towards a goal in the long term or not?  Interviewee: Yes, the answer is yes. If I look at the long-term purchases. This is the volume that we have and the ambition we have. So the volume will increase. I am looking for two partners most times because if one partner is in trouble then you at least have the second partner to deal with the problems. So that the operation can continue. So approach as few parties as possible with long-term contracts, with a yearly escape possibility for us. That's my dream scenario.</p>	<p>Agro always seeks as few parties as possible with long-term contracts</p>	<p>Build long-term partnerships</p>

<p>Daan: Do you try to balance short- and long-term? Interviewee: Yes yes. Example is Maasvlakte with the question where do we get paper. Paper is ordered somewhere, usually an office supplier with a huge assortment. Then we want to make one good deal for The Netherlands where we also make appointments for yearly discussions so you make it ready for the future. That's what we did. We also looked for the best solution. So fast result with the most impact. And for the most categories you see that we can do that at a purchasing organization. That also exists.</p>	<p>Agro looks for fast result with the most impact so that the short-term goals benefit the long-term goals</p>	<p>The short-term as a step for the long-term goals</p>	<p>How managers balance short- and long-term outcomes during PMI</p>
<p>Actually the short term is a step for the long term. Unless it's a priority because somewhere. Then we need to do something or organize a project.</p>	<p>The short term is a step for the long term</p>	<p>The short-term as a step for the long-term goals</p>	
<p>We made a plan now until 2020 for the founders and owners. That is presented two weeks ago in Spain. And that is the plan until 2020. And then per year what are the most important aspects. And then this year are a few of my integration points so my part is in that. There are also things in there that are planned but that have not started yet. So we have a long-term plan now. For certain points. Where we want to go. What you do get questions about sometimes.</p>	<p>There is a long-term plan for 2020 for where Agro is going</p>	<p>Long-term plan for the organization</p>	
<p>On the long term. In the short term, not too much has changed for us. I assume that is the same for the other companies. The reason why we were so enthusiastic about the sale to Agro, is that we had the same ambitions.</p>	<p>Local sites see the long-term benefits</p>	<p>Local sites have a long-term temporal focus</p>	

<p>Yes long term. Rebranding, for focus, signage and such is all short term. But culture, values, norms, everything that is connected. That is long term. But how are you doing that. That's a point that is important. I have of course experience in dealing with people and I can mean something for marketing but I am not a marketer. I did a study but that doesn't make you an experienced marketer. Sylvia has more knowledge and in the combination we get really far. But sometimes I doubt whether we need to hire more experience in that discipline. Of course we use external. Topright in the US. They support us. We can ask them also. I am not sure if that's the best solution for this moment.</p>	<p>Some parts such as rebranding are short-term but culture, values, norms, that is long-term</p>	<p>Different issues ask for different temporal capabilities</p>
<p>If you would ask everybody what is the long-term goal. I am not sure if you will get the same answers. You will hear going to the exchange, yes or no, becoming a 3PL, yes or no. We all have an image but it's not all the same.</p>	<p>Not everybody within Agro has the same long-term vision</p>	<p>Long-term plan for the organization not aligned</p>

<b>Quotes</b>	<b>1st order concepts</b>	<b>2nd order themes</b>	<b>Dimension</b>
<p>It should become more structured but that's something we're working on. The rest is also in the time squeeze.</p>	<p>Organization should become more structured</p>	<p>Required increase in structure</p>	

<p>Yes we are in the start-up phase. But I think that's an important point for integration, that especially in the start-up phase we have enough knowledge and experience available. And if it's internal or hired. If you have the feeling that it's insufficient, then get a professional company in. And then it costs something in the beginning but the starting point is good.</p>	<p>Organization is now in a start-up phase and has sufficient knowledge and experience available for this phase</p>	<p>Agro is in a start-up phase and has the right capabilities</p>	<p>Structure organization</p>
<p>Yes. The organization gets more structured. We are building and that's what you see.</p>	<p>The organization is becoming more structured</p>	<p>Required increase in structure</p>	
<p>We have a matrix organization, Europe with the shared service center, then the countries. Then the companies below that, and below the shared service center there's a shared service center per country with the same disciplines as on a European level. So every country has a shared service center on, let's use IT, The Netherlands has someone who is responsible for IT in The Netherlands, IT in Ireland, IT in Spain. And we have the European IT manager. We bring those together and we share the best practice.</p>	<p>Agro has a matrix organization with shared service centers per country and per discipline</p>	<p>Matrix structure of organization</p>	

Quotes	1st order concepts	2nd order themes	Dimension
<p>Yes, and you don't accomplish that by filling in a scheme, but you accomplish that by doing this [talking]. Talk to each other and discuss how you're going to solve this. And where is your expertise required and when is mine. How do we make sure with the two of us that something happens. And that working together is something we should do.</p>	<p>Lack of communication within the team</p>	<p>Team communication</p>	

<p>That's what it should be. That also entails talking to your colleagues. What are you doing? Where do you need me and where do I need you? Where can I reinforce you and where can you strengthen me? And that's how were doing now. Everyone does the best they can. It's good busy. Working well. It's important that you can find each other as a piece of a puzzle.</p>	<p>Communication required to integrate different parts</p>	<p>Team communication</p>
<p>The irregularity is the only regularity. That needs to become standard. We do have it [appointed] standard but that's not with Johan and Jan but purely the team itself. Nanya, Luuk, Cornelis is there, finance, Ronald, all disciplines that actually need to carry the integration. Then you need to sit at least once per month together. The one doesn't have to say much, the other says a lot. Just a moment even if you don't have anything up front.</p>	<p>There are no team meetings</p>	<p>Team communication</p>

<p>Yes exactly. But that should result in that communication becomes simpler. The number of communication moments should be smaller with the maximum effect. That means that you need to have clear where to go if something happens. If you need something you need to be there. And even better would be for the sites if they ask one person that that person within the team can communicate to the other disciplines. Example, somebody needs something and wants to do an expenditure. That means that he needs to go to legal. Well there's a contract of 100.000 euros so he needs to go to procurement and technique needs to see it. But does the person at the site need to contact all those persons and functions separately? Or are we going to organize it so that there's a logical order.</p>	<p>High importance on efficiency of communication</p>	<p>Team communication</p>
<p>No. I sometimes say to Johan, you've become the company psychiatric. Because he gets everything at him. Everybody talks to him and that can become a lot. Or exhausting. I think that I would say those are the 2 points of attention. Change management and communication. What also fits to the company. Jan made the step with business development, no within the sites to reach every employee. Have you also seen that?</p>	<p>Everybody talks to Johan</p>	<p>Team communication</p>

Yes. But I do for example not know, when Nanya is working on working conditions harmonization, how does that compare to IT. Do I need to facilitate? How is she organizing that. Am I required or not. I have no clue.	Members of the team don't know what the others are doing	Team communication
We have. We are of course a small team. So you get the information. We only have 2 spaces. Not all our own rooms. So there's a lot of interaction with the team.	Small team and office so much information sharing	Team communication
Next to that, once per two weeks or month we have a team meeting. In which everybody shortly says what they are working on.	Regular team meetings	Team communication
And there's a lot of mutual contact. Very much.	Lot of mutual contact	Team communication
Some are of course gone most of the time. But it's a close team.	Some are gone regularly but it's a close team	Team communication
That looks like colors. Red, orange, and green. The problem is that it doesn't go together. There is no synergy there. Everybody is trying to get their green blocks.	Lack of synergy	Team synergy
To do that, we need a trust curve. We don't have that now Daan. We are not high in the trust curve.	Lack of trust within the team	Team synergy

Team interaction

<p>I think that it will make an enormous difference if we start to manage more relation focused than instead of performance focused. Although I question if it is performance focused because we are all just linked to each other. Very simply, Ronald does quality, but quality is very often about people.</p>	<p>Organization is performance focused</p>	<p>Team focus</p>
<p>Yes, see, everybody within his own discipline is doing different things. I also said, we actually need to make that model, that we all have the same. Okay, well start. What is the goal within our discipline. Describe, short and sound, what are your goals. Who are the participants in your discipline? Create a group chat. And that's how you can make steps that you all have the same. And now.</p>	<p>Need for a standard working method</p>	<p>Team focus</p>

**Appendix C: Observations**  
**Observations during interviews**

<b>Interview #</b>	<b>Observation</b>	<b>Sign of</b>
1	Office was full	Consistency
1	Everybody working on their own jobs but sometimes people discuss some small issues	Both formal and informal sphere
1	Managers talk informally with each other and the working sphere is good. People are working seriously but at the same time they're open for an informal chat	Informal sphere
1	Higher level managers have their desk in the same room as the other managers	Equality
2	Had to leave the meeting room because someone else needed to use it during the interview	Lack of structure and planning
2	Moved to the kitchen where everybody can walk in and out at any time	Informal sphere
2	Office was full but there was no difference in sphere	Consistency
3	Interview in another office of Agro close to the main HQ	Different location
3	This office was larger but there were only 5 people while there was space for about 14.	Many empty work stations
3	The reason for this was that they expect a growth in their team and because a lot of people are regularly visiting other sites.	Expected growth but also lack of planning
3	The atmosphere was more formal as there was almost no talking between the employees.	Formal sphere
3	In this office there were 2 managers, 1 finance employee, and 2 young talents who were from South-America. I didn't know them and they were not really interested in having an informal chat with me.	Lack of informal interaction
3	The managers were working in the same space as the other employees.	Equality
3	The interview took place in a larger meeting room than the meeting room at the HQ.	Small differences in different offices
4	Sphere was more informal here and more people seemed to be walking around. This office (HQ) feels more alive as people are constantly talking (mostly over the phone)	Informal sphere
5	Presence of global CFO who was having meetings with the other managers in the general office	Equality
6	No special observations	Consistency

## Observations during work

Observation	Sign of
HQ is filled most of the time, that is also the reason for the use of the 2 <sup>nd</sup> office. The finance department recently moved to an office in Amsterdam which should create a quieter working sphere at the HQ	HQ is too busy and managers need more space
Although the people are divided into 2 separate offices, the people in these offices are working in the same space, regardless of their position within the company, this means that regular office employees can sit together with higher level managers. Visitors from other sites/external organizations can sit between the rest of the people.	The equality between the Agro EU team is high. The approachability of the top management is high
This means that the office is often busy but also feels very alive. Yet, this means that there are quite some working stations in a small space which might sometimes lead to problems. Also, it is difficult if people are having multiple discussions with others in the same room	Office can be too busy to work concentrated and effectively. People can get distracted by other things going on in the office
More serious and formal issues can be discussed in the meeting rooms which are quiet and private.	There is room for serious topics to be discussed privately
People are walking in and out and do not have fixed working times that they are available in the office. They are often on the road visiting other sites or clients.	Informal atmosphere where people come and go
Local sites complain about a lack of communication from the HQ and from enormous pressure to get things done. They do sometimes feel like they need to comply to the demands of the HQ. Yet, EU managers from middle- and top-level are visiting the local sites so now and then.	Lack of communication from EU HQ and high pressure to perform according to local site employees. Seem to feel like they have little influence on PMI decisions

## Appendix D: Document analysis – strategic plan 2020

### IT roadmap

Observation	Meaning	Theoretical application
Consolidation WMS software. Based on Software of Boltics/Entris > 2 parties who have been involved with the development of Dynamics Navision for the Dutch cold-storage industry organization NEKOVRI	Agro wants to get a standardized WMS system that needs to be developed by 2 IT development partners	Standardization strategy and the retainment of long-term relationships
Agro goals: <ol style="list-style-type: none"> <li>1. 1 operating company</li> <li>2. Segment leader</li> <li>3. IPO ready</li> <li>4. 3-4x in size</li> </ol>	Agro wants to become a dominant player in the industry by growing rapidly and by becoming 1 operating company. Yet, they have different WMS systems for NA & EU	There is a need to standardize practices and to integrate all sites in order to become segment leader
Global Email consolidation	Getting same Email addresses on a global level	Global standardization strategy
Need for: <ul style="list-style-type: none"> <li>o ERP (regional) optimization &amp; synchronization (common chart of account, standardized practices)</li> <li>o Operational KPIs</li> <li>o Strategic modeling</li> <li>o Set up a web portal</li> <li>o Get business intelligence</li> </ul>	In order to get business intelligence, Agro needs to get common operating metrics, standardized accounting practices, normalized data, need to know what questions have to/can't be answered This means that they require common systems so that the management gets data that can be compared and used	Need for standardized data and common systems Agro management wants to get insight in the organization based on relevant data

## KPI roadmap

<b>Observation</b>	<b>Meaning</b>	<b>Theoretical application</b>
2 phases and different types of activities <ul style="list-style-type: none"> <li>• Coldstore</li> <li>• Transport</li> <li>• Repacking</li> <li>• Petfood</li> </ul>	Standardizing KPIs to get relevant output/data for management	Standardize data in order to be able to compare the performance of different sites
Phase 1: design & implement KPI <ul style="list-style-type: none"> <li>• Common definition</li> <li>• Centralized data collection</li> <li>• Monthly distribution/review</li> </ul>	Consolidation of data collected from different sites to get better insights	Standardize data and output
Phase 2: report out of EPBCS <ul style="list-style-type: none"> <li>• Automate generation of KPI report</li> <li>• Automate dashboard distribution as part of review process</li> </ul>	Role for finance for generating data and role for IT and BD to transform into business intelligence. Automate the data collection process and generation of reports	Automation role for IT so that the KPI data can lead to improved business intelligence
Later in the process: interact with other functional workstreams	Different workstreams need to work together in order to get better KPI insights. Yet, important to see that the interaction with other function workstreams is only planned and will be started with beginning 2020	Slow integration speed of different workstreams, could take almost 5 years before Agro starts with integrating the different workstreams

Labor standard roadmap

<b>Observation</b>	<b>Meaning</b>	<b>Theoretical application</b>
Phase 1: manual collection	HR managers need to collect the data manually which is time intensive	Process is very time intensive and seems to lack a standard
Phase 2: system generated <ul style="list-style-type: none"> <li>• IT (WMS/TMS Labor standards)</li> <li>• HR (payroll/timetracker)</li> </ul>	Standardizing & automating HR practices to reduce costs	Standard is being set-up in order to improve the workability for the HR workstream
Highly dependent on other functional workstreams to be able to achieve phase 2	Management acknowledges that integration between functional workstreams will be required but only plans to start with this in the end of 2018	Integration speed with other functions is still low but at least the planned integration starts in 2018

Customer profit roadmap

<b>Observation</b>	<b>Meaning</b>	<b>Theoretical application</b>
Design & deploy customer profit study <ul style="list-style-type: none"><li>• Common allocation methods</li><li>• Most recent LTM look back study</li><li>• Facilitate results review &amp; action items</li></ul>	Customer profit still seems to require some development since there is not a clear process here. The first phase will be evaluated to determine the process of the second phase. Could eventually be built into the workstream of Business Intelligence	Lack of standards for assessing customer profit. This process still needs to be set-up which takes time

## Finance roadmap

<b>Observation</b>	<b>Meaning</b>	<b>Theoretical application</b>
Implement global arrangements	Global standardization	Standardization strategy
Improve finance processes (monthly closing, develop finance strength, build budget process, develop new role, develop internal audit)	Optimize processes to increase efficiency and to reduce costs	Improve processes in order to improve workstream performance for reduced costs
Consider migrating to 1 single finance ERP platform	Standardization of platform which will result in easier global standardization	Standardization strategy

Engineering roadmap

<b>Observation</b>	<b>Meaning</b>	<b>Theoretical application</b>
<p>Goal to become industry-leading integrated engineering organization</p> <ul style="list-style-type: none"> <li>• Clearly defined process established for new capital investment</li> <li>• Leveraging Agro’s scale for spend opportunities</li> <li>• Organizational development &gt; industry-leading talent supported by development strategy / future state engineering organization to be implemented by Q2 2018</li> <li>• Target average 4-year old MHE equipment in Agro fleet &gt; deliver safe, efficient, and well-maintained Agro assets</li> <li>• Cloud-based integrated programs to enable real-time business process management (implement process controls &amp; documentation)</li> <li>• Initial KPIs implemented monthly review / target full KPI set integrated Agro company KPIs</li> <li>• Consisted ‘expected’ standards tracking (business improvement supported by data)</li> </ul>	<p>Creating standardized processes for organizational development so that Agro can become an industry-leading organization. Aligning investment process, purchasing opportunities, organizational development, physical assets, process &amp; documentation, Data, BI &amp; KPIs, and industrial engineering.</p> <p>Making sure that the organizational activities, processes, culture is aligned in order to improve the organization’s performance</p>	<p>Integrate the whole organization in order to get the best results. Not mere standardization but also alignment of different activities. This might take more time to be implemented since multiple workstreams need to be integrated in this process.</p>

BD cross-regional alignment roadmap

<b>Observation</b>	<b>Meaning</b>	<b>Theoretical application</b>
Key objectives <ul style="list-style-type: none"> <li>• Customer focus</li> <li>• Defined structure</li> <li>• Consistent process</li> <li>• Pricing governance</li> <li>• Management visibility</li> </ul>	Goals that the organization wants to achieve by developing the business. It's leading the direction of the development programs	Global goals that are important for all sites
Priority program development <ul style="list-style-type: none"> <li>• Pipeline management process</li> <li>• Key account management</li> <li>• Pricing and governance (developing advanced pricing tools)</li> <li>• Reporting / scorecard measurements</li> <li>• Market intelligence program</li> </ul>	Developing programs that align different sites cross-regionally. Develop programs on a global level in order to achieve the global goals	Global standardization strategies
Organizational development <ul style="list-style-type: none"> <li>• Regional BD structure and resources</li> <li>• Basic sales training</li> </ul>	Regional alignment and development of service standards	Regional and global integration of standards

## Rebranding roadmap

<b>Observation</b>	<b>Meaning</b>	<b>Theoretical application</b>
Key objectives <ul style="list-style-type: none"><li>• One brand identity</li><li>• Consistent facility look</li><li>• Consolidated website</li><li>• Single Email platform</li></ul>	Develop a consistent identity for the employees so that all stakeholders see Agro as 1 organization	Single identity on a global level so that the organization can be recognized everywhere in the world
Sites divided into 2 phases	Implementation divided into different phases in order to solve problems in the rebranding process	Integration speed slower because the process first needs to be developed and tested
New acquisitions need to be integrated in a period of 12 months	New acquisitions will be integrated faster than the current sites	Increased integration speed based on experience