Mergers & Acquisitions:
Managing Corporate Compliance through Integration and Organizational Change

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Compliance’s Role in Due Diligence

- Pre-acquisition involvement
  - Maintain visibility into the acquisition process,
  - Provide input at key decision moments, and
  - Establish compliance as a core integration consideration
  - Risk planning and compliance integration decisions can begin long before the deal closes.
Compliance’s Role in Due Diligence

- But what if you’re not invited in

Compliance’s Role in Due Diligence

- Checklists
- Relationships
- Other Resources
Due Diligence Checklist

- Compliance Program Scope
- Policies & Procedures
- Third Party Risk Management
- Tone at the Top
- Compliance Program Structure
- Risk Management
- Issues of Non-Compliance
- Training & Education
- Audit & Monitoring
- Whistleblower
- Continuous Improvement

Compliance Integration Checklist

- What do you need to know?
  - Business Goals
  - Company Priorities
  - Identified Risks
Compliance Integration Checklist

- What do you need to know?
  - Business Goals
  - Company Priorities
  - Identified Risks

- What do you need to see?
  - Policies
  - Training
  - Risk Assessments
  - Regulatory actions/outcomes

Compliance Integration and Remediation
“Integrating two organizations is like trying to build a rocket while its blasting off.”

Anonymous

Key Objectives

- Integrate the new organization into the compliance program and ethical culture
- Identify non-compliant activities and fix them
- Identify and train key employees
Culture

- Respect cultural differences
- Shared values are the key
- Don’t dictate – be flexible

Win Hearts and Minds
Tailor Your Program

Be Specific
Don’t Hesitate

Be Patient

It takes time!
Risk Assessment

Implementation

NOW

LATER
Compliance Checklist

- Consider what’s going to be required for each phase of the program integration and create a checklist:
  - HR Review
  - Legal Review
  - Works Council
  - Languages Required
  - Content Delivery
  - Other Tools Required
  - Timing

Remediation

MITIGATE RISK!
Tracking and Monitoring

I... NEED...
HELP!

Post-Acquisition Change Management Challenges
Post Acquisition Exhaustion

Change
Timing

Culture
Compliance Risk

Takeaways

- Be Creative
- Be Resourceful
- Be Prepared
- Be Engaged
- Be a Communicator
- Be Patient
- Be a Listener
- Be Flexible
- Be SUCCESSFUL