

Mergers & Acquisitions:

Managing Corporate Compliance
through Integration and
Organizational Change

1



Jacki Cheslow, CCEP, CCEP-I, CRM
Director, Business Ethics & Compliance
at Avis Budget Group. Jacki holds a BA
in Business Assurance and Security from
Kaplan University and is a member of
the SCCE, the NJ Corporate Compliance
Roundtable and ARMA International



Kimberly Y. Chainey, Esq.
Associate General Counsel, Global
M&A, Strategy & Innovation at Avis
Budget Group. Kim holds a BA from
Harvard Radcliffe College, and a
JD/MBA from the University of
Pennsylvania Law School and the
Wharton School of Business.

2



Compliance's Role in Due Diligence

3

Compliance's Role in Due Diligence

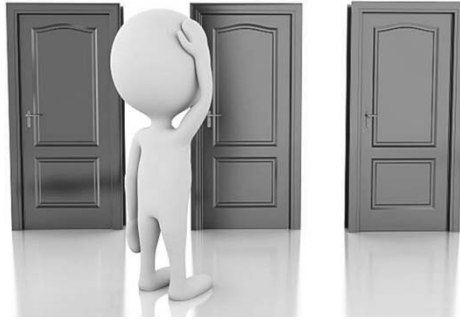
- ▶ Pre-acquisition involvement
 - Maintain visibility into the acquisition process,
 - Provide input at key decision moments, and
 - Establish compliance as a core integration consideration
 - Risk planning and compliance integration decisions can begin long before the deal closes.



4

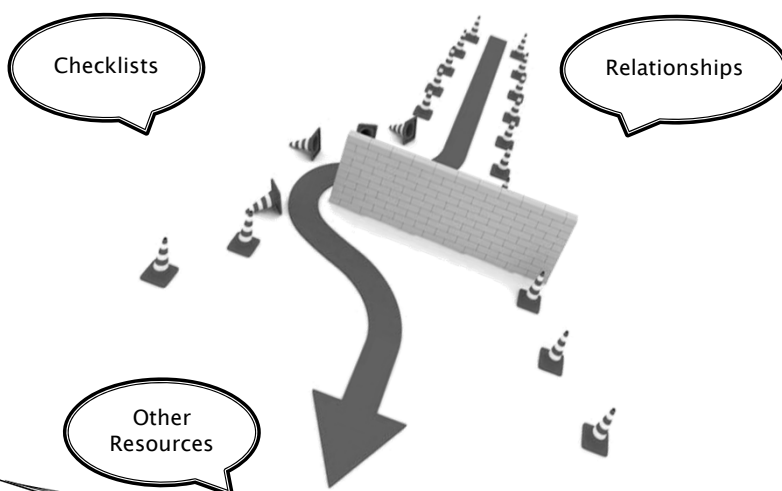
Compliance's Role in Due Diligence

- ▶ But what if you're not invited in



5

Compliance's Role in Due Diligence



6

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

7

Compliance Integration Checklist

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



8

Compliance Integration Checklist

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

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



9



Compliance Integration and Remediation

10

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

Anonymous



11

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



12

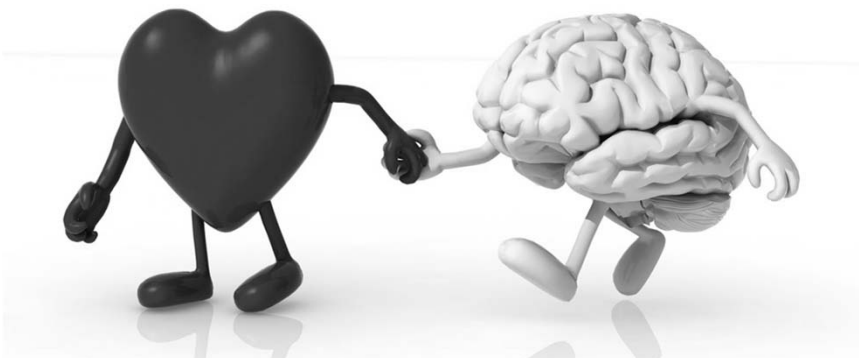
Culture



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

13

Win Hearts and Minds



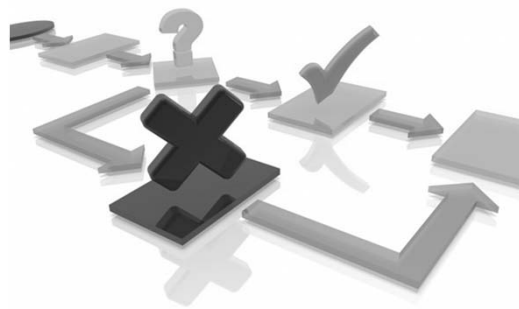
14

Tailor Your Program



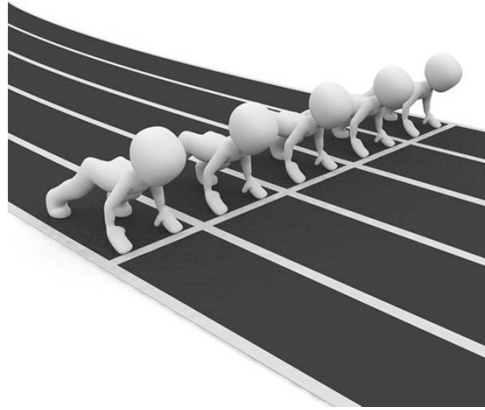
15

Be Specific



16

Don't Hesitate



17

Be Patient



18

Risk Assessment



19

Implementation



20

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



21

Remediation



22

Tracking and Monitoring



I... NEED...
HEEEEEEEEEELLLP!

23



Post-Acquisition Change Management Challenges

24

Post Acquisition Exhaustion



25

Change



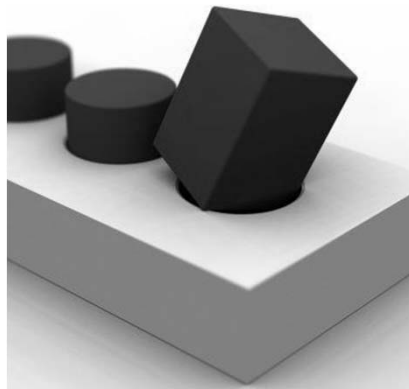
26

Timing



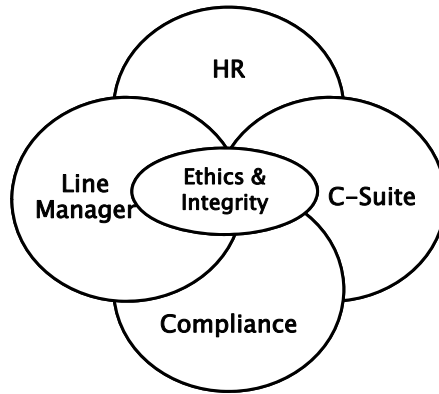
27

Culture



28

Compliance Risk



29

Takeaways

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



30