

Customer Support Integration

*Preserving and enhancing the
customer experience*

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January 2018

At a glance

Customer Support plays an important customer facing role during integration, and can be leveraged to support critical deal drivers.

Customer Support integration aligns with the goals of M&A by focusing on a customer's experience, ensuring no disruption to field service and support operations.

Newly combined companies can improve customer satisfaction, drive increased loyalty, and create new opportunities to bolster sales through an effective Customer Support integration.



Introduction

Leaders across industries are increasingly focused on satisfying customer demands by delivering new products and services while managing their bottom line. Decision makers will often look towards M&A as an opportunity to meet these demands and bolster top line growth.

Go-to-market (GTM) deal functions are traditionally focused on driving revenue creation. Growth in market share and access to new customers are common value drivers of deal success. However, without careful planning and alignment of enabling functions, such as Customer Support, these GTM objectives may be at risk.

Immediately after deal announcement, companies enter a time of high uncertainty, and customers of both companies will have concerns about how their experience may change. This requires a high degree of coordination between companies to minimize disruptions in the customer experience.

At its core, the objective of Customer Support integration is to preserve and enhance the customer's experience, instilling trust and confidence, deepening loyalty, and surpassing customer expectations every step of the way. Customer Support is one of the most visible and prevalent customer touchpoints within an organization. Achieving levels of high customer satisfaction helps companies maintain their existing base of customers and promote new opportunities for additional revenue and long term growth.

While a consistent, top-down enterprise-wide integration process is a key success factor for any M&A integration, it is especially important to minimize disruption or deterioration of the customer experience. A successful integration of Customer Support operations should first and foremost meet existing customer obligations and preserve the experience that customers expect. Opportunities for operational efficiencies, new revenue streams, and more satisfied customers may also be achieved driving integration.

The issues our clients face, the actions we help them take

An effective integration process emphasizes the importance of getting the fundamentals of integration in place as quickly as possible during a deal to help minimize disruptions and achieve synergies. Rapidly launching integration efforts to Set the Course, Plan for and Execute Day One, and Design and Maximize Future-State Operations is a critical success factor. Figure 1 illustrates the integration process.

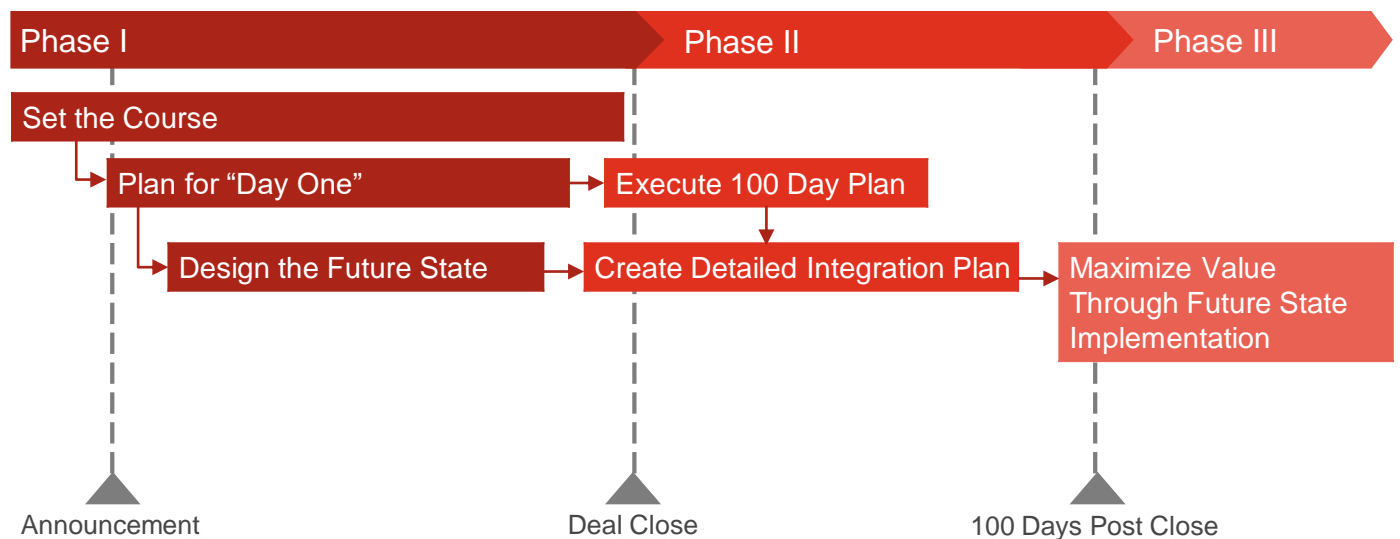


Figure 1. The PwC integration process follows a sequence of coordinated steps to focus resources and capital on the right activities at the right times.

Set the course

An acquisition, like other large scale corporate change, is an excellent opportunity to set a new course, both operationally and across the various support functions of the newly combined business. Setting the course involves defining clear objectives and establishing clear leadership and role clarity during the transition. This empowers members of the integration team—including Customer Support—to communicate effectively and take decisive action.

A Customer Support integration plan should align to the overall acquisition strategy and the specific goals of Sales & Marketing to increase the likelihood of success for completing GTM milestones, achieving revenue synergy capture, and mitigating business continuity risks. Setting the course for Customer Support requires rapid planning to ensure business continuity on Day One, and typically include the following areas.

Understanding customer support obligations – Before the integration strategy is set, all legacy support obligations of the target company should be captured and reviewed by Customer Support leaders. Standard support terms and conditions, such as service level agreements (SLAs), channel offerings, and service schedules, should have been vetted during due diligence. However, the legacy customer contracts extending beyond deal close will define what levels of support must be delivered throughout the integration and serve as key inputs into Customer Support’s integration approach. Non-standard or high-risk support terms need to be identified and addressed prior to deal close.

Maintaining customer experience – Customers’ expectations about their support experience do not change because of a deal announcement. So the customer support experience of acquired customers should be preserved throughout the integration journey. Support offerings and the channels through which customer support is delivered should be mapped by customer-type between target and buyer to identify gaps. Based on the findings of the mapping exercise, Customer Support leaders may need to make tradeoffs to support and service delivery (e.g., consolidate support entry points, modify field service schedules). The goal is to minimize change for customers despite the various transitions that will happen internally.

Communicating effectively to employees, customers, and partners– Following deal announcement, several communications should be sent to stakeholders to mitigate issues caused by the uncertainty that comes with a deal. Key support employees of both the target and buyer should receive focused communications on the critical role they will play during the integration period as they will be interfacing with customers before, during, and after integration. If either the target or buyer is utilizing partners for customer support delivery, they should also be communicated to about their role and future engagement with the combined company. Finally, customers should receive pointed messaging that is closely aligned to Sales and Marketing communications, specifically detailing any changes to support (e.g., updated support channels, modified service schedule, support policy changes). In-person or one-on-one conversations should be considered for high-priority and/or shared customers to address concerns, mitigate confusion, and strengthen existing customer relationships.

Determining the future customer support model – A support strategy and operating model aligned to the goals of M&A should be defined early in the integration process. While there are clear cost synergy opportunities within Customer Support (e.g., tools and process consolidation, support organization reorganization, support asset realignment), opportunities to drive revenue directly and indirectly should not be overlooked. Monetizing premium support offerings, proactive field service through the Internet of Things, and aligning support offerings with the joint GTM plan are just a few of the ways Customer Support can contribute to the top-line. A combined Customer Support plan that outlines short and long-term steps to achieve the desired future-state operating model should be developed to assist in capturing revenue synergies.

To manage the myriad of Customer Support activities, it's important for company leadership to promptly identify a Customer Support integration leader, who should establish a Customer Support integration team, governance structure, and program management office. The Customer Support integration team should be made up of resources with the institutional knowledge of the buyer organization (and the target company, if possible) in areas of focus for the integration strategy.

Customer Support areas can be divided into those that ensure business continuity (i.e., operations) and those that address the preservation and enhancement of the customer experience design. Customer experience design areas are focused on defining and executing the desired customer experience for Day One and beyond. High levels of collaboration across the Customer Support function allow for the operational focused areas to support and deliver on the enablement of the Day One, Interim, and End State customer experiences. Please see Figure 2 for key areas of Customer Support integration focus.

	Phase I – Planning & Day One	Phase II – Interim	Phase III – End State
Customer Support Operations (ensuring business continuity)			
Customer obligations	Legacy support obligation identification; non-standard terms identification	Shared customer plan; contractually obligated support delivery	Legacy support obligation fulfillment; standardized support terms and conditions
Support operations and processes	Support and field service capabilities assessment, Day One support delivery planning	Interim support operations and processes for legacy delivery; tools and process consolidation planning	Integrated service supply chain and inventory management; consolidated support tools and processes
Support team readiness	Day One support training requirement identification and content development	Support team scope of responsibility assessment; training methodology determination	Support training program integration and cross-product support training for combined team
Reporting and analytics	Interim support metrics identified for Day One	Interim reporting and dashboard production and design process	Harmonized support and field service metrics and reporting
Customer Experience Design (preserving and enhancing)			
Customer segmentation	Target customer list assessment; shared and high priority customers identified	Interim customer support plan by segment implemented; shared customers supported jointly	Combined support model by customer-type; support alignment with GTM for net-new customers
Channels	Gap analysis of target vs. buyer channels	Legacy channel sunset plan; future-state channel plan	Channel consolidation; tools and assets for future-state channel delivery
Support offerings	Gap analysis of target vs. buyer support and field service offerings	Legacy offerings enabled; preparation for lighting up new offerings	Offerings alignment with all-up GTM plan
	Announcement	Deal Close	100 Days Post Close

Figure 2. This chart outlines key areas of integration focus for Customer Support, along with their typical timing across the PwC integration process.

The Customer Support integration strategy should also align to cross-functional areas that are part of the enterprise-wide integration. Please see Figure 3 for key cross-functional areas that involve the Customer Support organization, and with their typical timing across the integration process for large-scale and middle market transactions.

	Phase I – Planning & Day One	Phase II – Interim	Phase III – End State
Cross-functional integration areas			
Go-to-market plan and roadmap	Initial support plan based on GTM roadmap and Day One support readiness plan	Alignment of interim support plan for product/service being integrated into buyer portfolio	Support and field service offerings mainstreamed and end-state support offerings operationalized
Value drivers and synergies	Initial cost synergy analysis and revenue synergy capture plan	Validated value driver initiatives and revenue synergy capture plan	Revenue and cost synergy tracking
Communications and customer experience	Customer and Service stakeholder engagement and communication plan	Customer and Service Day One communications delivery and 100 Day communications plan	Longer-term customer and Services stakeholder engagement activities
Business process and systems integration	Customer Support systems, tools, and technology assessment, alignment, and roadmap	Interim support case management and tools solution	Integrated Customer Support systems, tools, technology, processes, and data
Organizational and workforce transition	Overlapping support coverage, consolidation opportunities, and defined reporting relationships	Customer Support organization structure, role mapping, and responsibilities defined	Customer Support team optimized
Returns*	Reverse-logistics network in place for return of goods	Aligned resources for process for customer response, warranty, or repair	Optimized warranty, reimbursement, and repairs process
	Announcement	Deal Close	100 Days Post Close

Figure 3. This chart outlines key cross-functional areas of integration focus for Customer Support, along with their typical timing across the PwC integration process.

*Typically led by the Supply Chain organization, however support may play a role in warranty management and initiating the returns process upon customer request.

Plan for and execute Day One

Even if the best decisions are made as you Set the Course, much can go wrong at deal close without proper planning and execution. While Day One is a milestone for celebration, it is also the time for smooth transition of essential operations.

The Customer Support integration team should define what is in and what is out for Day One. This exercise should be informed by the key integration areas established while setting the course and the interim and go-forward vision for the combined Customer Support organization. The primary goal for Day One is to minimize disruption for target and buyer customers while fulfilling legacy support obligations.

The level of Day One planning and integration activity for the Customer Support organization is highly dependent on the level of integration planned between the target and buyer's products and offerings. No matter the level of integration, Day One planning should first be focused on delivering contractually obligated support and minimizing the impact to the customer. Customer Support integration leaders should focus on how customer support will be delivered on Day One to all customers (current and target) and determine how this might vary by customer and offering. Any changes made should be communicated to customers, and leaders can consider "white-glove" treatment for shared, high-priority customers.

Focus areas for Day One integration

Customer Support Operations

Customer obligations	Review target's customer support contracts and identify non-standard support terms. Contracts that pose a risk to successful support and service delivery on Day One (e.g., target SLAs that buyer does not deliver) should be addressed by working with Legal prior to close or be a key input to Day One support delivery planning.
Support operations and processes	Minimize operational and process changes on Day One while considering the amount of integration planned between the target and buyer Customer Support organizations. Develop processes focused on delivering against customer obligations and minimizing impact to support employees and the tools they use to ensure a smooth support experience for customers.
Support team readiness	Support team training will depend on limitations to pre-Day One engagement with the target. Regardless of the level of interaction, ensure cross-company support scenarios are addressed with proper redirects in-place (e.g., phone and in-person scripts, shared account team alignment, high-level cross-training on products/services).
Reporting and analytics	A consolidated set of support and field service metrics is an unlikely goal for Day One; however, a thorough metrics gap analysis should be performed. For customer support, key metrics include case volume, time to initial response, days to solution, minutes per incident, and support agent utilization. The target and buyer should be prepared to report on identified metrics even if reporting is not consolidated. Capturing Voice of Customer data with accompanying executive dashboards can also provide critical customer feedback to company leaders.

Customer Experience Design

Customer segmentation	Understand target customer segmentation and map to buyer's customers to identify gaps or differences in customer support delivery by customer-type. Particular attention should be paid to customer-types that require elevated levels of support (e.g., stricter SLAs, more frequent on-site delivery) and if there is misalignment for shared customers. Prioritize addressing gaps for shared, high-priority customers.
Channels	Perform a gap analysis of target and buyer customer support channels to identify necessary changes to where customers should seek support or in how it is delivered (e.g., support/help center sites, schedule, key delivery contacts, channel-type). Any adjustments made should be communicated to customers in advance of Day One and support teams should be prepared to redirect misrouted customers.
Support offerings	Work with Sales and Marketing teams to ensure the Customer Support team is ready to deliver against offerings that are part of Day One GTM plans. The amount of joint product/service offerings planned for Day One will drive the amount of integration required by target and buyer support teams. Addressing offerings that require knowledge of previously separate products or services should be prioritized as this will require the quickest and most extensive preparations across Customer Support focus areas (i.e., support team readiness, support operations, and customer obligations).

Design and maximize future state operations

Designing and executing the go forward operating model is important for realizing long term revenue synergies and maintaining a positive customer experience. Due to the customer-facing nature of the Customer Support organization, this function can play a significant role in achieving key benchmarks that external analysts and stakeholders use for measuring integration success (or failure).

The same cross-functional areas that applied during Day One planning will continue to be focus areas as the Customer Support integration team shifts its focus after deal close. To realize efficient and effective future-state support and field service operations, the Customer Support function should continue working closely with the Sales, Supply Chain, Human Resources (HR), Information Technology (IT), Legal, and Finance functions to plan and prioritize overlapping areas related to field service capabilities and the Customer Support organization.

Cross-functional focus areas for future state operations

Go-to-market plan and roadmap	While the Sales organization defines the GTM plan, the Customer Support integration team needs to align with Sales to quickly adapt to changes that may develop in the plan. If the acquired product or service continues to be sold, Customer Support will work with Sales and Legal teams to establish support offerings and execute contract renewals, ultimately transitioning legacy support terms off of target paper to a set of standard terms. A clear end-of-life plan for support should be defined for applicable product retirement and Customer Support should promote consistent communication of alternative customer offerings. This includes collaborating with Sales on the strategic landing spots for the transition of key customers.
Value drivers and synergies	Leverage the synergy analysis and financial models developed during the due diligence process and work across functional teams to include the most current information from Day One planning in developing Customer Support value driver business cases. The overall synergy tracking effort is typically managed by Finance.
Communications and customer experience	Manage the transition through communications tailored to each category of Customer Support employee groups and to customers, partners, distributors, and the market. Communications should be delivered in a consistent manner throughout the integration. Customer Support, Marketing and Sales should be closely aligned to deliver one message to all relevant stakeholders. Finally, this cross-functional area should deliver a robust Support training program to ensure Support employees adopt the integrated policies, processes, and systems as changes occur.
Business process and systems integration (BPSI)	Manage and coordinate BPSI-related dependencies across functions and geographies. Customer Support systems are critical to enable support ticketing, assisted support channels, self-help content management, product defect notifications, warranty management, and customer profiles. The overall BPSI effort is driven by IT as a part of the enterprise wide systems roadmap and migration efforts. Customer Support plays a critical role in defining requirements, identifying systems, migrating data, and updating business processes to meet the capabilities required to run the combined business.
Organizational and workforce transition	Define newly combined Customer Support management with reporting lines. The Customer Support function works closely with HR to transition the Customer Support organization to an interim state while designing the end state Customer Support organization and operating model. Interim transition requires an assessment of work, people selection, and staffing process. An integrated roadmap detailing the timing of all organizational movements, including workforce transitions, should be developed to manage the magnitude and pace of change so as not to disrupt the business and to ensure capabilities are in place when needed. Transition to the end state Customer Support operating model by integrating process and aligning with changes in the overall enterprise wide integration strategy, keeping in mind specific requirements for the geographic and product alignment for support agents. Manage rewards and performance throughout the transition and integration.
Returns	Work with Legal to manage all non-standard warranty terms and execute plan to fulfill remaining warranty obligations. While Supply Chain traditionally manages product return pipelines, Customer Support needs to align with any relevant return policies and provide input into returns supply chain consolidation. Help design future-state returns model based on geography, product, and/or customer type.

Conclusion

Customer Support plays a critical role in driving customer satisfaction throughout the uncertainties that come with M&A. By understanding support and field service obligations, focusing on customer experience, engaging in thorough stakeholder communications, and developing a future-state vision, it increases the probability of stronger customer retention and new opportunities for long-term revenue growth.

Following the approach to Customer Support integration articulated in this paper can guide companies along the path to a successful integration, limit disruptions within the support and field service experience, build momentum, and position the company to accomplish core business objectives while instilling confidence among their stakeholders.

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