GLOBAL CASE STUDY CHALLANGE

Change Management case solution

CASE 05 | GROUP 35

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Agenda

Case Overview

- In 2014, Everis, a Spanish IT consulting firm, was acquired by NTT DATA, a Japanese IT giant.
- The acquisition aimed to enhance NTT DATA's global presence through Everis's European and Latin American operations.

Case Overview

- Full integration under the NTT DATA brand completed in 2021.

- Challenges included cultural differences, operational inefficiencies, and communication barriers.

- This case explores the integration strategies, challenges, and opportunities for both firms.

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The merger has strengthened its market position but also highlighted challenges in cultural and operational alignment.

The focus is now on refining change management and operational processes.

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NTT DATA: A structured and global IT powerhouse emphasizing "Client First" and "Teamwork."

Post-acquisition, both organizations aimed to align values and operational systems while retaining Everis's innovative edge.

Case Theory

- **M&A Trends:** Highlighted by increasing globalization and strategic growth objectives.

- **Challenges in M&A:** Cultural and linguistic differences, operational misalignment, and communication barriers.

- **Change Management Models:** Kotter's 8-step model, Lewin's "Unfreeze-Change-Refreeze," and "Head, Heart, and Hands" approach emphasize structured, emotional, and practical strategies.

Case Description

- Sandro, a Swiss-Italian leader, navigates integration challenges in a hybrid work environment.

- Cultural tensions between Everis's entrepreneurial spirit and NTT DATA's structured processes create resistance among employees.

- Operational inefficiencies emerge due to incompatible IT systems and a lack of adequate training.

Cultural and Operational Alignment

- Everis's flexible and creative culture contrasts with NTT DATA's structured approach.

- Employees fear losing Everis's unique identity, leading to resistance.

- Operationally, system incompatibilities have delayed integration efforts, highlighting the need for targeted training and process optimization.

Cultural and Operational Alignment

Communication:

- Communication gaps contribute to employee uncertainty and disengagement.

- Sandro addresses this with biweekly team updates, but broader organizational efforts are insufficient.

- Effective communication strategies are critical to managing change and fostering alignment.

Recommendations.
Case Questions

WHAT DO YOU CONSIDER THE MAIN CHALLENGES AND OPPORTUNITIES EMERGING FROM THE M&A?

Recommendations.
Case Questions

WHAT IS THE SPECIFIC ROLE OF A MANAGER OR TEAM LEADER IN CHANGE PROCESSES?

Recommendations.
Case Questions

HOW CAN SUSTAINABLE COMMUNICATION OF MANAGEMENT STRATEGY BE GUARANTEED DURING THE INTEGRATION AND POST-INTEGRATION PROCESS?

Recommendations.
Case Questions

WHAT ARE YOUR CONCRETE SUGGESTIONS AND RECOMMENDATIONS FOR NTT DATA MOVING FORWARD?

Recommendations:

1. Establish robust communication channels (e.g., newsletters, town halls, intranets).
2. Form a cross-functional guiding coalition to model desired behaviors.
3. Develop cultural integration initiatives (e.g., workshops, team-building).
4. Provide comprehensive training on new systems and processes.
5. Celebrate short-term wins to build momentum and employee morale.

Conclusion

- The everis-NTT DATA merger illustrates the complexities of cultural and operational integration.

- Effective communication and targeted strategies are essential for successful M&A outcomes.

- Leaders must address employee concerns, align organizational values, and streamline processes to maximize synergy.

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Thank you!

Q&A