

THE MERGER PLAN SIMULATION

Functionality Summary

What can we do?

1. Change the integration plan – only possible on 1, 2, 3 and 16, 17, 18 of the month.
2. Use the five forms of communication:
 - Email (1 message, up to 3 receivers)
 - Letter (10 messages, 1 receiver)
 - Press release (1 message, many potential readers)
 - Telephone call (3 messages, to 1, 2 or 3 people)
 - Meeting (must be fixed in advance with up to 3 people, 5 messages)
3. Use all the different types of messages in your communication:
 - Ask the stakeholder's overall OPINION OF THE PROJECT.
 - Inform the stakeholder and ask his/her opinion about a specific EFFECT OF THE PROJECT.
 - Inform the stakeholder and ask his/her opinion about OTHERS' OPINIONS of the project overall (only available for those whose opinion you know).
 - Ask a stakeholder for PROFILES (of any stakeholder) & ADVICE.

Note that some types of messages are not available in some forms of communication.
4. Read emails and letters in the in-tray
5. Check the opinions of the stakeholders – remember that the opinion scores are not updated until someone tells you their opinion about the plan, so you need to ask!

Think about what you would do in real life!

(place the following two pages next to each other for an overview of the software functionality)

THE MERGER PLAN SIMULATION - QUICK REFERENCE CHART

EACH HALF-DAY (IF YOU ARE NOT **BUSY** OR **IN A MEETING**) YOU CAN ...

View & Modify Plan



To modify plan, click on EFFECTS, then on arrows. You can only do this on the 1st, 2nd, 3rd, 16th, 17th and 18th of each month

Read newspaper article



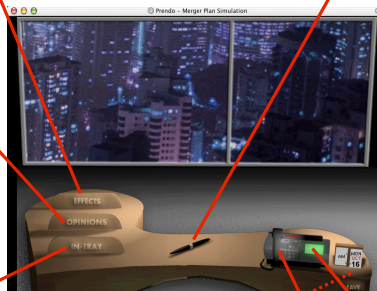
The newspaper appears automatically on certain days: click on the newspaper to close it

Check opinions



This shows you what each stakeholder LAST TOLD YOU; it will ONLY change when you hear or read an OPINION message, e.g. during a phone call or reading an email

Read emails and letters in In-Tray



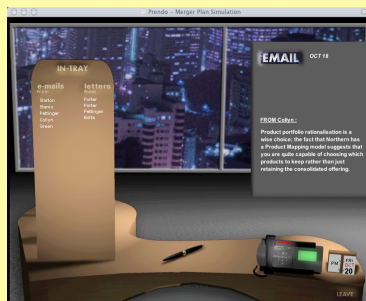
You have from 16th October to 22nd December to complete your mission. You can only work on Monday to Friday, and on some days you are **BUSY** !

Once read, emails and letters are **NOT** archived !

Unprompted

Replies

EMAILS



LETTERS

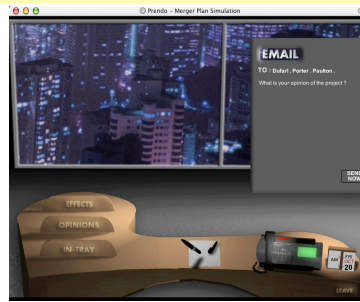


Communicate with stakeholders

SEND AN EMAIL

- 1-3 people
- 1 message
- Reply next day

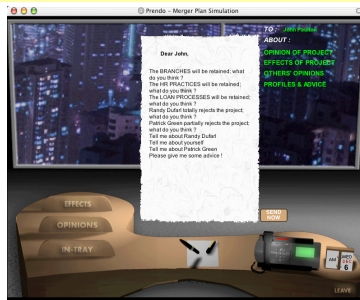
This is a good way, for example, to get a quick update on everyone's **OPINIONS**



SEND A LETTER

- 1 person
- 1-10 messages
- Reply in 4 periods

This is a good way, for example, to send the complete **PLAN** to one person



ISSUE A PRESS RELEASE

- 1 message
- Article next half-day

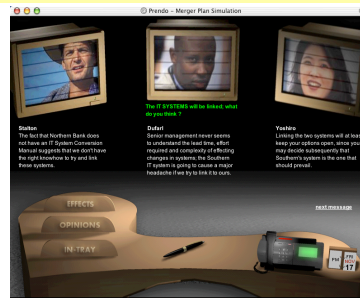
You can only issue press releases about the **PLAN**



ORGANISE A MEETING

- 1-3 people
- 5 messages

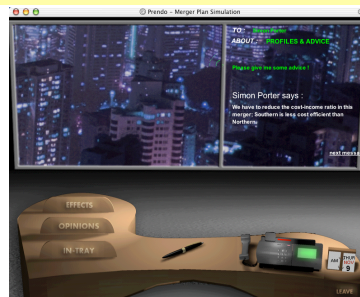
Meeting takes place on the first date everyone involved is available, and once fixed, cannot be changed; it starts automatically on that day



MAKE UP TO 3 PHONE CALLS

- 1 person at a time
- 3 messages per half-day

If the person you try to call is **BUSY**, the phone will not answer! You can call **ONE** person, and exchange 3 messages, **TWO** people, and exchange 2 messages with one and 1 with the other, or **THREE** people, and exchange 1 message with each





Merger Plan Value Model

The Value Model takes the 10 decisions that make up the Integration Plan, and calculates the Net Present Value (over the next three years) of projected cost savings and revenue growth if that Integration Plan is implemented.

If your session has been configured to allow the viewing of the outputs of the Value Model, first, view the current plan for integrating Southern Bank, then click on "VALUE MODEL OUTPUTS" (on the right hand side).

Line 1: Projected figures

The 'Projected' cost and revenue numbers are an initial consolidated estimate taking each decision independently of the others and taking no account of the internal consistency of the 10 decisions.

Line 2: Adjusted for plan consistency figures

The 'Adjusted for Plan Consistency' cost and revenue numbers adjust the Projected numbers (upwards or downwards), as a function of the overall internal consistency of the plan (e.g. a plan that combines decisions to retain the Southern Branch Network but replace 90% of Southern employees would have lower consistency than a plan that combines decisions to retain the Southern Branch Network but replace only 5% of Southern employees).

Line 3: Adjusted for consensus figures

The 'Adjusted for Consensus' cost and revenue numbers vary the Adjusted for Plan Consistency numbers (upwards or downwards), as a function of the current level of consensus achieved (i.e. the higher the number of "++"s on the opinion checklist, the higher the level of consensus).

Line 4: Expected Earnings

The 'Expected Earnings' is simply the sum of the cost and revenue numbers from the previous line, i.e. after adjustments for consistency and consensus.

The Value Model reflects the fact that maximising the value generated from a merger depends not only on the 'hard numbers' projected by the financial model, but to a great extent also on the ability (and willingness) of the people involved to achieve the numbers. A low level of support seriously compromises the likelihood that the revenue growth forecasts will be achieved. Thus, the expected earnings figure calculated at the end gives a realistic view of the value which will actually be achieved with the chosen merger integration plan and the support generated amongst the key stakeholders.

Jon Pettinger	Lorenzo Stanio	Bernie Stalton	Randy Dufarl	Simon Porter	John Paulton	Tonia Yoshiro	Elaine Bolta	Marie Calperra	Patrick Green	Nick Collyn	Pattie Mehrer	Hank Johnson
CEO	Retail	HR	IT	CFO	CEO	Retail	HR	Regulator	Customer	Consultant	Media	Shareholder

The Plan													
Branches													
HR Practices													
Loan Process													
IT System													
Managers													
Employees													
Product													
Announce													
Start													
Period													

Other People													
Pettinger													
Stanio													
Stalton													
Dufarl													
Porter													
Paulton													
Yoshiro													
Bolta													
Calperra													
Green													
Collyn													
Mehrer													
Johnson													

Communic'n													
Phone calls													
Emails													
Letters													
Meetings													
Opinion													
Profile													
Advice													

Worksheet

(use this to summarise the information you have about each stakeholder)