

Mergers & Acquisitions:

Managing Corporate Compliance
through Integration and
Organizational Change

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Compliance's Role in Due Diligence

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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.



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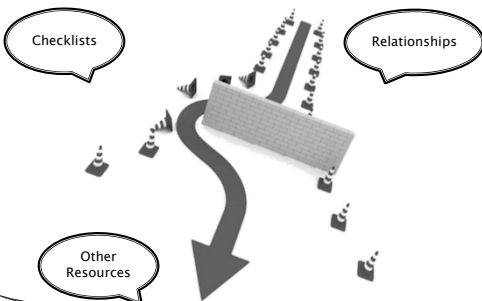
Compliance's Role in Due Diligence

- ▶ But what if you're not invited in



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Compliance's Role in Due Diligence



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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

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Compliance Integration Checklist

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



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Compliance Integration Checklist

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



Compliance Integration and Remediation

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

Anonymous

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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

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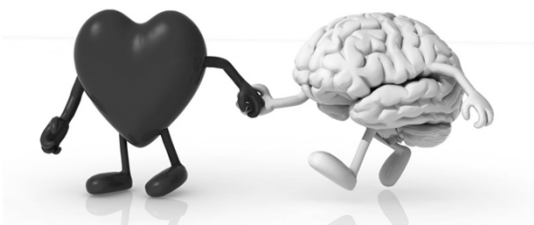
Culture



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

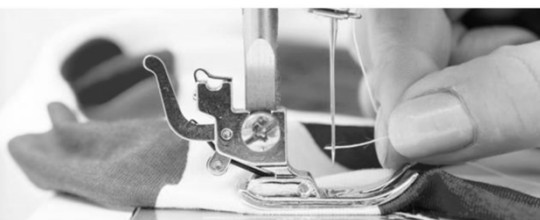
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Win Hearts and Minds



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Tailor Your Program



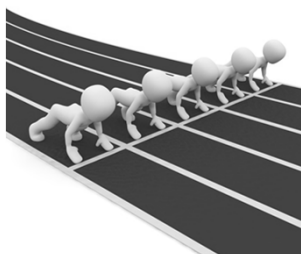
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Be Specific



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Don't Hesitate



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Be Patient



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Risk Assessment



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Implementation



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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



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Remediation



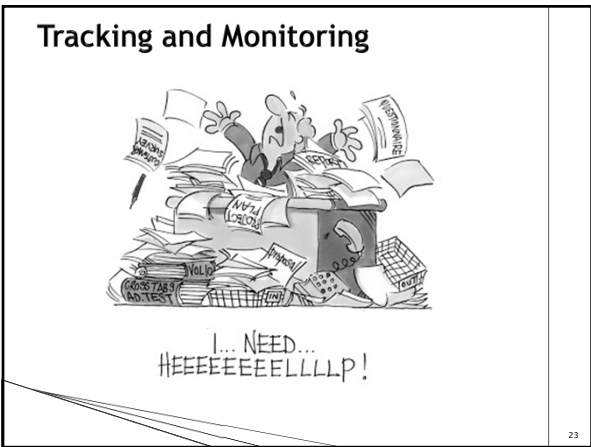
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Remediation



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Post Acquisition Exhaustion



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Change



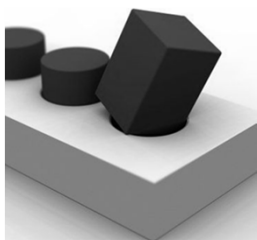
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Timing



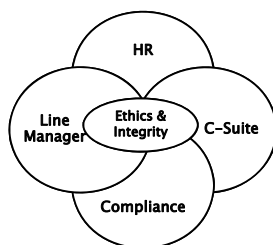
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Culture



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Compliance Risk



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Takeaways

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



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