

THREE PILLARS OF M&A - CHAPTER 2: EMPLOYEES

The second pillar of M&A is the employee. Employees are the link between vision and execution, the ones who carry out the promise made to clients during a transaction. They are the face, the voice, and the culture of the firm. When employees feel valued and supported, clients feel it too. A firm can have the strongest deal structure and the best integration plan on paper, but without engaged employees, even the best designed transaction will fall short.

There is a common misconception in M&A that a buyer's goal is to overhaul the existing team. In reality the opposite is true. Buyers place a premium on firms where the team is intact, engaged, and prepared to carry the business forward. The strongest acquirers understand that client relationships, culture, and continuity live within the people, not the balance sheet. A buyer may enhance the team with additional resources, but the goal is supplementation, not replacement. What is valuable is not just the revenue of the firm, but the people who protect it, grow it, and deliver on the client experience every day.

That reality is felt most directly by employees. They experience the merger up close. They absorb uncertainty about change, workflow, and reporting structures long before it reaches clients. How leadership communicates through that uncertainty determines whether they feel empowered or anxious. When a team feels informed and trusted, they move confidently through the transition and project that same confidence to clients. When they feel left out or uncertain, it erodes trust at every level.

Retention is both a cultural and strategic goal. Key employees carry relationships, institutional knowledge, and operational stability. They are often the difference between a smooth transition and a fractured one. The best acquirers and sellers prioritize retention early, aligning incentives and growth opportunities well before closing. That alignment signals to employees that the new chapter is one of continuity and opportunity, not disruption.

Integration is more than merging systems or combining office spaces. It is about preserving the elements of culture that make people proud to show up every day. Firms that approach integration as a two-way process, learning from both sides, build stronger and more unified teams. Empathy and inclusion at this stage turn uncertainty into engagement, transforming what could feel like a takeover into a shared vision.

Employees define how clients experience a firm's brand, and they sustain that experience through every season of change. Their attitude, communication, and consistency determine whether clients continue to feel cared for and understood.

With clients protected and employees positioned for continuity and growth, the final pillar comes into view. A transition must create meaningful benefit for the shareholders, but it cannot do so at the expense of the client experience or the stability of the team. The firms that achieve the best outcomes are the ones that structure deals where shareholder value is created because clients and employees are supported, not in spite of them. That is where the next chapter begins.