



HUMAN RESOURCES ACQUISITION & INTEGRATION PROCESS

Step	Action	Notes	Document
1	Initial Notification <ul style="list-style-type: none"> FADV exec advises HR of a pending acquisition and provides initial basic information 	Basic information includes: <ul style="list-style-type: none"> Location(s) Line(s) of business Number of employees Potential timing Special considerations (contracts, potential RIF's, etc.) 	<i>Pre-Planning Document</i>
2	Due Diligence Data Gathering <ul style="list-style-type: none"> Request HR information from the target company Determine if on-site visit will be made 	Request covers all pertinent HR policies, practices, employee handbooks, and benefits information For major acquisitions, due diligence may be conducted during an on-site visit	<i>HR Due Diligence Inquiry Form</i> (for remote due diligence) <i>HR Due Diligence Checklist</i> (for on-site visits)
3	Due Diligence Analysis <ul style="list-style-type: none"> HR reviews information, requests follow-up materials, and prepares <i>HR Audit & Recommendation Report</i> 	Report compares FADV policies, practices, programs, and benefits vs. those of the target company. Report also makes recommendations for transitions (e.g., when and how to convert target company sick and vacation time into PTO)	<i>HR Audit & Policy Transition Recommendation Report</i> <ul style="list-style-type: none"> <i>Full report:</i> VP-HR and HR team. <i>Exec summary:</i> Senior management
4	Transition Planning <ul style="list-style-type: none"> Review major issues, hot-button items, and overall transition and communications plans with senior management Transition decisions are finalized. 	Senior management may include president, legal counsel, and cfo	
5	HR Integration Planning Coordinate with HR team, including: <ul style="list-style-type: none"> Compensation – plan for job matching and FLSA review 	Roles: <ul style="list-style-type: none"> Each HR functional leader responsible for driving their portion of the project 	



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	<ul style="list-style-type: none"> • Employee Relations – review litigation and H-1-B visa issues • Staffing – plan for temp conversions 	<ul style="list-style-type: none"> • HR M&A manager responsible for overall coordination 	
6	<p>Communications Planning Determine communications strategy, including:</p> <ul style="list-style-type: none"> • meeting(s) • executive participation • newsletter(s) • teleconferences (for remote employees) • gifts, etc., as appropriate 	If available, coordinate with FADV marketing communications director as well as target company counterpart	
7	<p>Form Benefits, HRIS & Payroll Team</p> <ul style="list-style-type: none"> • Review key benefits, HRIS, and payroll facts with appropriate directors • Establish date for converting the target company's payroll and benefits to FADV plans and systems 	Benefits, HRIS, and Payroll directors each designate a "lead" to drive the payroll, HRIS, and benefits conversion process through completion.	
8	<p>Benefits, HRIS & Payroll Planning Meet with regularly with project leads to coordinate:</p> <ul style="list-style-type: none"> • Keying/converting HRIS data • Feed of data to Fidelity Benefits • Preparation for payroll processing 		
9	<p>Benefits & 401k Conversion Plan Meet with Benefits project lead to:</p> <ul style="list-style-type: none"> • Finalize benefits presentation • Determine enrollment cut-offs • Coordinate benefits packet distribution • Determine 401k transition plan -- including handling of loans, if applicable 	<p>Historically, FAC home office has requested that target company terminates their 401k plan immediately prior to acquisition</p> <p>Need to identify person to manage distribution of the target company 401k</p>	



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10	<p>Payroll Conversion Plan Meet with Payroll project lead to:</p> <ul style="list-style-type: none"> Determine conversion schedule and advances, if necessary Plan communications to employees regarding payroll conversion Establish communications between Payroll lead and target company payroll re: garnishments, deductions, withholdings, etc. 		
11	<p>HRIS Data Conversion Plan</p> <ul style="list-style-type: none"> Provide template to target company for capturing employee data that we need to key or convert into our HRIS database 	If Compensation will be conducting Job Matching prior to the acquisition, the HRIS Data Template may also be used for Job Matching data purposes.	<i>HRIS Data Template</i>
12	<p>HRIS Data Input / Conversion</p> <ul style="list-style-type: none"> HRIS Admin keys or converts employee data 		
13	<p>Employee Communications Implement plan, which typically includes:</p> <ul style="list-style-type: none"> Employee Orientation Meeting(s) – including company overview, policy review, benefits overview, welcome packet, gift, and introduction letter Follow-up memo(s) or newsletter(s) 	<p>Review presentation with target company senior management in advance of orientation meetings – in order to promote “buy-in” and avoid any last-minute surprises or resistance</p> <p>Schedule meeting with supervisors and managers as a courtesy ‘preview’ in advance of employee meeting – usually the day or evening before the employee presentations</p>	<p><i>Employee Orientation Presentation</i></p> <p><i>Employee Benefits Presentation</i></p>
14	<p>Employee Orientation Meetings</p> <ul style="list-style-type: none"> Conduct on-site orientation meetings Conduct teleconferences for remote employees, as necessary 	May occur on same day as announcement or subsequent – coordinate timing with exec, legal, and marketing communications depts.	



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15	Benefits Enrollment <ul style="list-style-type: none"> • After closing of transaction, Fidelity distributes benefits packets to employee homes (including COBRA participants) • Employees enroll on-line or by telephone, through standard process 		
16	Payroll Conversion <ul style="list-style-type: none"> • Payroll goes “live” for target company and they see their first paychecks (and benefits deductions) under the FADV system 	Payroll will ordinarily publish a sample check and communication memo to employees in advance of the conversion	
17	HR Policies Go Into Effect <ul style="list-style-type: none"> • Usually on date of acquisition or a specified subsequent date (such as first day of following month, quarter, etc.) 		
18	HR Processes Go Into Effect <ul style="list-style-type: none"> • Roll-out all HR procedures in target company • Example: Hiring process; Focal Point; etc. • Integration schedule is established in conjunction with HR Generalist and HR specialties (Staffing, Comp, ER) • Usually requires either formal or one-to-one training with managers regarding forms, procedures, etc. 	To ensure effective communication, customized memos may be issued to each employee Examples: <ul style="list-style-type: none"> • Written confirmation of their new PTO/vacation balances • Written notification if the FLSA status of their position is changing 	