Mergers & Acquisitions Leverage

Transforming insights into M&A solutions

Vol.4 Issue 1 2015

Risk. Reinsurance. Human Resources.

AON
Empower Results®

Editorial

As we look back on 2015 till date we see that M&A has come into its own across the world but notably in US and Asia Pacific. The United States has witnessed the major chunk of H1 2015 M&A activity with 42.4% of global deal volume, followed by Europe at 26.4% and Asia Pacific at 24%. In fact, growth in deal activity in Asia Pacific was the most prolific at 42% vs. H1 2014.

Asian companies continue to look for a holistic growth approach by strengthening locally as well as internationally. China and Japan lead the way on transaction value in Asia Pacific.

Strong interest in Europe for deals can be attributed to the ECB Quantitative easing and thus the weak Euro in the medium term, a large number of European mid-tier family businesses looking for exits in the coming years as successions to next generation is not happening and large European/US multinational having record cash on their balance sheets that need to be deployed for growth led returns or face pressure to return to shareholders through buybacks.

While this signifies that we are probably in for a strong 2015 from an M&A perspective, but it's important to note that there are significant headwinds in H2 2015 in especially Europe, Middle East and Asia Pacific. Especially as in our view the Greek crisis is far from over and a durable, sustainable and politically acceptable solution still eludes the EU and the Greek government and creditors.

In Asia Pacific, the China slowdown and recent volatility in the Chinese stock market are creating real fears of bubble in the Chinese stock market and core economic indicators are not as robust compared to earlier years.

Even though domestic volume in the Africa and Middle East has fallen, outbound activity has increased as companies look outside in search for growth. Family businesses mostly have been restricted to looking to divest core assets or private capital seeking growth in the Middle East. UAE continues to dominate as the preferred destination for inbound. Saudi Arabia is expected to see the family businesses focus more on their core businesses.

In this backdrop of both opportunity and risk, we thought it pertinent to share insights on few relevant topics. In 'Mastering the Art of Effective Communication for Deal Success' Faiza Khan and I discuss insights of managing strategic communication and its implementation in a post-merger situation.

In the article 'Conquering the Challenges of Chinese State-Owned Enterprises (SOEs) during Economic Slowdown', Michele Lee and Dr. Guilin discuss strategies and tactical initiatives to manage challenges that SOEs in China face today and what we can learn from that.

Javad Ahmed & Vanita Gajria focus on the ways the Middle East family businesses can and are transforming a challenge into an opportunity in 'Shifting Obstacles to Opportunities in Family-Owned Businesses in the Middle East'.

In the article 'Seizing Talent Selection Opportunities During M&A Transactions' Divya Gianchandani and Vikas Verma discuss insights and learnings to maximise return on talent in a M&A transaction especially in complex or challenging environments.

As we look at volatile and uncertainty in the deal environment that 2015 -2016 may bring forth, 'Escrow and Indemnification – A Thing of the Past?', is a piece in which Brian Cochrane, EVP & CO-CEO ASA shares an innovative and unique perspective for clients in managing that risk without engaging traditional capital as in Escrow's & indemnities.

I hope you enjoy the insights in this Issue and that it helps bring some different perspectives to bear as you encounter some of these issues in deals that you are exposed to.

Best regards,

Sharad Vishvanath
SVP & Partner, Regional MD Asia Pacific, Middle East & Africa
Aon Strategic Advisory
sharad.vishvanath@aonhewitt.com

Contents

02

COVER FEATURE

Mastering the art of effective communication for deal success

14

Shifting obstacles to opportunities in family-owned businesses in the Middle East

10

Conquering the challenges of Chinese State-Owned Enterprises during economic slowdown

20

Seizing talent selection opportunities during M&A transactions

28

Escrow and indemnification – A thing of the past?

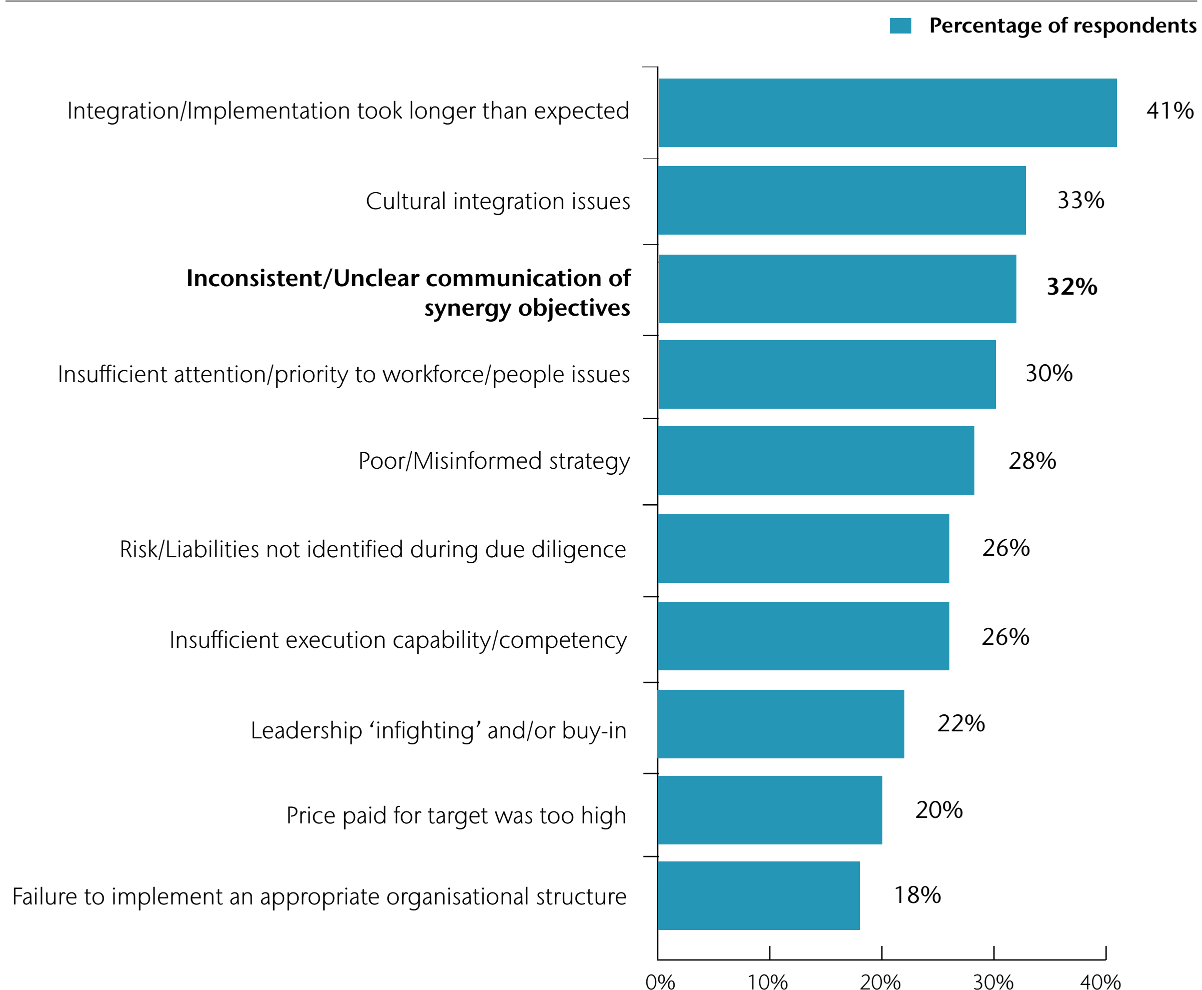
Mastering the art of effective communication for deal success

The glue that holds and drives successful post-transaction goals & integration

The burning platform

Everyone in Business & HR leadership is said to harp on how 'effective communication' is critical to deal success. This comes up consistently in M&A research studies done by various reputable M&A advisory firms. A study done by Aon across more than 150 companies also underscores 'deal communication' as one of the top five reasons for deal success (as illustrated below).

Figure 1: Top 10 drivers of deal failure for cross-border transaction



Source: Cultural integration in M&A, Aon M&A Solutions, 2011

1

Case Study

Client situation

The deal was unprecedented and unique in many ways from their business goal and employee perspectives. Realising the deal value required some hard decisions and rapid implementation to be undertaken.

A number of issues revolved around the lack of a shared understanding of how a communication strategy should be created and how such a strategy should be communicated, e.g., leadership vs. HR-led, mailers vs. face-to-face meetings, etc.

Aon approach

Communication was going to be key to ensure that integration would be smooth and deal goals of business output, productivity, and workforce rationalisation would be met. A structured and transparent communication plan was thus formulated with clear timelines for the employees.

Value and impact

Potential complications due to lack of sufficient or clear communication with employees, which could have jeopardised the deal and integration goals, were avoided.

Let's examine a few vital insights based on our extensive experience and research:

1. Transaction-led situations, such as M&A, have fundamentally different business goals and metrics to define success.

2. These goals, and the ensuing outcomes we want to drive, will very often differ according to function, geography, or business divisions, as each may be impacted differently.

3. We need to hardwire the communication strategy, plan and implementation (tools & support) to the integration strategy, business goals and, if applicable, a staggered integration plan across either geographies or functions.

Once we have set out in detail the applicability and implications of the above to the particular deal situation, we then recommend and establish some guiding principles on communication that have proven to be very effective in consistently driving successful deal outcomes. A few guidelines that we have found to be universal across sectors, deal sizes, and geographies are outlined here:

A. Communicate what certainties you can or communicate a plan to get clarity on other aspects, but communicate clearly and quickly.

B. Endeavour to strongly link/tailor communication strategy and implementation to:

   a. the overall integration plan and objectives

   b. each legacy entity's needs

   c. specific integrating functional needs

C. View the problem and outcomes from the employee's viewpoint and prioritise accordingly.

D. Use different modes of communication i.e., emails, banners/posters, intranets, town halls, manager meetings, and face-to-face meetings, as appropriate for the message.

E. Strongly 'brand' the communication initiative to improve recall, credibility, and effectiveness.

F. Business should lead this initiative from planning to implementation with HR supporting it (and not the other way around).

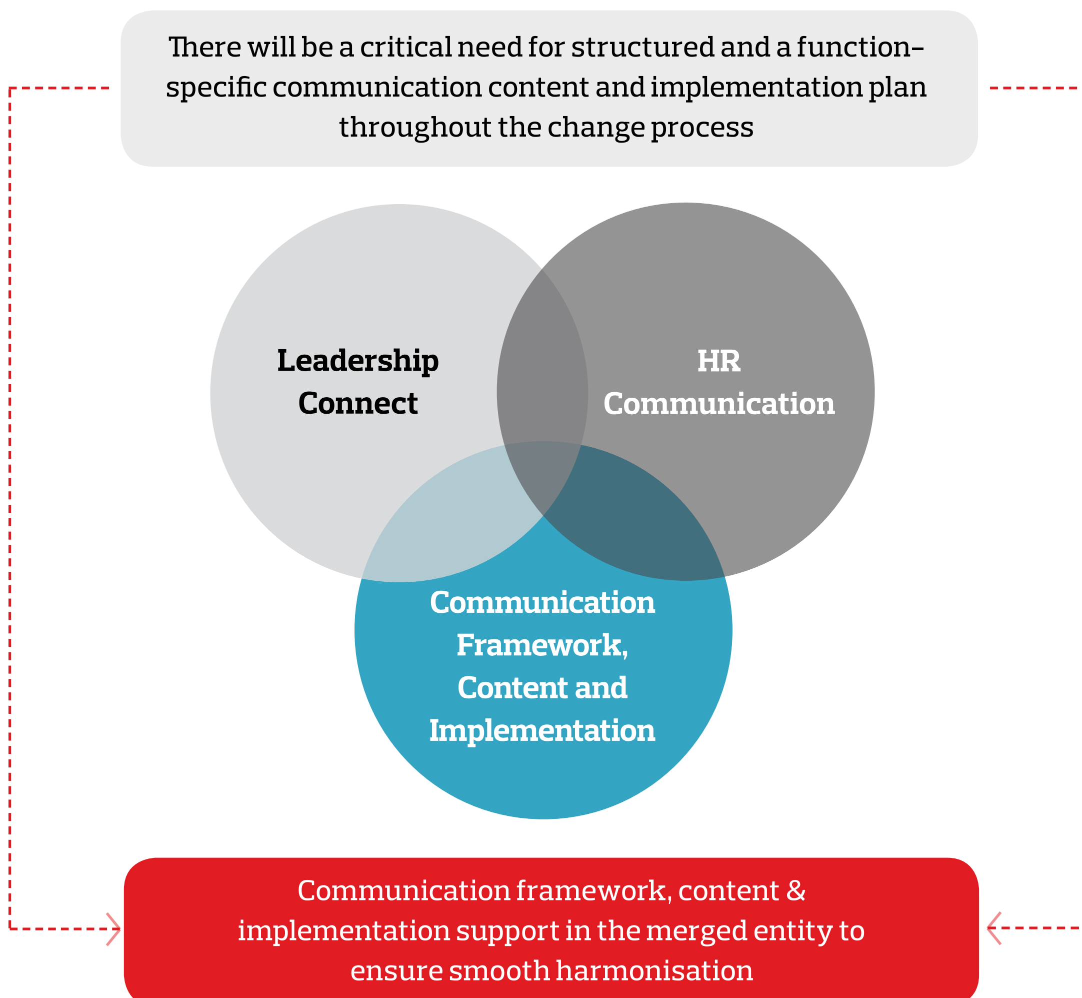
Unpacking the problem

Driving 'effective communication' may sound simple, but in reality can be fairly complex, if you do not understand the exact contours of the problem as applied to your organisational and deal context.

We surfaced an 'effective communication' issue in an integration project a client was running across more than 15 countries in the Asia Pacific region. The communication plan created by the company failed to deliver a clear employee value proposition with respect to what changes employees should expect once they were on-boarded in the new company. There was also no communication created for Day 1 for the acquired employees. Not knowing what to expect would have caused employees' anxiety as well as entropy in the system. Smart clients realise this can be a big issue and make efforts to ensure that Day 1 is not disruptive, thus retaining employee productivity and ensuring that value-preserving, short-term goals are not impacted negatively.

Hence, the key is to have the right framework to unpack the problem and then to prioritise initiatives that will drive maximum impact. It is then critical to craft and execute the right steps to realise success factors and derail risks.

Figure 2: M&A communication framework



It is more important to communicate the sequencing of prioritised elements than having the best communication strategy, plans and teams.

A key insight we have gained from running more than 1,000 transactions over the past few years is that the right sequencing of prioritised elements should be communicated, and the way those elements are communicated, is sometimes more important than having the best communication strategy, plans and teams. We have shared below a very simple, intuitive, yet incredibly powerful framework called the 'M&A Needs Hierarchy Prioritisation Matrix.'

Figure 3: M&A Needs Hierachy Prioritisation Matrix

Let's examine this 'Needs Hierarchy' in a bit more detail. After a merger, acquisition, joint venture or divestiture takes place, an employee needs clarity on those existential and motivational aspects that foster excitement and strongly align merger goals with the picture of an exciting future. These are as follows:

i. The first and most important thing in the mind of the employee is: **Does he/she have a job or not?**

ii. If yes, their 2nd need is to get clarity on what will be his/her going-forward role, title, and who will be **his/her reporting manager.**

iii. The 3rd rung on the hierarchy revolves around **going-forward rewards, i.e., pay, benefits and work location.**

iv. The next level of concern will be about **future career prospects and comfort within a new organisational culture,** which can lead to either excitement or friction.

v. The final need will be their **understanding, credibility, and personal alignment to the customer and the firm's goals as a result of the merger,** which will fundamentally drive some of the needs discussed above.

This approach is powerful because it views the problem and the sense of urgency from the eyes of the employee. The critical thing to bear in mind is that when it comes to communication success, the receivers' (in this case, the employees') views and priorities are paramount. The organisation's communication plan and content should reflect these. Otherwise, even the best-laid communication plan will fail. Most clients tend to completely miss this and then wonder why, despite following a structured process, their communication initiatives failed.

2

Case Study

Client situation

In a large 20,000-employee-integration exercise recently, we helped surface a significant gap between what management thought and acted on to drive a smooth integration, when compared to what the employees' concerns and uncertainties were about the integration. Failure to close this gap would have led to significant employee dissonance.

Aon approach

Catching this early, we created a prioritisation matrix, checklist of FAQ's and a manager's handbook. Certain key questions were answered to drive alignment and emphasise the view of the 'employee as a stakeholder':

1. What are the goals of the deal? What do we intend to achieve from this deal?
2. How will a destination organisation structure be created for my business unit/vertical?
3. What role can I play to make this merger successful?
4. How will my grade be determined in the new entity?
5. How do I address the insecurity building up among mid- to senior-level staff. What is the proposition I make to the employees?

Value and impact

This approach helped to bridge the gap and resulted in a course correction, which led to significantly smoother employee integration.

The structure of the right communication solution

Now let's look at some fundamental steps that will allow you to unpack and address this problem in an adequately detailed way. This exercise will allow you resolve the issues and risks that would derail the success of your communication initiative.

1. Understand the success factors and needs from ***businesses, functions & employees.*** Focus on the business's and function's integration strategy, goals and challenges.
2. Embed these into a communication strategy and plan ***while clearly articulating how that solves the issues and mitigates identified risks.***
3. Design robust communication plan, collateral and tools as needed, ***keeping the above risks and outcomes front and centre.***
4. ***Execute the implementation plan in close partnership with business & employees,*** while making business front end with employees.

After following these steps and applying the frameworks outlined above, we now need to get 'into the weeds' of the planning and come up with the right detailed communication plan to answer these detailed questions shown in Figure 4 below.

These guidelines, solution structure and action steps, applied in conjunction with the following framework, will yield a simple, detailed, and very effective communication plan. Such plans are much easier to roll out, monitor, and measure for success using HR and business metrics.

Figure 4: Fundamentals of change communication framework – Questions to be answered

Questions	Answers
1. Why are we communicating?	• Business/Function and employee needs • Business/Function-wise integration roll out plan
2. Who communicates?	• Leadership • Managers • HR
3. How does the communication happen?	• Written: Email, servers, posters, intranet, etc. • Face-to-Face: Townhalls, group meetings, etc.
4. Who owns the communication process?	• Business • HR • Hybrid core team
5. What is being communicated?	• Message • Impact
6. What are the competencies communicators need to exhibit?	• Functional • Behavioural

3

Case Study

Client situation

During a merger, a large technology client faced difficulties in managing the people and operational risks related to the merger.

Aon approach

A structured communication and on-boarding plan was designed and implemented that included multiple prongs, such as:

- Handbooks
- FAQs
- Shared drives
- Helplines
- Town hall meetings: Local Townhall meetings conducted by in-country Business and HR Leaders, who advised employees on what aspects would or would not change post transition.
- HR Command Center: A one-stop shop set up from Day 1 to Day 14 to answer any employee queries posted via email and helpline in real-time, thus expediting all employee-requested clarifications.

Value and impact

The merger was completed without any misses. The Day 1 transition was smooth for all 14 countries in the Asia Pacific region.

In conclusion, **Mastering the Art of Effective Communication for Deal Success** will typically be complex, but is not rocket science. It can be done successfully with well-thought-out planning and execution, as many of our M&A-seasoned and sophisticated clients have proven.

Written by:

Sharad Vishvanath
SVP & Partner, Regional MD Asia Pacific, Middle East & Africa
Aon Strategic Advisory
sharad.vishvanath@aonhewitt.com

Faiza Khan
Consultant
Aon Strategic Advisory
faiza.khan@aonhewitt.com

Conquering the challenges of Chinese State-Owned Enterprises during economic slowdown

Due to China's economic slowdown, the state-owned enterprises (SOEs), both centrally- and locally-administered, are suffering from declining sales and profits, alongside increased liabilities. This adds to SOEs' operating difficulties and highlights their chronic mismanagement issues.

Since the 1990s, China's SOEs have been in persistent pursuit of expansion, aiming to rank in the Fortune Global 500. Through their investments, mergers and acquisitions both domestically and overseas, a legion of China's SOEs have realised this goal, thereby achieving the original purpose of scale expansion.

However, because of their lack of core technologies and weak market competitiveness, when the global economic crisis struck in 2008, they suffered a slowdown in growth, a drop in economic efficiency, and huge losses. This was compelling proof that a strategy based solely on expansion was a futile pursuit. The SOEs' current challenges can be attributed to the following causes:

- **Dominant presence in the domestic market.** Private enterprises have expanded their competitive presence internationally and grown rapidly. SOEs, however, have not been motivated to globalise their operations and have been unwilling to take risks. By focusing on and dominating the domestic Chinese market, SOEs have deepened their presence and experience in the local market and thereby reaped huge profits.

- **Emphasis on accumulating tangible assets to the neglect of intangible assets.** Many SOEs focus on the management and integration of tangible assets of newly acquired companies, while they neglect the integration of intangible assets, such as human capital and corporate culture. Yet those intangible assets play an important role in boosting competitiveness, creating profits, and realising goals in an acquisition.

SOEs have not incorporated innovation into their DNA. Instead, private enterprises are leading business innovation in the Internet Age. Baidu, Alibaba and Tencent have enjoyed rapid growth and are experiencing huge successes due to the large vacuum in market innovation in China. SOEs' lackluster attempts at technological innovation and management-model innovation, along with weakening core capacity in the absence of technological strength, are inherent obstacles to the future expansion of SOEs.

Management concerns for SOEs

Areas in which SOEs are lacking are:

- **Lack of innovative drive.** While private enterprises innovate to retain vigor and remain competitive, SOEs are not as motivated due to limited competition.

- **Lack of experience.** Compared to those foreign enterprises that have lasted for hundreds of years, SOEs are still in an initial phase of technological development. Sometimes, SOEs find it more rewarding to introduce mature technologies from abroad than to develop these seemingly 'risky' technologies themselves.

- **Lack of long-term R&D investment.** Some SOEs increased their investment in innovation, but retreated soon after, when no immediate results were in sight. There seems to be a lack of understanding and acknowledgement that innovation is a long-term process, which requires sustained input and know-how accumulation to achieve breakthroughs.

- **Lack of strong leadership** has long been a prominent issue in SOEs. Institutional constraints and inadequate incentive systems impede the growth of entrepreneurs and the performance of SOEs during a downturn in the economic cycle.

- **Decision-making process.** The majority of SOE decision-makers are appointed directly by the government. Since a higher position-holder is likely to have greater power and resources, a wrong decision by the leader can plunge the whole enterprise into a predicament, and also put the leader personally at risk. As a consequence, SOE leaders are inclined to be over-cautious and over-conservative.

Management concerns for SOEs

- *Lack of innovative drive*
- *Lack of experience*
- *Lack of long-term R&D investment*
- *Lack of strong leadership*
- *Decision-making process*

Human resource management concerns of SOEs

- *Structural workforce issues – redundancy*
- *Inadequate incentives and indistinct rewards mechanisms*
- *Lack of objectivity and a fully flexible talent selection mechanism*

- **Limitations of incentive mechanisms.** While the current salary ceiling is of great significance in achieving equality, it often weakens leaders' initiative and motivation to pursue excellence and perfection.

Human Resource Management concerns of SOEs

In addition to the management concerns, SOEs also face challenges in the following areas of human resources:

- **Structural workforce issues – redundancy.** SOEs tend to shoulder more social responsibilities. Regular employees in SOEs are state-employed and retain their jobs as long as they are deemed faultless. Consequently, low-caliber talents have been hired into the SOEs, thus obstructing the recruitment of higher-caliber talent.

- **Inadequate incentives and indistinct rewards mechanisms.** Compared to private enterprises, SOEs lag far behind in compensation and other material incentives. SOEs lack a rational compensation structure that links payment with employees' performance. Inadequate incentives and indistinct reward mechanisms weaken employees' initiative, which in turn leads to inefficiency in the enterprise and brain drain.

- **Lack of objectivity and a fully flexible talent selection mechanism.** Leaders may select and promote employees on a whim, which results in the risk of incompetent managers holding key positions. Seniority-based promotions, made at the expense of brilliant performers, serve to reduce engagement levels.

China's current macro-policy aims to shake off structural and cyclical economic problems by adopting pragmatic domestic economic policies in conformity with global economic development standards. Such economic reforms will influence the management and growth of SOEs.

1. **The objective of enterprise development will shift from the pursuit of 'scale' to that of 'strength', i.e., competitiveness.** SOEs will shift their strategic management focus toward making profits. Consequently, many SOEs will restructure their operations to optimise the potential of their industrial capabilities. Many SOEs will emphasise business model and technological innovation in order to achieve breakthroughs in key technical equipment, enhance their enterprise's strength, and reinforce their core capacity. Those enterprises following market trends and executing sensible practices will adapt and survive in the economic transition; those sticking to the old established rules and practices will be phased out by the market, despite their grand scale.

2. **SOEs' globalisation strategy will become more challenging.** In recent years, the failure of some SOEs in expanding into overseas markets has weakened their general confidence in overseas investment and expansion, mergers and acquisitions abroad. Consequently, these SOEs will be more conservative in exploring foreign markets. An upturn in America's economy and the stabilization of Europe's economy may further increase their wariness of investing abroad and so the internationalisation strategy of SOEs may enter a phase of slow growth.

3. **The SOEs' structure and SOEs' internal management will not undergo rapid reform.** Diversified ownership of formerly state-owned enterprises currently is under cautious experimentation. The performance of recent public-private partnerships has been mixed, and private investors have become more prudent based on their experience.

   The internal management reform will also proceed slowly without adequate motivation from the executive level. Changes in the incentive system to address this issue are unlikely to occur in the near future.

In short, in the process of China's economic cycle, the SOEs are plagued with both internal and external issues:

The external issue of 'non-opening'. The sustained growth of the US economy and the stabilisation of Europe's economy in recent years have increased the difficulty SOEs face in investing in foreign companies. SOEs are passive in global competition as they lack an understanding of global operations, culture and management style.

China SOEs can overcome the internal issue of 'non-opening' by:

- *Slow their outward expansion and focus more on their internal growth.*
- *Wake up to the crisis that confronts them.*
- *Undergo a transition from leader-led innovation to grassroots innovation.*
- *Reform their current evaluation mechanisms to encourage greater tolerance of error.*
- *Establish and improve a rational performance evaluation system.*
- *Establish a comprehensive human resources system with a distinct reward and recognition mechanism.*
- *Implement a fair, open and transparent recruitment process.*
- *Establish a talent development system.*
- *Consider market-related factors in the selection and management of enterprise operators.*

The internal issue of 'non-opening'. The inherent conservatism of SOEs over the years has curbed human resources development, stifled innovation, and weakened their competitiveness. SOEs need to:

- **Slow their outward expansion and focus more on their internal growth.** An innovative culture and reform in human resources management could play a significant role in their development and strengthening their competitiveness, both at home and abroad.
- **Wake up to the crisis that confronts them.** Experiments in diversified ownership should continue in order to enhance SOEs' market competitiveness.
- **Undergo a transition from leader-led innovation to grassroots innovation.** Private enterprises often take the pulse of the market through their front-line employees. In contrast, SOEs take an estimate of the market from their top-level leaders, which they then convey down the hierarchy of the enterprise, thus incurring inevitable delays and information errors. SOE leaders need to open direct communication channels with employees to ensure clear communication between leaders and grassroots employees.
- **Reform their current evaluation mechanisms to encourage greater tolerance of error.** Innovation is a long, continuing process that requires long-term investment and know-how accumulation; such efforts will inevitably result in some failures along the way. Therefore, tolerance of failures is a prerequisite of innovation in order to produce real output.
- **Establish and improve a rational performance evaluation system.** Only through a fair and just evaluation of staff efficiency can their contributions be confirmed, working procedures improved, and innovation inspired. Competition should be instituted within the enterprise to tap staff potential and achieve the overall objectives of the enterprise.
- **Establish a comprehensive human resources system with a distinct reward and recognition mechanism.** The aim is not only to ensure employees' job security, but also to improve employees' productivity and commitment to the organisation.
- **Implement a fair, open and transparent recruitment process.** SOEs should establish a full-range recruitment mechanism, where the recruiter is not just the immediate superior of the potential recruit. Managers from higher levels should also be included in this process to prevent the possibility of the recruiter hiring personnel with lesser capability.
- **Establish a talent development system.** The organisation should have effective talent management and retention programmes. Moreover, an assessment of how managers cultivate their subordinates should be taken into consideration when determining their performance.
- **Consider market-related factors in the selection and management of enterprise operators.** In the selection, cultivation and employment of talents, SOEs should integrate the Organisation Department's examination of their political caliber and the board's evaluation of their competence and performance. Hierarchy-oriented consciousness can be weakened by converting the current mechanism of superiors' appointing leaders to a process whereby recruitment is public and selection is based on market supply and demand.

Written by:
Michele Lee
Global Partner, Aon Hewitt
Head of Greater China
Aon Strategic Advisory
michele.g.lee@aonhewitt.com

Dr. Liu Guilin
Senior Economist of Baosteel and Adjunct Professor
East China University of Science and Technology

Shifting obstacles to opportunities in family-owned businesses in the Middle East

Much has been written about family-owned businesses; their contribution to the economies of the countries where they operate, the challenges they face, the way they are managed and most importantly, their future. Despite current challenges, family businesses in the Middle East have continued to grow and diversify, to the extent that they now compete with large global corporations.

As family businesses moved from their infancy to their adolescence, they were run on traditional models of parochialism, informal decision-making, and tacit knowledge. The context has shifted now that many have achieved a magnitude wherein this modus operandi is no longer efficient. Additionally, there are 'new sheriffs in town' – technology and globalisation – that present new challenges.

The forces of technology and globalisation have changed how business is conducted, as well as the quality and volume of information available to business leaders, customers, and employees alike. On the human capital front, improved access to information has also impacted talent sources and affected workforce mobility and demographics, especially in terms of employee diversity.

The landscape has now changed to a level playing field, wherein the reach of business is no longer limited by geographic or other boundaries. Family businesses in the Middle East and elsewhere that have not historically had to keep abreast of external developments now need to catch up and compete more aggressively. The rate at which they are able to do this will affect and dictate the way these businesses think, operate, thrive, survive or fail.

Obstacles of family-run businesses
According to the Family Firm Institute, family-owned businesses contribute 70-90% of the annual global GDP[1]. In the Middle East, 80% of businesses are family-owned, family-run or family -controlled[2] and make a significant contribution to the overall economy.

The success of these organisations has far-reaching consequences. It is as much in the interest of the business ecosystem, as it is of the family itself that family businesses avoid an existential crisis and function profitably.

[1] http://www.ffi.org/?page=globaldatapoints

[2] Middle East Family Business Survey Key Findings, PWC, 2014

Profitability requires agility in thinking, openness to embracing new ways of doing business, and efficient management processes. Globalisation has removed geographical boundaries; family-owned companies now find they are competing with multinationals and other family businesses based all over the world, who are selling to their customers, and encroaching on their turf.

Why are some family businesses thriving while others are struggling to survive? External factors that prevent growth include the political, economic, social, technological, legal and environmental challenges that every business faces. Family businesses, with their entrepreneurial flair, are typically adept at coping with these external factors, exploring new opportunities, discovering new markets, providing niche services, and creating a place for themselves.

The most significant challenges that family-owned businesses face are in fact internal. Overcoming these internal challenges will determine whether the business will remain competitive and relevant. While these challenges are not exclusive to family businesses, they are more pronounced in them because of their unique emotional, power, decision-making, and operating dynamics. These factors must be given attention to ensure solutions are viable and practical.

Successful family-owned businesses are those that have refined processes, are able to attract and retain the best talent, are strategically focused, and aggressive in executing their goals. They have taken steps including building capability, either through hiring non-family members in leadership positions or grooming family members, and implementing structural processes and changes to ensure the business runs profitably.

Family-owned businesses need to *shift* their focus from current obstacles to future opportunities:

- **S**uccession and exit planning
- **H**olistic management
- **I**nnovation
- **F**orward thinking mindset
- **T**alent management

1) Succession and exit planning

Most family-owned businesses do not have an established succession plan in place. It is an uncomfortable and emotional topic, evoking issues of mortality and ownership. As families grow in size, first-generation owners are less visible to younger family members. At the same time, younger family members are more removed and often have different ideas about how the business should be run. Factors around succession planning, especially family dynamics, can be addressed through formal or informal mentoring programmes, where family members gain gradual exposure to the business from the ground up, and owners spend time passing on their experience.

This is also important from a knowledge management perspective. Decision-making in family-owned businesses is usually centralised; owners rely heavily on key people who have a great deal of knowledge about the company. A succession plan will ensure continuity of ownership and management, better knowledge transfer, and greater bench strength of the next generation of leaders. It will ensure that knowledge is shared and retained within the organisation instead of residing with just a few individuals, reduce overdependence on key personnel and will create a pipeline of qualified individuals to take over.

If a lack of interest, ability, or negative family dynamics precludes family members from taking over, then owners should consider appointing and grooming non-family members to take over the business. Before a successor can be chosen, owners need to provide managers with opportunities and guidance to take risks, make decisions, and slowly build trust in the decision-making abilities of their managers and employees.

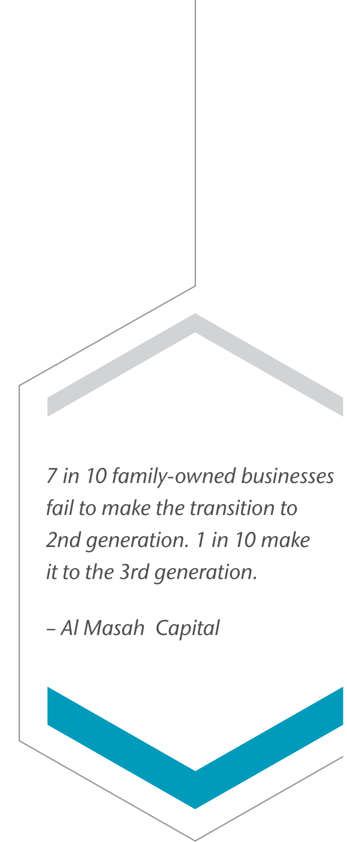
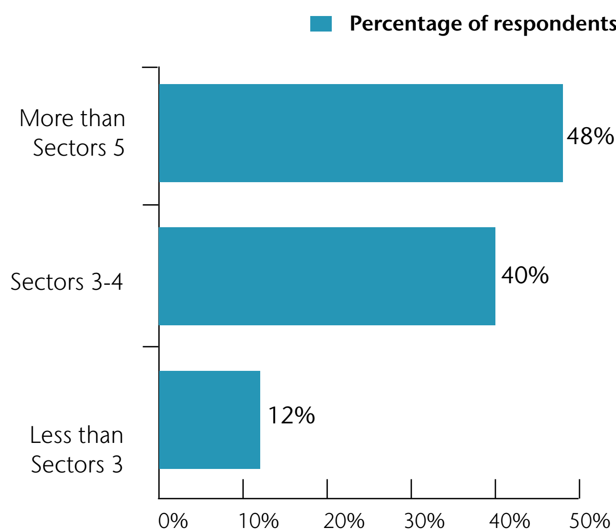
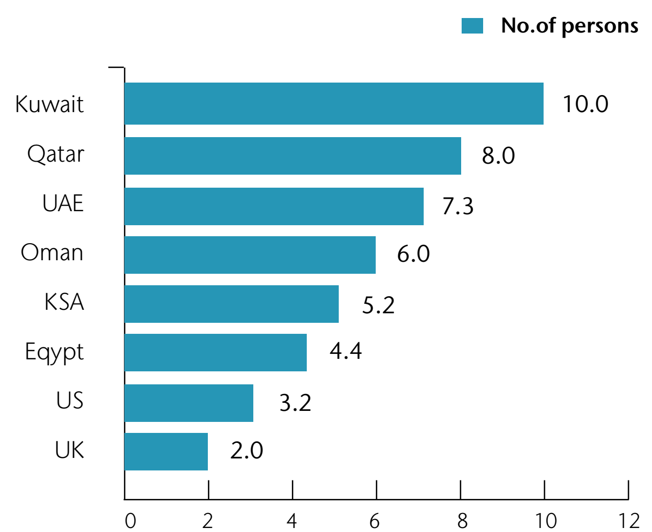


Figure 1: Middle East & North Africa (MENA) family businesses are highly diversified



Source: Booz and Company

Figure 2: Average family size is quite large in the Middle East & North Africa (MENA)



Source: Dow Jones, Ithmar

2) Holistic management

Holistic management is moving towards compassionate capitalism, realising that people come before profits and that reputation impacts revenue. The unique selling proposition of family-owned businesses is the family atmosphere and the personal touch the owners bring to the business. The owners generally bring their values into the business and make an effort to know their employees personally.

As the business grows, this personal touch can be lost, so owners and managers need to make greater efforts to ensure it remains. Large, international companies are trying to emulate the model that family businesses have followed for a long time. Events involving family members such as recreation events and making time to connect with people help maintain a holistic approach towards work.

Another element of holistic management is participating in philanthropic efforts and contributing to the community. Since family-owned businesses are homegrown, there is a level of attachment and sense of responsibility towards the country and community that support and patronise them. Efforts to maintain that will go a long way towards making a difference, and creating a sense of community in an increasingly impersonal world. With the increased focus on nationalisation in most Middle East countries, this is even more relevant.

3) Innovation

The challenge in this case is firstly making owners and their employees see the value in doing things differently and secondly, learning how to do things differently.

As competitive pressures have increased, family-owned businesses may increasingly find that the products they are trading are obsolete, the number of new players has increased, access to information has impacted customers' requirements, and relationship dynamics are different. They need to have greater agility to respond to these changes and realise that the way something is done is as important as what is done.

An environment that promotes innovation in processes can create a competitive edge; one that is supported by easier access to technology can be leveraged for efficiency and transparency in processes. Freeing time through a shift from transactional to strategic, value-added activities is an important key to success.

Family businesses need to take steps to fairly assess the skill sets of employees and establish merit-based, equitable pay, promotion and development opportunities to attract, retain and develop the best talent in an increasingly competitive environment. Efficient and equitable human capital practices will enable family-owned businesses to build an effective employee value proposition. Combining robust structure with the values of a family-owned organisation holds the potential to become an employer of choice, offering fulfilling careers and a personal touch.

4) Forward thinking mindset

This is one of the most significant determinants of success and probably the hardest one to overcome. Most owners are aware they need to promote a mindset among employees that ensures their business maintains its relevance in the market. This includes more structured processes, better systems, more strategic planning, and greater responsiveness to change. However, awareness does not necessarily translate into action; change in family-owned businesses is often hard, slow and painful, stemming from resistance. In addition to the innate fear of the unknown, owners find it hard to accept that the approach that has led to their current success, will not guarantee success in the future.

The fact that employees and leaders of family-owned businesses often have limited experience outside their organisations, having traditionally risen through the ranks, means both can be resistant to new approaches. In fact, varying levels of education and lack of awareness of technological, structural progress and their value, can lead to active disruption of change efforts. In turn, employees of family-owned companies can be frustrated that change initiatives tend to be superficial, rather than core and systematic.

Owners can leverage the influence of key leaders by demonstrating a forward-thinking approach at the highest levels. By promoting and rewarding this kind of behaviour, leaders influence employees, and drive the direction of the organisation. Change in any organisation comes from its leaders, and unless leaders have a desire to change and perceive tangible benefits, the status quo is likely to continue.

5) Talent management

Family-owned businesses now operate on a level playing field, competing for talent across geographies and industries. If they are to grow, they need to attract the right people at the right time in the right place and have structured processes for managing them.

The ethos in most family businesses has not historically been built on a performance culture. Their people, rather than position-based structures result in positions being filled on the basis of factors such as length of relationships, trust factor, and family dynamics. Recruitment, rewards, performance management and development structures are halfheartedly implemented or nonexistent.

The history and personal relationships owners have with employees and family members make it difficult to implement changes. For example, when family members or long-term employees are not performing, it is troublesome to remove them from the company.

Also, depending upon the relationship, disciplinary and performance improvement measures may not be applied consistently for non-performing employees. Complacency and lack of accountability are common issues that plague family-owned businesses; often employees continue working till retirement, regardless of their performance.

From the perspective of employees, inequality in terms of compensation, promotions and training opportunities signals a lack of fairness. This in turn affects engagement, productivity and retention, making it difficult to attract and retain talent and develop the knowledge, skills and abilities required to grow the business profitably.

Obstacles to opportunities

Despite the challenges discussed in this article, family businesses in the Middle East are at an exciting phase in their evolution. They have seen success, growth and diversification into new markets, have faced the challenges of increased competition, and weathered the global financial crisis. There is a realisation that the enigmatic and successful founders at the helms of these organisations need to plan for leaders to drive future growth.

Using the tools highlighted in this article, this new generation of leaders can turn obstacles into opportunities through increased agility and dynamism, and continue to play a role in shaping the business landscape of the Middle East.

Written by:

Javad Ahmad
Associate Partner & VP, Middle East, Turkey and Africa Head
Aon Strategic Advisory
javad.k.ahmad@aonhewitt.com

Vinita Gajria
Consultant
Aon Hewitt Middle East
vinita.gajria@aonhewitt.com

Seizing talent selection opportunities during M&A transactions

In Aon's M&A Study[1], we found that fewer than half of all companies (49%) reported their leadership and key talent strategy as being 'effective/very effective' in identifying, selecting, retaining, motivating and developing leadership and key talent in deals. Even more telling is that studies indicate the failure rate of M&As hovers above 70%.[2]

One could argue that one of the key reasons for such failures is not having a rigorous and systemic approach to address human capital issues over the course of a deal. In fact, our study reveals that a top human capital challenge faced by companies is that they do not have the right leaders and talent in place to successfully drive transaction objectives and sustained performance.[2]

Based on Aon Hewitt's research and vast experience in supporting clients as they execute deals, we explain here some fundamental missed opportunities in 'talent selection' during transactions and how to capture them.

1. Set talent selection focus early during due-diligence stage

Nearing deal close time, most M&A deal members will not deny the overwhelming pressures and anxiety involved in any decision-making. The most commonly heard statement is 'There isn't enough time to adopt the ideal approach.' Not surprisingly, the eventually agreed-upon approach is sub-optimal.

Having observed many successful integrations and some unfortunate failures, we realise that a critical missed opportunity is not focusing on talent selection planning early enough in the deal timeline. Planning for talent selection must start in the pre-due-diligence phase, as this sets the very foundation for the rigour to be adopted through subsequent phases.

[1] The Big Idea: The New M&A Playbook, Harvard Business Review, 2011, https://hbr.org/2011/03/the-big-idea-the-new-ma-playbook

[2] Aon Global M&A Survey 2010

CASE **SAMPLE 1**

At an American multinational conglomerate, the deal team members are already familiar with leadership competencies and assessment tools, since they are appraised by and evaluate their direct reports using these same tools. The set protocol is for this team to gather assessment inputs from a very early stage through interactions with the target's leadership team. One caveat, though, is that such inputs are highly dependent upon the quality of such interactions.

Assessments may vary by deal, and even within a deal by individuals, depending upon:

(1) Number, nature and duration of the interactions, e.g., extensive interactions by multiple team members vs. a short interface by one member

(2) Timing of the interactions, e.g., assessments made later in the deal process are invariably based on better information than those made earlier on

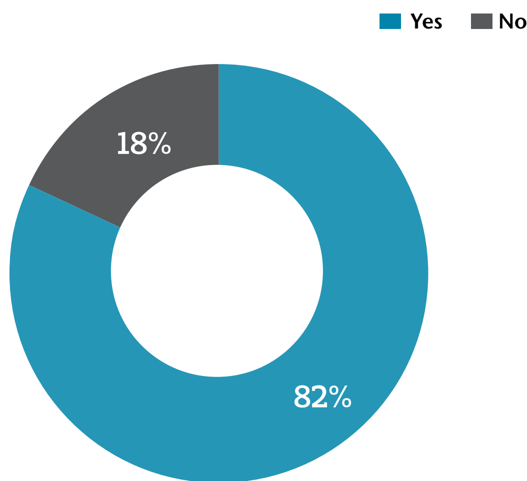
The company views the process as evolutionary, with early assessments getting refined over time. Clearly, a good understanding of the assessment approach within the deal team and a very early start at pre–due diligence would advance the company's successful talent approach.

2. Define forward-looking leadership competencies

We know from the Aon Hewitt 2014 Top Companies for Leaders Study (TCFL) that during times of significant change (even more so in transactions) the number-one driver of workforce engagement is leadership. Selection of the right leaders is a pivotal first step.

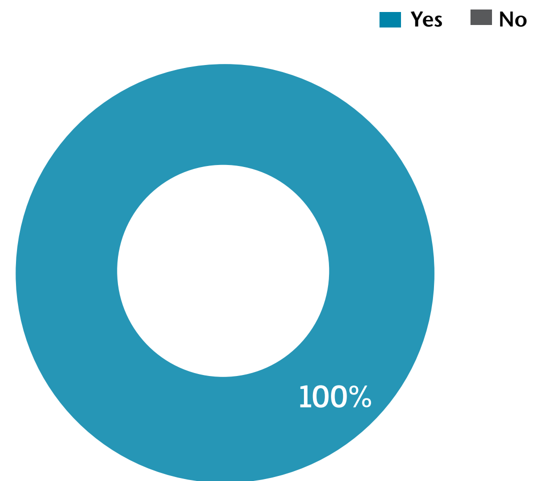
Our study shows that 100% of participating organisations have a formal leadership competency model in place. All leading companies use leadership competencies as the basis for any leader identification, assessment and development intervention.

Figure 1: Are leadership competencies the top criterion in identifying, assessing and selecting leaders? (% of respondents)



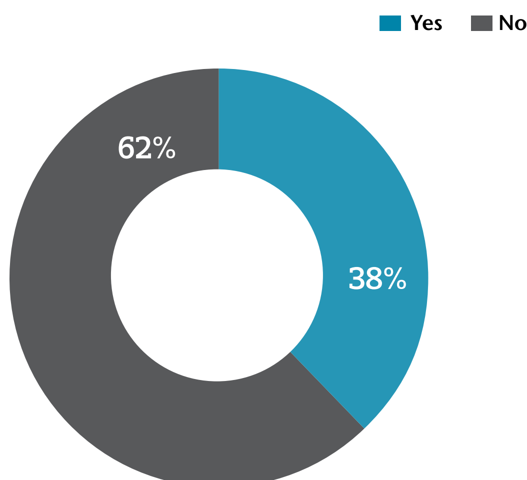
Source: Aon Hewitt Top Companies for Leaders Study (TCFL), 2014

Figure 2: Organisations having a formal leadership competency model (% of respondents)



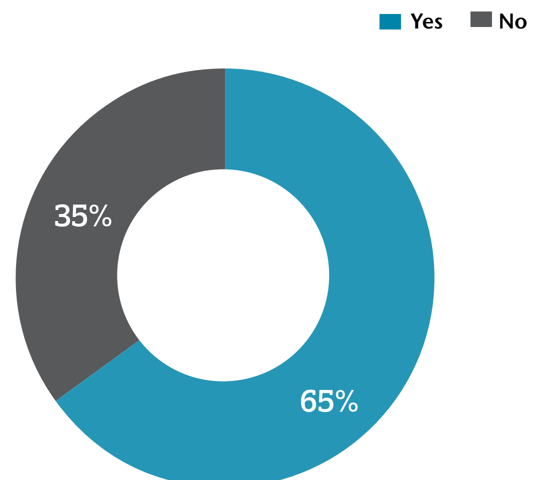
Source: Aon Hewitt Top Companies for Leaders Study (TCFL), 2014

Figure 3: Does your organisation have a specific strategy/approach for a formal leadership competency model in transactions? (% of respondents)



Source: Aon Global M&A Survey 2010

Figure 4: Does your organisation always/almost always follow the formal leadership competency model in transactions? (% of respondents)



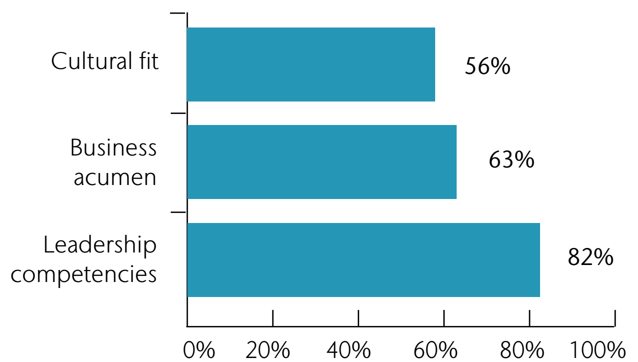
Source: Aon Global M&A Survey 2010

Even in our Global M&A survey, companies cite the criticality of leadership competencies as the foundation for leader identification and assessment, but few companies use such an approach during a deal. While 82% of organisations said that leadership competencies were a top criteria when identifying, assessing and selecting leaders and key talent, only 38% reported having a specific strategy and approach for a formal leadership competency model in transactions. Of those employing a specific approach, only 65% reported using it 'always/ almost always'.

It could be argued that without a clear definition of high-performing leaders' attributes that is linked to deal goals and organisational go-forward context, companies will not have the right leaders and requisite talent in place.

Participating organisations in the Aon Global M&A Survey reported that their top three priorities when identifying, assessing and selecting leaders and key talent during a deal are leadership competencies, business acumen and cultural fit.

Figure 5: Top three criteria when identifying, assessing and selecting leaders and key talent



Source: Aon Global M&A Survey 2010

CASE **SAMPLE 2**

a) A multinational conglomerate uses the same leadership assessment tools and competency model for an acquisition target's employees that they use in their annual leadership performance appraisal process. Even in situations where the target's own existing assessment process is strong, the conglomerate considers the target's past assessment information in the initial deal phase, while assessing target employees according to its own competency model. Their data thus establishes how these employees will perform in the 'new environment' on the competencies that matter to the conglomerate, rather than how these employees performed in their 'old environment'.

b) In another instance, a global **Banking, Financial Services and Insurance (BFSI)** organization partnered with Aon Hewitt to draft a new competency framework for a merger deal. These competencies were grounded in the post-merger strategic drivers and goals, with an emphasis on 'change management' competency to navigate smoothly through all the transformational changes planned. Further consideration was given to the new entity's desired cultural requirements. Although the organisation already had a competency framework in place, undoubtedly their existing competencies would prove irrelevant, given the merger goals and combined entity's go-forward strategic direction.

3. Ensure rigour in assessment approach

As with any talent assessment approach, even during an M&A, it is important to ensure that the assessment approach adopted will meet all desired objectives. Some insights as to what Top Companies (TCFL 2014) do differently to ensure robust, accurate assessment inputs are:

- **Tailored assessment tools:** Instead of taking a generic, one-size-fits-all approach for mass assessments, Top Companies increasingly employ customised tools for evaluating different employee groups, thus gaining accurate information for each group.
- **Assess and align for culture fit:** Top Companies use assessments based on performance and potential and also consider individual personality alignment to the aspired organisational culture and strategy.
- **Assessment tool robustness:** Top Companies deploy robust, multifaceted assessment tools to ensure accurate outcomes. Greater emphasis is placed on the quality and validity of both the tools deployed as well the assessors engaged.
- **Make assessments all-pervasive and not limited to only senior levels:** In Top Companies, assessments of behaviours and values are conducted more frequently across all levels. This helps companies create a capability map of the entire talent population and allows them to design the necessary developmental interventions needed to bridge skill deficits.

CASE **SAMPLE 3**

In a merger of two subsidiary companies in Asia Pacific, Aon Hewitt partnered with both organisations to conduct assessments for the top-three employee layers. In selecting this assessment approach, a major priority was to have an objective and independent selection process that would support the building of a performance-based culture in the new entity.

Previously, this organisation had conducted talent reviews using their existing internal company approaches. Interestingly, the high-potential employees identified by Aon Hewitt were quite different from those identified previously using their respective internal approaches.

On further study, the company shared that this internal approach led to the same results each time. Those with higher service years were consistently selected due to an internal bias towards seniority, hence inhibiting accurate identification of the high-performance/potential pool.

CASE **SAMPLE 4**

In the case of a BFSI merger in Asia Pacific, Aon Hewitt helped the client construct a structured and fair process for assessment and selection based on specific employee group needs and sensitivities involved. This was further supported by a rigorous communication workstream to ensure successful implementation of assessments.

Levels	Selection Needs	Employee Sensitivities Involved During M&A	What it means for the Bank?
N-1 (Head of Wholesale Banking, CFO)	**All roles to be filled by acquiring bank's employees**	Organisational acceptance of filling these positions with acquiring employees will be highest at these levels	No assessment for selection needed. Recommend conducting one-on-one conversations with leaders to objectively capture alignment/gaps (if any) to new strategy and culture
N-2 (Head of Branch Banking; Direct Report to CFO)	**All roles to be filled by acquiring bank's employees**		Selection at this level may be largely pre-fixed. Recommend conducting high-touch development-positioned assessment to understand capability and culture alignment (current vs. desired)
N-3 & below (Regional Head Wholesale Banking)	**Need for selection from the available combined pool of employees from both banks, especially for roles with duplicate incumbents**	Selection involves sensitivity at these levels and calls for an objective, controlled selection process that ensures a perception of fairness and minimises negative talk on the grapevine	Recommend conducting robust assessments to capture capabilities and select the right person for the right job (e.g., comparable positions for 'Regional Head Wholesale Banking' from both banks may include success requirements for each role that differ markedly from what may be required for such a position in the new merged entity)

4. Manage employee sensitivities, keeping employee trust intact

Managing employee sensitivities and related implementation considerations are as important as the talent selection approach itself. Two important considerations are:

- **Timing of assessments:** Post-integration, Day-1 efforts need to be rationalised and we recommend that companies stay focused on priority work. At deal close, the talent assessment focus should remain on leadership and key talent; the rest of the employees can be assessed post close in a phased manner.
- **Positioning of assessment:** Success of an assessment process hinges on how it is positioned with the employees and whether it addresses employee anxieties. The most important concern HR teams have is 'What if talent assessment creates anxiety amongst employees and backfires?' We recommend the following hygiene factors to overcome this issue:
  - o Ensure assessment messaging is focused on 'future-centric, post-merger capability development', rather than pure 'selection for the new entity.' One possible way to build this messaging is to provide post-assessment feedback.
  - o Ensure a great assessment experience by using the right platform/tools and experienced assessors trained to manage assessments in a professional manner. Process fairness and objectivity – both in perception and reality – are extremely important.
  - o Maintain complete confidentiality of the assessment process, with clear leadership communication, process design, and actions centered on development.
  - o Support implementation with customised branding and communication.

CASE **SAMPLE 5**

In a merger between two Japan-based organisations, Aon Hewitt conducted talent assessments to aid the selection process. We partnered with the client to generate multiple data cuts to draw a clear talent-capability map and highlight existing talent deficits. Some data cuts included:

- **Japanese vs. expatriates assessment results comparison:** Maximum score difference between the two sets were found in the 'champions change' and 'fosters innovation & entrepreneurship' competencies. This could be because the expats may be seen, and also may see themselves, more as agents of change in the organisation, compared to the Japanese.
- **Comparison of assessment results to industry benchmarks:** Aggregate scores for each of the sub-strands for 'customer focus' when compared to norms revealed that the organisation was:
    - In line with the market on 'focusing on customer', i.e., delivering on customer needs – a quality one could attribute to the Japanese culture
    - Being behind market on 'develops business opportunities with customers' and 'networking' poses a serious developmental requirement for the organisation, if they are to leverage the synergy benefits targeted through the merger.

5. **Sustain focus post close, merging with business-as-usual activities**
   During deal close, focus is limited to leadership selection and key talent assessment and identification. The buck, however, should not stop here. Rather, the focus has to expand to other employees, in order to build overall organizational capability. Key next steps would include:
    - In the short term, utilise talent assessment reports to structure a go-forward retention plan to ring fence the identified critical talent and then create a robust on-boarding plan.
    - Expand the focus of assessments to other employee groups in a phased manner to establish an overall talent-capability map. Check alignment with desired organizational competencies and ascertain as-is gap from to-be. As a good practice, we suggest that company-wide assessments be completed within 12-18 months of deal close.
    - Input the assessment results into the usual talent review process i.e., performance review, learning and development planning, etc. Using these reports, the organisation can then decide what targeted coaching and developmental interventions will be needed to meet their goals.

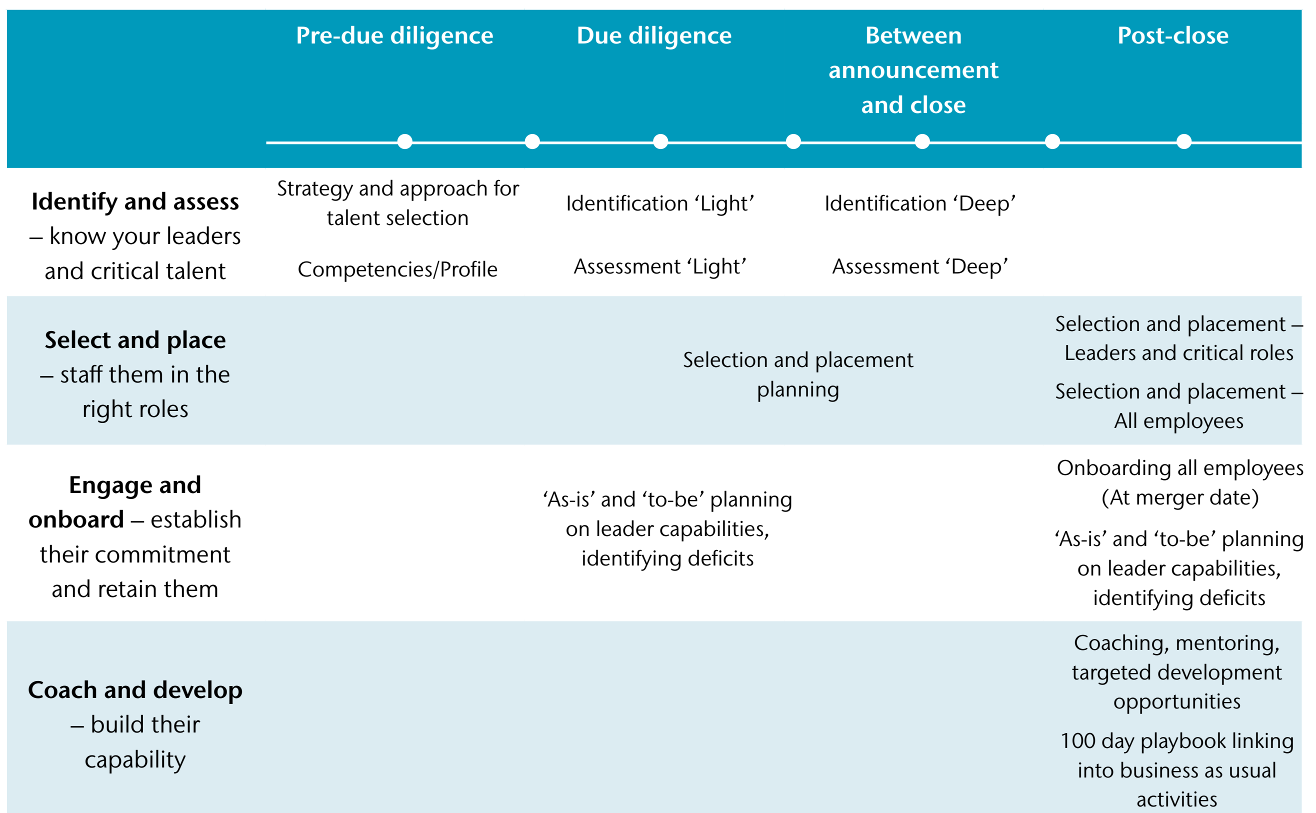
Solution for moving forward
Where does your organisation stand when it comes to selecting the right leaders and critical talent during a transaction? Do you have the strategy, approach, and tools in place to identify, assess, and select requisite talent?

As a first step, Aon Hewitt recommends that you create a simple, yet rigorous, strategy for leadership and critical talent selection during deals. As you develop your game plan, consider the following best-in-class design principles:

- **Sustain:** Build a robust strategy that carries through from due diligence to post close;
- **Invite:** Involve leaders from the start in owning the talent agenda and modelling desired behaviours;
- **Measure:** Build in regular metric-based checkpoints to track progress;
- **Prioritise:** Focus on high-impact, must-do initiatives;
- **Look forward:** Select leaders based on the future direction and culture of the organisation;
- **Execute:** Deliver with excellence and speed.

Subsequently, at each stage of the transaction, there are critical steps or activities companies should undertake to manage their top talent. These have been summarised in the roadmap below. The sequencing and investment time for these activities matters just as much as the activities themselves.

Roadmap for Selecting Talent in M&A Transactions



	Pre-due diligence	Due diligence	Between announcement and close	Post-close
Identify and assess – know your leaders and critical talent	Strategy and approach for talent selection Competencies/Profile	Identification ‘Light’ Assessment ‘Light’	Identification ‘Deep’ Assessment ‘Deep’	
Select and place – staff them in the right roles		Selection and placement planning		Selection and placement – Leaders and critical roles Selection and placement – All employees
Engage and onboard – establish their commitment and retain them		‘As-is’ and ‘to-be’ planning on leader capabilities, identifying deficits		Onboarding all employees (At merger date) ‘As-is’ and ‘to-be’ planning on leader capabilities, identifying deficits
Coach and develop – build their capability				Coaching, mentoring, targeted development opportunities 100 day playbook linking into business as usual activities

Written by:

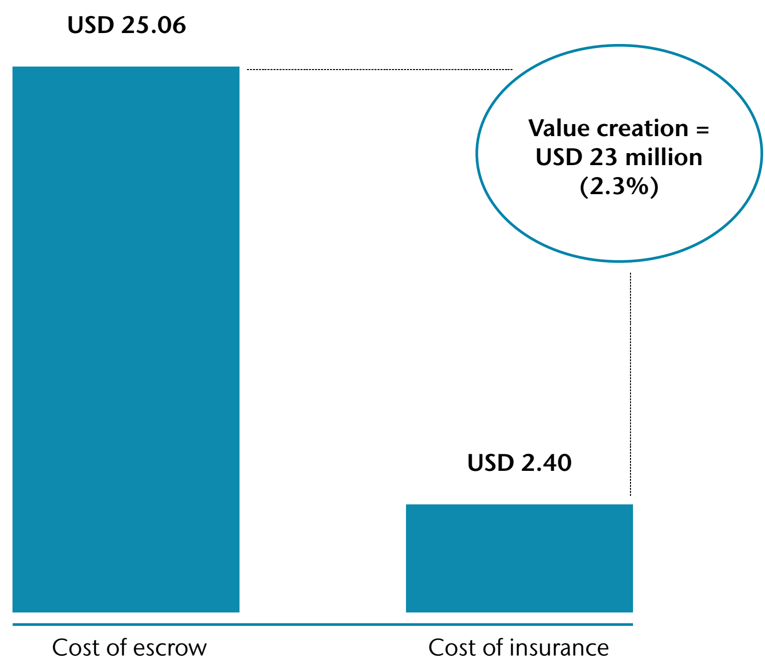
Divya Gianchandani
Senior Consultant
Aon Strategic Advisory
divya.gianchandani.2@aonhewitt.com

Vikas Verma
Director, Talent & Performance
Aon Hewitt India
vikas.verma.5@aonhewitt.com

Escrow and indemnification – A thing of the past?

For many years, escrow and/or indemnification has been the standard by which buyers will insure the veracity of the sellers' representation and warranties and their ability to meet claims from breaches thereof. The negotiations around these escrows and indemnifications can be intense and delay deal closings.

Representation and warranty (R&W) insurance (also known as a warranty and indemnity insurance) is a financially superior alternative to typical escrow and indemnification under any circumstances where an escrow's duration exceeds three months. From a pure economic value perspective, substituting an R&W policy in lieu of typical escrow can add anywhere between 1-3% of value to any given deal.
As an example, assume a buyer originally offers USD 1 billion to a seller, expecting 10% be set aside in an escrow and the duration of that escrow is two years. Assume the opportunity cost of capital of the seller to be 20%. Further assume that the buyer then decided to replace 80% of the escrow with an R&W policy. Under this scenario, approximately USD 23 million in value (2.3% of deal value) is created.



Case Study

As proof to this theoretical case, Aon had a private equity client (PE client 1) that did, in fact, enter into an agreement with a seller's company (seller's company A) for USD 1 billion. While the agreement was signed, the deal had not yet closed. Once Aon realised what client 1 was doing, we suggested a structure identical to the one described above. In short, the seller, who had already agreed to a price of USD 1 billion, was approached by the buyer with an option to reduce the escrow from USD 100 million to USD 20 million. The buyer made this offer, but inquired about the price reduction that the decrease in escrow is worth to the seller. In return for avoiding 80% of the escrow, the seller ultimately reduced the price by USD 25 million. The structure is as shown on the right.

In short, for the cost of insurance (USD 2.4 million), the buyer was able to save USD 25 million in purchase price (over **10X** return on the cost of the insurance). In this particular scenario, the buyer was able to reap the entire value created by the R&W policy.

This begs the following question: How do users of this solution, whether they be buyers or sellers, strategically deploy R&W in such a way that they can capture the value creation? Aon views this in two ways:

- When viewed from a buyer's perspective, deploying the solution during an auction can provide a strategic advantage.

  When the buyer introduces the solution first, especially during an auction, the buyer can accelerate the negotiation, knowing that he can achieve the required deal protection through an R&W policy, making an offer with a relatively low escrow amount to make their offer incrementally more attractive. It should be noted that, as R&W becomes more common, this strategic advantage would shift from offensive to defensive. Many geographies have relatively low penetration rates of this solution (e.g., U.S. only has about 10% of the possible deals using this solution), but these penetration rates are moving up sharply. Currently, in many geographies, buyers using this solution would be the only one doing so in a given auction. In the future, buyers not using this solution will be at a disadvantage as, more than likely, at least one other buyer will be using R&W insurance.

Figure 1: Reduction in escrow

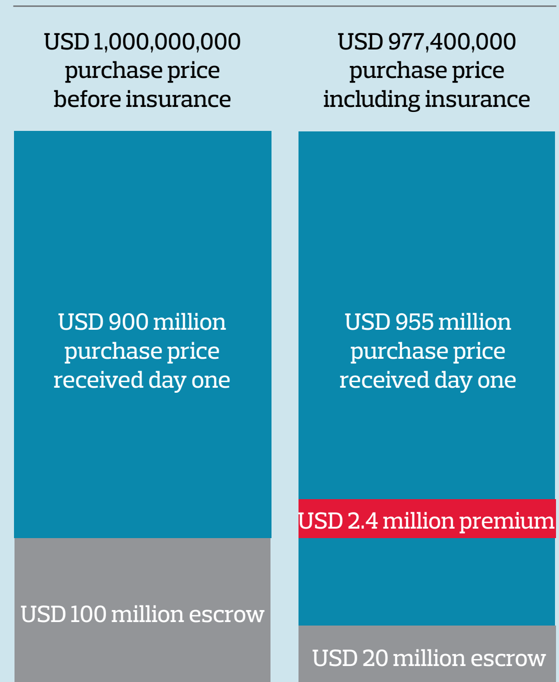
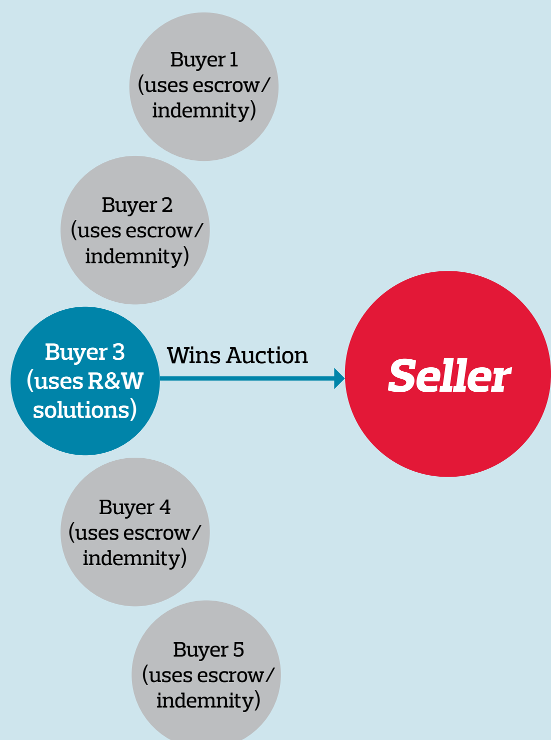


Figure 2: Buyer introduces first



- When viewed from a seller's perspective, introducing the concept of using R&W, as opposed to escrow, as part of the auction process is desirable. This would enable the seller to integrate the solution into the Common Information Model.

  We refer to this process as a 'Seller Flip'. The seller pre-negotiates the R&W policy and then once a preferred buyer is selected, the seller flips the policy to be finalised by the buyer. When done in this fashion, all the buyers in an auction will be bidding on the seller under the same terms, thereby bidding away the value of the escrow avoidance to the benefit of the sellers.

  From a seller's perspective, there is another benefit to using R&W insurance for sellers of assets that are Private Equity (PE) firms. Internal rates of return (IRR), is a key measure when limited partners are weighing investing money in various PE firms.

Figure 3: Seller introduces first

IRR		1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019
24.46%	cash flow without insurance	USD 1,000,000,000			USD 1,800,000,000		USD 2,000,000,000
25.24%	cash flow with insurance	USD 1,000,000,000			USD 1,955,200,000		USD 16,000,000
0.77%							

Continuing the real world example from above, let's now assume that Client 1 decides to sell its acquisition for USD 2 billion after three years with a two year escrow of 10%. He has made a respectable IRR of 24.46% by doing so. However, if he substitutes insurance for 80% of the escrow, thereby accelerating his ability to distribute money to his limited partners, he would improve his IRR by 77bps.

There have been many factors driving the accelerated adoption of R&W/W&I insurance, including lower pricing, better policy wording, and more streamlined processing. However, given the economic dominance of this solution versus standard escrow, we believe that the adoption rate will continue until escrows are the exception to the reps and warranty insurance rule.

Appendix 1: Detailed NPV Calculation

Assumptions (USD million unless otherwise stated)	
Size of deal	USD 1,000
Escrow fee	0.50%
Escrow/indemnification (as % of deal value)	10%
Limit purchased (as a % of escrow)	80%
Cost of capital	20%
Duration of escrow (months)	24
Timing of int payment (0=Jan;1=Dec)	1
Cost of insurance (Rate on Line)	3%
Escrow avoided	USD 80.00
Opportunity cost of escrow avoided	USD 35.20
Opportunity cost of escrow fee avoided	USD 0.80
PV of escrow avoided	USD 24.44
Present value of escrow fee avoided	USD 0.61
Sub-total	USD 25.06
Cost of insurance	USD 2.4
Value created	USD 22.66
Value created as a % of purchase price	2.27%

Written by **Brian Cochrane**

Executive Vice President, Co-CEO

Aon Strategic Advisory

brian.cochrane@aon.com

Contact

Sharad Vishvanath

SVP & Partner, Regional MD Asia Pacific, Middle East & Africa
Aon Strategic Advisory
sharad.vishvanath@aonhewitt.com

About Aon

Aon plc (NYSE:AON) is a leading global provider of risk management, insurance brokerage and reinsurance brokerage, and human resources solutions and outsourcing services. Through its more than 69,000 colleagues worldwide, Aon unites to empower results for clients in over 120 countries via innovative risk and people solutions. For further information on our capabilities and to learn how we empower results for clients, please visit: http://aon.mediaroom.com.

© Aon plc 2015. All rights reserved.

The information contained herein and the statements expressed are of a general nature and are not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information and use sources we consider reliable, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Risk. Reinsurance. Human Resources.

AON
Empower Results®