Free strategic communication plan for an effective merger research paper sample

Business, Company

Roughly 70 percent of all corporate mergers fail, according to the Boston-based consulting firm Bain & Company (Schatz, 2013). Part of the reason was because little effort went into resolving cultural issues between the companies; thus, making the transition a traumatic experience for employees, customers, and stakeholders. However, US Airways boosts that positive customer benefits are already in place to " elevate" the travel experience and create a stronger airline. Does this indicate that US Airways and American Airline resolved cultural issues and implemented an effective communication plan? Let's hope so since their merger is stated to be the " largest mega merger in airline industry" (Maynard, 2013).

Goals and Objectives

Even though it will take 18 to 24 months for the merger to be complete, to achieve their initial success, both companies had to examine motives and agree on a set of common goals. When a merger occurs between companies in the same industry, it's known as a horizontal merger. This type merger is easiest of the five (i. e., conglomerate, horizontal, market extension, vertical, product extension) to accomplish and allows the companies to consolidation their operations into one unit. Since US Airways and American share the same industry, this horizontal merger avoided some common pitfalls.

Together internal goals for their combined staff of 100, 000 employees worldwide (Maynard, 2013) and external goals for stakeholders were fine-tuned until agreement was reached.

Their motive and vision became their goals: to increase significant gains in market share; create a new and larger organization; and provide stable, yet diverse, employment opportunities.

First-year Communication Strategy

For a smooth transition during the first year, merging companies need to establish a communication plan for internal and external stakeholders. Although the merger was led by US Airways, American's name was used. When this decision was reached, Tom Horton, Chief Executive of American, stated: " this is an important day for our customers, our people and our financial stakeholders." Therefore, an effective communication strategy entailed important information shared among the three entities connected with both airlines.

Internal and External Communication

Internal communication using the HR (Human Resource) Department, changes in policy, procedures, benefits, dress attire, etc. was done through workshops, emails, bullet board postings, software, and online programs tailored for employees.

External communication using advertisements, social media, commercials, press releases, reports, and fact-sheets for disseminating information on frequent flier earnings, lounge club access, joint-ticket counters, etc. (Perkins, 2014). Financial stakeholders remain abreast through meetings, conference calls, progress reports, emails, and memos on the integration of flight schedules, booking systems, etc.

Using an effective communication strategy helps both companies avoid missteps and traumatic experiences seen in other mergers. When vision, goals, and objectives are clearly and consistently communicated from top down. And feedback accepted from bottom up, this flow of communication ensures that all stakeholders – internal and external – see the vision and understand the goals. Therefore, this communication strategy results in a corporate culture where everyone is on the same page during the first year and beyond.

A Done Deal – An Effective Merger

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