



# KINNEY STRATEGY

## M&A COMMUNICATIONS STRATEGY CASE STUDY:

*Kinney strategy helps UCI-FRAM navigate acquisition and plant closings*

### Situation

As part of its long-term value creation strategy, global automotive manufacturer, United Components, Inc. (UCI), was planning the acquisition of Ohio-based water pump competitor, ASC. The acquisition would help UCI improve manufacturing efficiency as well as provide its customers with desirable pump technology.

### Challenge

One of the biggest challenges facing UCI was the duplication of services between ASC's manufacturing and assembly facilities in China and North Canton, Ohio, and UCI's existing manufacturing facility in Marked Tree, Arkansas. After careful analysis and due diligence, UCI management concluded that the acquisition would require reorganization of the manufacturing process, which meant closing the Marked Tree facility.

In addition, several target audiences and stake holders, including equity partners on both sides of the deal, senior management, media and employees all required consideration as the deal played out. Each group and individuals had their own vested interest and concerns. Careful and thoughtful communications were essential to the successful completion of the \$150 million deal.

Like most acquisitions, completing the ASC deal carried significant risk – a misstep or miscommunication could have jeopardized the deal. In addition, many loyal and skilled employees' jobs were in the balance. And, of course, strict confidentiality was required throughout the development and execution of the deal.

### Solution

Collaborating with senior management from UCI, Kinney Strategy was the architect of a strategic and tactical communication plan to ensure the Company's message was effectively conveyed, and that all parties were working from the same script and executing their communication responsibilities at the precise time.

Elements of the program included:

- **Strategic & Tactical Communication Plan**
- **Communication Team Development**
- **Key Message Development**
- **Audience Talking Points by Role, Customized for each Spokesperson**
- **Q&A Scripts**
- **Press Release Development & Distribution**
- **Post-Program Analysis**

The strategic communication plan included the expected ingredients, but the custom plan was far from formulaic.

Five components made the strategy most effective:

#### 1. Audience analysis.

The strategy team evaluated how each audience sector would react to the news, including employees, equity partners, customers, suppliers, competitors and the media. Forecasting their concerns and anticipating key questions helped guide the development of all written and verbal communications, customized for each audience segment and often tailored for select individuals. The plan delved deeper than a typical mass communication effort would allow. Key customers that may have react negatively due to pricing, competitive concerns, and potential loss of long-standing relationships, were approached directly, one-on-one to walk through their issues with focused attention.



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## 2. Simple, factual and honest messages.

The strategy recognized that the news might generate polarizing reactions. For some, the news would be most welcome. For others, it signaled a dramatic change in their livelihood. Rather than risk patronizing the Marked Tree employee base by candy-coating the information, the team prepared communication briefs with careful attention to the message tone and held town hall style employee meetings to share the news.

## 3. Audience/Spokesperson Alignment.

Recognizing that the right messenger should deliver the news, the strategy team also took careful consideration to match company spokespersons with each target audience. Taking into account long-term relationships, familiarity and friendships, the audience segments were subdivided and assigned to several messengers to ensure both the integrity of the message and the relationship.

## 4. Precision Timing.

Orchestrating when each audience segment would receive the information was also critical. Should the word reach a customer early or fall into the ears of a competitor would unnecessarily complicate the deal. The communication strategy limited information to a need-to-know few and then precisely defined to the minute, when the news would be release to whom. This approach preserved the confidentiality of the deal as well as defused any potential resentment and the spread of rumors caused by mistimed communication or leaks.

## Results/Benefits

The strategic efforts paid off. The ASC acquisition and Marked Tree closing were executed flawlessly. UCI and ASC management and communication teams performed each of their

roles according to plan. Thoughtful, conscientious and straightforward employee communications helped ease tensions and pre-empted potential employee strife and ill will often created with poorly executed mergers and acquisitions. Today, the ASC water pump line is a key element in the UCI product offering and continues to create value for the company and its customers.

## Conclusion

Strategic communication planning, especially the often-ignored internal audiences, is an essential element in the successful execution of your growth strategy.

### **About UCI**

*United Components, Inc. is now UCI-FRAM Group and is among North America's largest and most diversified companies servicing the vehicle replacement parts and car care market. Their industry leading businesses include Airtex Products, ASC Industries, Autolite, FRAM Filtration, Holts, Prestone, and Wells Vehicle Electronics. The company supplies a broad range of automotive products under well-known industry brands, including: Airtex® fuel delivery, cooling systems, and vehicle electronics; ASC® water pumps, Autolite® spark plugs and wire sets; FRAM® and Luber-Finer® filters; Prestone® antifreeze and car care products; and Wells® vehicle electronics. Their customer base includes leading aftermarket companies as well as a diverse group of original equipment manufacturers in the automotive, trucking and various industrial vehicle markets. UCI-FRAM operates through a global network of manufacturing facilities, distribution centers and offices located throughout the United States, Canada, Mexico, Europe and China.*

### **About Kinney Strategy**

*Kinney Strategy is a marketing consulting firm based in St. Augustine, Florida providing strategic planning services to clients seeking to achieve aggressive growth objectives and new product/service launch success. Kinney serves clients in the healthcare, manufacturing, and financial services industries.*

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