

HUMAN CAPITAL DUE DILIGENCE

A BLUEPRINT FOR SUCCESS

Gain a competitive advantage with Mercer's human capital due diligence services. Our comprehensive analysis offers practical insights and solutions. We surface the critical issues quickly, helping you get clarity and certainty on pricing, prepare for negotiations, and lay solid groundwork for closing and integration.

INSIGHTS INTO AREAS THAT IMPACT DEAL SUCCESS

Mercer's due diligence analysis provides an in-depth look at the areas that can make or break the deal — financial issues, talent, culture, and HR organization and operations.

FINANCIAL ISSUES

We provide expert advice, projections, and sensitivity testing across a spectrum of human capital areas, advising on future trends and operational considerations. We coordinate seamlessly with your tax, finance, and legal teams to identify liabilities, risks, and opportunities.

TALENT

Your talent is your most vital asset. Assessing the critical people issues — including leadership capabilities, retention risks, executive compensation transition plans — helps you mitigate the impact of change and uncertainty, engage employees, and retain key talent.

CULTURE

Organizational culture affects deal value. We provide practical insights into your deal partner's culture: Throughout the deal process, we help you find ways to drive the right behaviors for positive business outcomes.

HR ORGANIZATION AND OPERATIONS

Your deal partner's HR operations influence closing and integration. As well as determining the how and when of integration, your deal partner's people, data, and systems directly affect how quickly — and thoroughly — the integration takes place.

From the earliest deal stage to post-closing, Mercer's human capital due diligence services offer clients vital insights — and a distinct competitive advantage.



HUMAN CAPITAL RISKS AND OPPORTUNITIES FOR VALUE CREATION

FINANCIAL ANALYSIS COVERING:

- Executives and key employees.
- Retention and severance.
- Compensation and incentive plans.
- Pension plans; health and welfare benefits.

OPERATIONAL ANALYSIS COVERING:

- Organization design and workforce alignment.
- Labor and employee relations.
- HR operations and technology.
- Employee communication and engagement.
- Culture and organizational fit.
- HR policies/practices.

KEYS TO EFFECTIVE HUMAN CAPITAL DUE DILIGENCE

Our comprehensive findings report provides the information you need to make your go/no-go decision with confidence.

FINDINGS

- Review an executive summary of our financial and operational assessment.
- Identify and quantify risks and red flags.
- See the impact on the deal — and on the purchase price.
- Project cash and P&L costs, estimate balance sheet liabilities.
- View side-by-side HR program and policy comparisons with benchmarking and Mercer commentary.

RECOMMENDATIONS

- Get key input to purchase agreement and deal terms and conditions.
- Identify strategies to reduce risk.
- Take an informed approach to the transition services agreement.
- Develop a preliminary operating and integration strategy.
- Discover integration synergies and opportunities.
- Ensure Day One readiness.

WHY MERCER?

- We have 20 years of M&A experience and advise on thousands of transactions.
- Our more than 200 dedicated M&A professionals work with 20,000 subject matter experts around the globe.
- Our knowledge of the people issues is unparalleled: Mercer's skilled HR professionals offer expert insight and guidance to help you get the most from your greatest asset — your people.
- Mercer's global network assists with cross-border transactions in virtually any country: Our experienced deal specialists advise on hundreds of deals each year across all industries.

About Mercer's M&A Transaction Services

Mercer's M&A Transaction Services is the preeminent global M&A advisor on people issues to buyers and sellers in corporate and private equity transactions.

To learn more, visit www.mercer.com/mergers-acquisitions.

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