



A GUIDE FOR BANKS & CREDIT UNIONS

Mastering the Art & Science of M&A Communications





Table of Contents

Expert Contributors

The Importance of M&A Communications

10 Tips for Mastering the Art & Science of M&A Communications

Best Practices from First Foundation Bank

Last-Minute Words of Advice

Expert Contributors



Tricia Hrotko

Chief Customer Officer
Digital Onboarding

17+ years in the banking industry with firsthand experience in multiple M&A events. Spent the past five years advising banks and CUs on how to drive more organic growth.



Mitchell Skoien

VP, Product Manager
First Foundation Bank

15+ years in banking analyst, treasury, deposits, and product management roles with firsthand experience in multiple M&A events.



Rick Hall

Managing Director
BKM Marketing Associates

27+ years in the banking industry with nine years of experience guiding banks and CUs through M&A events.



Yvonne Garand

Chief Brand & Marketing Officer
VSECU

30+ years in the credit union industry driving brand, marketing, and engagement. Helped complete the largest CU merger of 2022.

The success (or failure) of M&As is all up to you...

The real-life consequences of a failed M&A conversion couldn't be higher. One false move, one oversight, one missed opportunity, and it all falls apart. The reputations of highly-regarded institutions are destroyed while the trust of thousands of customers is lost forever.

And it's all up to you.

It's true. A successful M&A all comes down to the quality and effectiveness of the communications that support the event. Do account holders and employees know what's happening? Do they feel comfortable about the changes that are taking place? Do they feel heard?

You have a big job to do, but thankfully, you don't have to do it alone.

We spoke with top industry executives from First Foundation Bank, Vermont State Employees Credit Union (VSECU), BKM Marketing Associates, and our Chief Customer Officer, Tricia Hrotko, to get their real-world experience on mastering the art and science of M&A communications.

They share:

- **10 communication tips they learned through their own vast experience with M&As**
- **Guidance on how to use digital technologies to supercharge M&A communications**
- **Tips for how to avoid the pitfalls that can derail your communication plan (and maybe even your entire M&A)**

We also share actionable guidance on how VSECU was able to overcome the objections of a small, but mighty group of affinity members who threatened to veto the merge vote.

Ready to arm yourself with the guidance and advice you need to create a no-fail communication strategy for your next M&A? Let's get started!



Jump to

- Expert Contributors
- **The Importance Of M&A Communications**
- 10 Tips For Mastering M&A Communications
- Best Practices From First Foundation Bank
- Last Minute Advice



10 tips for mastering the art & science of M&A communications



Insist on a seat at the planning table

Marketers have always been mistaken for magicians, expected to produce dramatic results out of thin air. This is especially true in M&As.

You're on the hook to keep everyone informed, engaged, and (hopefully) excited about the partnership. But when it comes to getting the budget to get the job done right? Don't hold your breath. The sad reality is, M&A marketing budgets are generally rolled into a generic "expense" line item that isn't calculated based on what's needed to manage the transition - it's simply the acceptable cost to manage the transition to achieve desired net revenue gain.

Refuse to sit at the kid's table!



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)



The board of directors needs to understand that M&A communications are an investment in the success of the event, not an expense. The only way to help them see that is by taking charge and being proactive.

Create a thorough communications plan that helps stakeholders understand how much it will actually cost to educate account holders. Don't sugarcoat things. An effective communications plan will cost money, so be as accurate and transparent as you can (what can be done in-house, what needs to be outsourced, etc.) then advocate fiercely for what's really needed.

Pro Tip:

Make sure to build in contingency plans! Let's face it, Murphy's Law is real. If something can go wrong, it will, no matter how prepared you are. You also can't account for everything.

Getting into the middle of your plan and realizing you have to pivot messaging for some reason will cost both time and money, but it will be easier to bounce back if the rest of your plans are well thought out.



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)



Marketers often don't even know a deal is in the works. It's considered highly sensitive, so only a few executives are "read in" on what's happening. This lack of transparency catches marketers flat-footed.

Marketers NEED to ensure their voices are heard from the very beginning!"

[Tricia Hrotko](#)
Chief Customer Officer
[Digital Onboarding](#)

2

Address concerns specifically and quickly

While it's easy to get fixated on the conversion aspect of your M&A, your main focus should be on the announcement communication—that's where the success or failure of the entire event is determined.

It's the first impression you're making about the new partnership, so you have to get it just right.



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)





Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)



VSECU

To make the most of this opportunity, invest time in understanding the different audiences you're speaking to so you can connect with what matters to them most. VSECU learned this lesson well in their merger with New England Federal Credit Union (NEFCU).

After fierce opposition from a dedicated group of affinity members that threatened their success of their member vote, VSECU turned the typical approach to M&A communications on its ear. Abandoning typical jargon in messaging to their 70K members, talk of "building scale" and "delivering better operational efficiencies" was replaced with a human-centric approach that focused on how members identified with the credit union.

Digital natives received messages about the merger resulting in improved digital services. Environmentally conscious members heard how the merger would bolster the credit union's commitment to sustainability. Some targeting even appealed to members from a geographical perspective, addressing concerns about lack of banking resources in the northern part of Vermont.

The credit union's longest-tenured members presented the biggest challenge, however. Messages to this segment acknowledged the difficulty of change and honored them for their contributions to the credit union's evolution.



It's important to reassure long-standing members about the potential impact of the merger. Let them know that they will still have the same experiences they've always had."

Yvonne Garand
Chief Brand & Marketing Officer
VSECU



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)

While aspects of the messaging were customized to each audience, VSECU used the same core anchor for all of their messaging—the value proposition that the institutions were stronger together.

The biggest lesson VSECU learned from this experience was that consumers weren't interested in their grandiose plans for the partnership. They cared about other things, very deeply in most cases. Could they still see the same branch manager they've always seen? What was the institution's environmental responsibility record and what are they doing to help the community? Will online banking be a focus for the new institution?

Dig deep to find out what these specific concerns are for your audience and address them clearly, as soon as you can.

Don't forget!

Employees are an audience too.

Not only will they have concerns of their own (am I going to lose my job?), they'll also be handling all of the front-line inquiries as soon as the announcement is made.

Make sure they're properly informed and armed with consistent messages, or else there'll be lots of confusion and frustration.





VSECU

LEADING FROM THE FUTURE

The Board of Directors doesn't need a crystal ball to see the trajectory of the banking industry. It is evolving at an unprecedented speed. They have proposed a merger with New England Federal Credit Union (NEFCU) to keep pace and ensure that our members have a local credit union they can rely on for generations to come.



VSECU

TRUE TO VERMONT

The Board of Directors is responsible for the stability and growth of the credit union. They reviewed several options to achieve those objectives and chose the one that would allow us to continue our unwavering support of Vermonters and local communities—a merger with Vermont-based New England Federal Credit Union (NEFCU).



VSECU

ENRICHING QUALITY OF LIFE

Our members enjoy a high quality of life, in part because they are committed to supporting the environment and each other. It is no surprise then that the two largest credit unions in the state—VSECU and New England Federal Credit Union (NEFCU)—prioritize the quality of life for their members. This is one of many reasons the Board of Directors has proposed a merger of these beloved credit unions.



VSECU

ENRICHING QUALITY OF LIFE

We are committed to helping improve your financial wellness. The Board of Directors has proposed a merger with New England Federal Credit Union (NEFCU) to move us closer to that goal.

3

Use time to your advantage

M&As don't happen overnight. It can take more than a year for an actual conversion to take place, which is a long span of time. It can be hard to know what you're supposed to do with it all.

The key to a successful M&A communications strategy is to remember that time is on your side. This a marathon, not a sprint.

Think about the relevance and cadence of the information you need to share. What do people need to know and when? How often do those messages need to be communicated to actually be heard (hint—it's way more than you think).

With those questions in mind, create a calendar and plot everything out. Don't be afraid of radio silence! It's OK to have dark periods with no communication. If you don't have anything valuable to say, it's best to not say anything at all. People will pay better attention to your messages if you aren't constantly bombarding them with fluff.

M&A could account for 50% of revenue growth in banking in the years ahead, an increase from 35%.*



Jump to

- Expert Contributors
- The Importance Of M&A Communications
- **10 Tips For Mastering M&A Communications**
- Best Practices From First Foundation Bank
- Last Minute Advice



You have to keep people engaged, but it's OK to have dark periods, too. Don't make up reasons to communicate just for the sake of it."

Rick Hall
Managing Director
BKM Marketing Associates

*["Banking M&A: A Push for Scale in a Competitive Market,"](#) Bain & Company,

4

View employees as strategic assets

It's a problem if customers or members don't feel informed about your M&A. If employees tell them that they don't know what's going on and management never tells them anything, ***the conversion will be a disaster!***

Make sure employees know exactly what's going on as soon as possible.

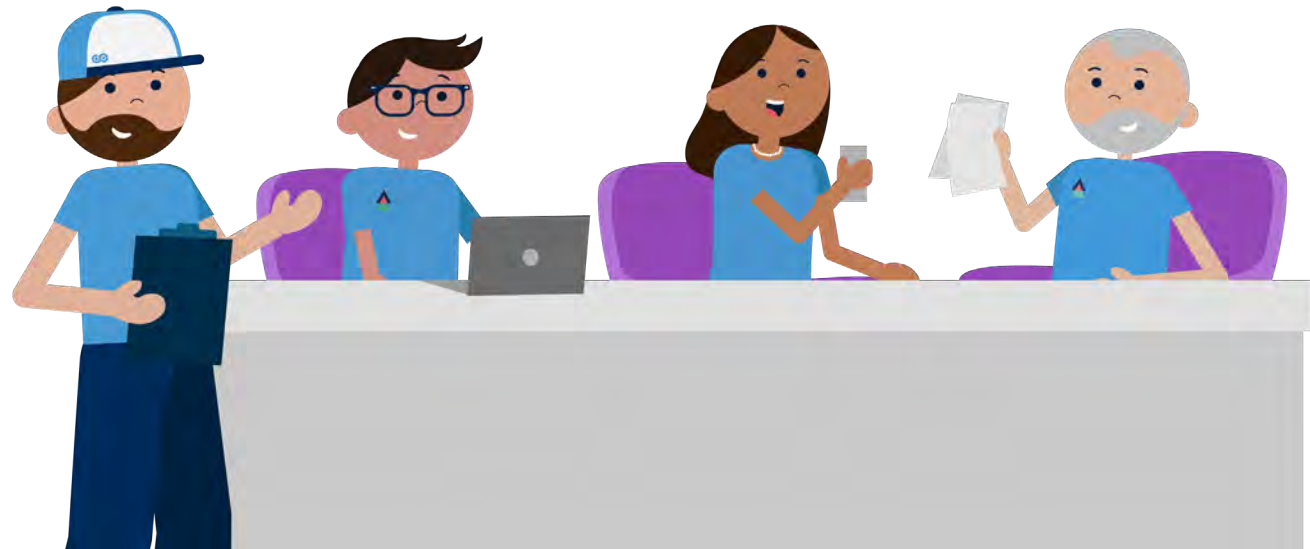
Think through their likely questions and concerns and address them directly. Employees are people too, and their primary concerns will unquestionably be personal in nature:

- ***How will this impact their job?***
- ***Will their pay be affected?***
- ***Will the management structure change?***



Jump to

- Expert Contributors
- The Importance Of M&A Communications
- **10 Tips For Mastering M&A Communications**
- Best Practices From First Foundation Bank
- Last Minute Advice





Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)

Address these issues clearly and transparently and deliver them in a way that's familiar and trustworthy (Hint: announcing an unexpected Zoom meeting 15 minutes before it starts is the wrong approach.). Mess this up, and it will be very hard to overcome their skepticism.

Once everyone understands how the upcoming event will impact them personally, arm them with all the information they need to educate and reassure customers or members. Their success—and yours— depends on their ability to deliver a clear, consistent message to account holders. Scripts can be tremendously helpful at this stage, making things easier for frontline staff and ensuring they don't improvise their own messaging.

Uninformed employees are your worst nightmare.



If employees don't have the information they need to answer basic account holder questions, your M&A is sunk before it's even begun. Remember that employees are your gateway to effective messaging. Use them wisely."

Mitchell Skoien
VP, Product Manager
First Foundation Bank

5

Understand the power of cultural differences

When acquiring an institution it can be tempting to think that blending the organizations will be easy. But simply having similar histories or processes doesn't necessarily mean the match will be seamless.

Cultural and even regional nuances play a big part in whether the initiative succeeds, fails, or just muddles along.



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)





Jump to

- Expert Contributors
- The Importance Of M&A Communications
- **10 Tips For Mastering M&A Communications**
- Best Practices From First Foundation Bank
- Last Minute Advice

To successfully combine two organizations, start by understanding your own culture (which is not to be confused with being able to recite your institution's mission and vision). Do you know what makes your own organization tick? You need to if you want your joint venture to be a success.

You should also think about:

- ***What communication channels is the new institution used to?***
- ***What kinds of services are they used to delivering — will that be changing?***
- ***What are the age ranges of new employees and customers or members — what considerations need to be made to reach those different generations effectively?***
- ***How could regionality impact messaging? Do the different geographies at play in your M&A have different needs and expectations? Could those be used to your advantage?***



You must understand the needs and banking habits of the clients and members you are acquiring.”

Mitchell Skoien
VP, Product Manager
First Foundation Bank

6

Proactively set expectations

It's highly likely that your new customers or members will want different things than you offer.

First Foundation learned this lesson the hard way when they discovered that the clients of their acquired institution were big users of phone banking. Client backlash was a big hurdle.

It's important to have a very clear understanding of how your products and services map to those of the acquired institution. Identify gaps and address them early and transparently. Being proactive can go a long way towards winning over customers and members who might be less than happy about losing services they're accustomed to.



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)



Jump to

- Expert Contributors
- The Importance Of M&A Communications
- **10 Tips For Mastering M&A Communications**
- Best Practices From First Foundation Bank
- Last Minute Advice

In fairness, communicating about these issues won't be easy. It's never comfortable to deliver "bad" news, but you can ease this process by involving staff from the acquired institution. They know customers and members best. Their understanding about the account holder base can help instill thoughtfulness into the communications, providing valuable insights into pain points and how to provide accommodations that might appease disgruntled account holders.

You should also consider creating a communications committee made up of representatives from every stakeholder group (compliance, operations, retail, loans, deposits, etc.) Their input and guidance could be invaluable because they may have an important perspective you didn't consider.



The bank staff at the acquired institution is your best resource for understanding the right terminology to use."

Mitchell Skoien
VP, Product Manager
First Foundation Bank

7

Look for opportunities to gain a big advantage

There's a reason they say "the devil is in the details"

There are some details in M&A strategy that can offer you a huge advantage when approached the right way.

1. *You're not legally required to send direct mail*

That's right—you're only on the hook for proving you sent the right communications. So think carefully about your use of expensive, time-consuming direct mail. It has its place, but in many cases, there may be faster, more cost-effective options for boosting your reach and impact.

2. *It's not reasonable for you to tackle all of this alone*

You're not a superhero. You're pretty amazing, sure, but let's face it—unless you've done a lot of M&As in the past and you've got a solid playbook to work with, you can't do it all on your own. There's power in accepting that fact early. So get yourself some outside help. The stakes are too high to mess it up. Paying for expertise to help you navigate the complexity may be well worth it in the long run.

Remember...

73% of Baby Boomers, 78% of Gen X, 84% of Millennials, and 81% of Generation Z say the quality of the digital banking experience would be essential or important in selecting a new financial institution.*



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)

*["Two Strategies to Unlock the Potential of Digital Banking Across Generations,"](#) Akamai

8

Communicate the hell out of the message

The last thing you want is for an employee, member, or customer to feel caught off guard about the news of your impending merger or acquisition. But communicating the details several times should be enough, shouldn't it? Wouldn't more communication just be annoying?

Wrong. There's no such thing as over communicating, just ask VSECU.

Despite a 10-month awareness campaign designed to socialize the idea of the partnership and activate their membership to vote (a byline requirement for any M&A), the old adage "3-8 to motivate" reared its ugly head.

Many members still didn't know that anything was going on. Worse, a subset of their members didn't understand the difference between a merger, an acquisition, and a predatory acquisition. That misunderstanding led to severe backlash and nearly derailed support for the initiative, and it's a prime example of the type of unknown curveball you need to keep an eye out for.



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)

Figure out what cadence of communication is right for your audience, as well as which channel is right for them. Are they easier to reach through text messaging or online banking? This isn't a one-size-fits all answer. Different audience groups will have different needs, so do a deep dive into each stakeholder group to ensure they actually receive the messages your sending.

Lesson learned:

There's no such thing as overcommunication. Assume it takes three to eight times of seeing a specific message for it to be internalized by your audience. Communicate more than you think you need to and use every single delivery channel available to make sure your messages are seen.

Pro Tip:

To make sure all the effort you put into communication has staying power, create an online FAQ for employees, customers, and members, and keep it up-to-date with answers to the latest questions.



9

Schedule, schedule, schedule!

(Especially if this is your first M&A or you don't have a dedicated M&A team)

We hate to break it to you, but this M&A isn't the only thing on everyone's plate. There are holidays to think about and vacations to plan around (those two things alone have the power to knock an M&A off course), so don't get blindsided. People have lives, the institution has other initiatives going on, and the sooner you plan for those delays, the easier it will be. Make sure to consider your restraints.



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)





Jump to

- Expert Contributors
- The Importance Of M&A Communications
- **10 Tips For Mastering M&A Communications**
- Best Practices From First Foundation Bank
- Last Minute Advice

Time constraints

It's already a scramble to figure out with providers what the conversion and de-conversion dates are and then back into the regulatory requirements. But you also need to account for the timeframe leading up to when things need to get finalized and communicated.

This is where things like vacations, blackout times, holidays etc. can get you off track. With proper communication and planning, an unexpected vacation at a vendor won't put you at risk of missing certain requirements. To avoid any issues, secure resources 60-90 days before conversion - especially if there are other contingent timelines.

Resource constraints

It's also important to consider other things that are going on at the financial institution. Is a new website being launched? Are you changing your digital banking provider? Are there any other major projects that may have to be paused, sped up, or (yikes) happen at the same time?

If your institution isn't big enough to have dedicated M&A staff, you'll need to rely on resources that may not have the bandwidth to handle your requests. Solicit the help of other bank or credit union staff as soon as possible to make sure your needs are met without compromising their other responsibilities.



Start planning about a year in advance. Hold regular meetings, and be incredibly open with all stakeholders. That kind of transparency is critical if you're going to tackle all of the tough issues."

Mitchell Skoien
VP, Product Manager
First Foundation Bank

10

Take time to understand the naysayers

It's virtually guaranteed that there will be a segment of your audience that's less than pleased about the upcoming M&A. Unfortunately, that was VSECU's experience when it merged with New England Federal Credit Union (NEFCU) in 2022. While most of their membership accepted the news as they expected, a very small affinity group viewed the merger as predatory. This group was ready for battle. They had a website and social media groups, had rallied media outlets, and were doing everything in their power to marshall opposition against the merger. The severity of the backlash caught the VSECU team off-guard.

The institution ultimately decided to hold member forums around the state as part of their communication strategy, inviting members to pose their questions and concerns directly to the CEOs and board representatives. What they learned from these events was eye-opening.

Much of the opposition came from a misconception about the term "merger," something the VSECU team never saw coming.

The single insight about the misunderstandings about mergers was all they needed to turn the situation around. They pivoted their initial communication strategy to include information about the difference between a merger, an acquisition, and a predatory acquisition. By dispelling these myths, much of the tension was removed and they were able to ultimately hold a successful vote.

The lesson here is simple: M&As might be a commonplace concept for you, but they're a big deal to people who may have visited the same branch location for decades or who've become convinced of the evils of big business. To win this influential and important segment over, work with them to understand their concerns and use that feedback to craft messages that allay those fears.



Jump to

- [Expert Contributors](#)
- [The Importance Of M&A Communications](#)
- [10 Tips For Mastering M&A Communications](#)
- [Best Practices From First Foundation Bank](#)
- [Last Minute Advice](#)

Bonus Tip:

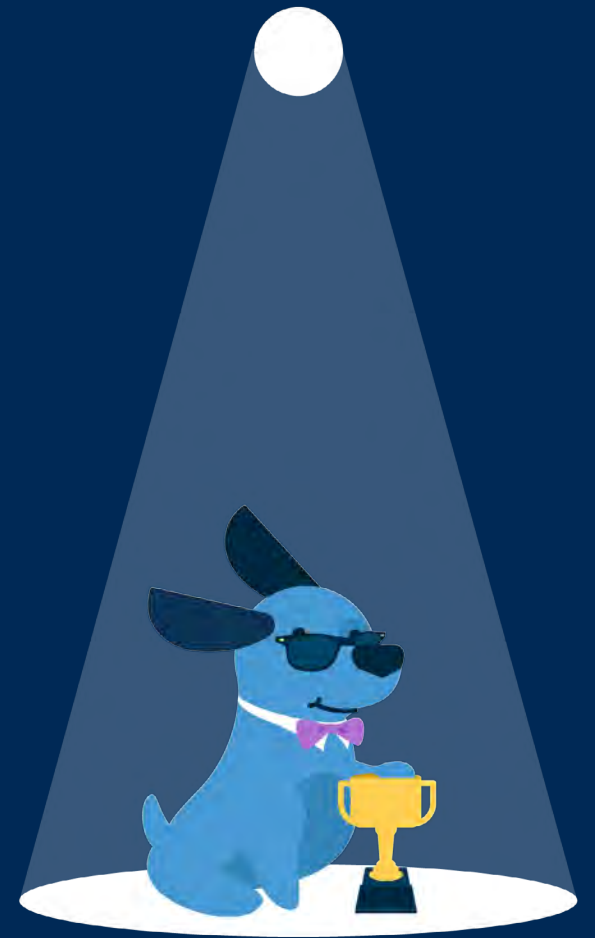
Don't make assumptions about what account holders or employees know!

Assuming what members knew about the definition of "merger" almost derailed VSECU's plans for good.





Customer spotlight with First Foundation Bank





First Foundation Bank found tremendous success using digital channels as part of their outreach during their M&A. The Digital Onboarding adoption platform enabled them to facilitate real-time, impactful, and actionable communications with more than 40 thousand clients.



Mitchell Skoien

VP, Product Manager
First Foundation Bank

We've actually been trying our best to break Digital Onboarding, using it for everything from building campaigns to sending tens of thousands of communications prior to conversion.

We utilized customized journeys to target specific audiences and make sure they were well informed in advance.

We also used surveys to track the effectiveness of our outreach and solicit feedback.

One of the most valuable features of Digital Onboarding though was secure personalization. It enabled us to securely communicate usernames and passwords to clients, which was a great way to remove friction and get people on their way."

Click to learn more





Last-minute advice...

This has all been a lot to process. But we want to make sure you have everything you need to make your next M&A a success, so here's a lightning-round of last-minute advice...





Tricia Hrotko

Chief Customer Officer

- Paper isn't the only way to communicate, so consider other channels. Zoom meetings are great for Q&A, and texting is perfect for certain audiences.
- Empathy is critical—drill onto why people should really be happy about the event.
- Don't just spout bank speak. Make sure your messages resonate with the audience.



Mitchell Skoien

VP, Product Manager

- Create a central repository for all M&A materials, including checklists, tasks, guides, links, etc. Make it easy for people to find info they need. Archive this for future acquisitions so you have an easy starting point.
- Create dedicated committees for every facet of the project— communications, legal, product etc. This will keep everyone on track throughout the process.
- Postmortems are important - discuss what went right, what went wrong, what could have been better etc. Record it for posterity so you can learn from it.



Yvonne Garand

Chief Brand & Marketing Officer

- Be as transparent as you can be.
- Create a dedicated response team made up of cross-functional representatives who are responsible for managing incoming inquiries. 10X their effectiveness by using internal communication channels like MS Teams to share what questions are being asked and how their being answered.
- Be human-centric first, operationally-focused second.



Rick Hall

Managing Director

- Be upfront when you don't have an answer to a question. It's OK to be human. People will respect the honesty. Just make sure you get back to them as soon as you have the information they need.
- Remember that you won't always have time for print. So use digital technologies to support communications. It's real-time and benefits everyone in the long-run.
- Don't be afraid to deliver bad news. It's gonna happen. The longer you hold onto it, the more it takes on a life of its own.

Want more help?



DIGITAL ONBOARDING

The Digital Onboarding adoption platform helps banks and credit unions turn account openers into fully engaged and profitable relationships. With personalized messages, microsites, and self-service enrollment widgets, the platform makes it easy for people and businesses to adopt account-related services and additional products.

For more tips, check out our Resource Library

DigitalOnboarding.com



BKM specializes in creating connections between brands and customers with a focus on strategy, creativity, and technology, across various industries. Their collaborative approach and expertise in data-driven insights enable them to drive meaningful results and help clients achieve their marketing goals..

For more tips, check out our Resource Library

BKMmarketing.com



First Foundation Bank is dedicated to delivering comprehensive solutions to clients. With a commitment to exceptional service and personalized strategies, they offer a range of banking, wealth management, and advisory services making them a trusted partner for individuals, families, and businesses.

Learn more

FirstFoundationInc.com



VSECU stands out as a unique financial partner with a mission to empower its members and communities. VSECU offers innovative banking solutions, sustainable practices, and a commitment to social responsibility.

Learn more

VSECU.com

