

The benefits of multilayer communication in a strategic asset acquisition project: My three key lessons learned for success¹

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Abstract

In this article, the author shares his firsthand experience leading a high-stakes strategic asset acquisition project and his three key lessons learned: the importance of fostering positive relationships with counterparts, managing communication across multiple levels, and actively engaging relevant stakeholders.

These strategies led to comply with all the targets established and served as a solid foundation for the highest sales month ever for the product line.

Body of Article

It was April 2004 when I began working at a multinational consumer goods company in Mexico, where I was hired as a Production Planning Manager, in charge of overseeing around 450 tons of product per month and working mainly with subcontractors.

Within only a few weeks, the multinational agreed to acquire the leading brand in the sector at that time, which suddenly increased the volume to manage to 4,500 tons per month, meaning ten times more volume, and it was only my first few weeks on the job!

Additionally, the contract included a clause granting both parties a one-year period to gradually reduce production at the original factory until its closure, while incrementally transferring all the production workload to the group's main subcontractor, that was also investing to increase its production capacity to accommodate such a large volume.

It was definitely a real challenge.

Two parallel teams were nominated:

1. High-level Steering Committee for contract and divestment issues, made up of the Chief Operations Officer of the multinational and his counterpart from the company selling the brand.
2. Day-to-day project execution, made up of the plant manager of the factory to be closed within a year and myself, as the Production Planner; we were in charge of implementing the contract and the roadmap agreed by the management.

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The project involved significant complexity, multiple stakeholders, high production volumes, and a limited one-year timeframe to execute. Moreover, it was instructed to ensure a smooth transition for the employees and to maintain excellent customer service while progressively reducing production at one factory and increasing it at the main subcontractor, coordinating also the investment needed to cope with the new volumes in the new facilities.

Multilayer communication was fundamental to the success of this project for all involved parties.

Reflecting on this experience, here are my most valuable communication-related lessons learned to achieve such success:

1. Maintain a good personal relationship with counterparts

In such complex situations, with many interests involved that might lead to conflicts and friction, getting along well and understanding the motivations of my counterpart was crucial.

People always make a difference.

Despite occasional disagreements at the management level, we did not let this affect the communication or the good relationship between us at project level; we got along well, shared information, understood each other, which led to reaching mutually beneficial agreements and to continue the progress jointly.

2. Effective management of multi-layer communication

In this acquisition, there were at least two teams and therefore two levels of communication that moved forward in parallel: Management and Project Management.

It was crucial that everything done in day-to-day project management was perfectly aligned with the agreements taken at the high-level negotiation team.

We had to proceed step by step, being cautious throughout the project's development. The different elements and activities of the project were connected but they could break at any moment.

On the one side, I continuously gathered information, shared it with the Chief Operation Officer, and always stayed informed about the agreements of the High-level steering committee.

On the other side, it was valuable to share a summary with my project counterpart to ensure both of us had the same information and were on the same side, preventing from many misunderstandings and promoting a good personal relationship.

And having the necessary information in due time allowed to apply it appropriately in the project, both upwards and at my own management level. Continuous multi-layer communication was perhaps the most important element to make the transaction happen successfully for all parties.

Relevant to mention in this context that the Chief Operating Officer acted as a mentor with me and that was also very positive for my personal and professional growth.

3. Communication with other key stakeholders about the progress of the project

Marketing and Sales were key stakeholders as they organized promotions to boost sales and led customer contact. Sales and customer service could not be compromised.

We maintained continuous information flow about the project's status: how much volume was produced in each factory, monthly sales forecasts and product types, the ramp-up progress at the main subcontractor, planned production, where and how sales orders were served, etc.

These three communication elements were crucial for the project's success.

As a result, we achieved all targets within the year:

- Progressive planned reduction of production at the initial factory until its closure without significant issues, meeting the scheduled date and more importantly, keeping a stable working environment until the very last day.
- Progressive planned increase in production at the main subcontractor and coordination of investments to produce the massive new volume within a year.
- Maintain customer service levels without customers being affected by product shortages.
- Stakeholder satisfaction due to the good communication during project execution.

Great news some weeks after

The month following the project's conclusion, May 2005, represented the highest sales month ever for that product line.

The main subcontractor was fully ready, and we successfully planned, produced, and delivered on time to each customer.

It was one of the best ways to celebrate and the evidence of how valuable multilayer communication was to the success of this strategic asset acquisition project for all parties involved.

About the Author



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Human leadership, Global Sustainable Projects, Renewable energy, Story-teller, Keynote speaker, Lifetime learner, Risk management, Standardization

Manuel Ancizu is passionate about human leadership, sustainable projects and people's motivations. Enjoys working in international multicultural environments and wants to have a positive impact in society.

Manuel graduated in Economics from University of Navarra and obtained an MBA from IESE Business School (Spain); he has also studied in CEIBS (China) and University Anahuac del Sur (Mexico). He holds a number of professional certificates such as the PMP by Project Management Institute, Lead Auditor in ISO 9001:2015 by IRCA Association and has also received training in Management of Development Projects and Risk Management by Interamerican Development Bank (IDB).

Manuel has lived in Spain, France, UK and Mexico; he currently works in the wind energy sector leading the quality management of Offshore projects. Manuel has been involved in wind energy renewable projects developed in different parts of the globe with external customers, as well as in internal projects of cultural transformation, IT and global processes.

Thanks to his experience, he has delivered training sessions, lectures and keynotes to a different number of institutions.

Manuel is a qualified member of the Spanish Standardization Body (UNE) and has been involved in the development of Standards and Norms in Projects, Programs and Portfolios; he has also participated in the translation of different ISO 21500 to Spanish language.

Manuel loves smiling, storytelling, dreaming and making ideas come true in a sustainable manner.

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