

# Blending Entities: Minimizing the Discomfort

When McDermott International planned to combine two of its entities, it wasn't really an "acquisition," but a definite blending of two businesses and their cultures.

## The business need

McDermott International, a global engineering and construction company, provides services to energy and power industries, including the U.S. government, through a number of separate units. The two units to be combined were Babcock & Wilcox, which primarily focused on power generation, and BWXT, which targeted government clients. These two entities had distinct cultures, approaches, and ways of pursuing and executing business. The goal in combining them was to bring cost synergies and revenue synergies together, which would mean potential for expansion and growth. Leaders anticipated benefits in using the service approach of the power business with the government business, especially with revenue synergy.

At the same time, McDermott undertook a major effort to examine its operating structure to re-brand – not externally, but internally – and thus create more alignment with the new goals and objectives. With no less than 13 functional groups to align, this would be a big job.

## The solution and implementation

McDermott leadership went through a purposeful, deliberate process to identify its approach, continually checking that everyone understood. McDermott used a consensus-building process that was focused on how they made decisions. Root assisted with leader alignment sessions at the senior level and a few levels down, followed by a Strategic Learning Map® module that was cascaded through all 13 functional areas. From the top leaders to the front lines, the rollout took about a year.

## Results

Once all 13 areas were aligned, the companies were able to share some great ideas. For example, when the power entity shared its service approach with the government entity, they gained a stronger approach toward nuclear service, and decided to do a nuclear reactor design. This happened only because the two sides had been brought together.

"The biggest differentiator in the success of this project was our deliberate approach," said John Fees, CEO. "If we hadn't been as thorough, we might have lost some good people along the journey. Instead, this brought everyone along in a bigger block so we could optimize our direction, people, and resources in profound way."




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Throughout the organization, people worked to make this happen and align to our vision. We continue to see the emergence of ongoing senior leadership.

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### About Root

Root is a strategy execution company that helps organizations engage people as a catalyst for change using a proven framework that consistently achieves clarity, ownership, and results.

