

Oct. 5, 2006

## McMurry-Redspring Merger Exceeding Expectations

*Strikingly similar value systems between parties driving success*

**Phoenix**—Custom media firm McMurry is beating the merger odds. It's been more than 90 days since Phoenix-based McMurry's acquisition of Redspring Communications of Saratoga Springs, and the integration of the firms has happened not only without a hitch, but also with a host of qualified successes uncharacteristic of such transactions. CEO Chris McMurry says the similar core values each company possessed are responsible for these developments.

This week, for instance, the former Redspring operation was fully rebranded as McMurry. What made that so unusual was not the rebranding itself, but the fact that the Saratoga Springs staff requested that the name change happen more quickly than originally planned.

"That element of the story is big as people here had great pride in the Redspring name because they helped create it and the business it represented," explains James Hill, the founder and former owner of Redspring for 15 years. "There's significance in their interest to move into the future that demonstrates the depth to which the acquisition has been embraced."

There has been no client or acquisition-related staff turnover since the sale was final—only new accounts won and new hires being made since the Saratoga operation anticipates revenue growth of 35 percent in the coming year. And perhaps in the ultimate endorsement of merger success, Hill has accepted a long-term position with McMurry as the Saratoga office's SVP/General Manager, after originally planning to retire six months following the acquisition.

"I've considered selling the company for years in order to continue to grow what we've started and to ensure greater opportunities for staff. Of all the other custom media companies and publishers out there, McMurry has always been my first choice for their work, yes, but most of all because of the parallel values," Hill says.

"The more time I spent working through the transition, collaborating with Chris and the team in Phoenix, the more I enjoyed myself. The more I contemplated leaving this incredible group of people, I realized I wasn't ready to go. The wonderful folks within McMurry have only intensified that feeling."

Saratoga staff members felt Hill's decision spoke volumes, calming any fears that McMurry's approach was too good to be true. "It's really this good here," says VP/Client Services Jennie Kim, one of several Saratoga staffers who have been promoted since the acquisition. "We've realized the positive changes Jim and Chris assured us we'd see. The feeling of cohesiveness among us is far better than we could've hoped, and the shared values have united us."

Various industry sources, such as Mergerstat.com, estimate the success rate of mergers around 20 percent. The 80 percent that fail, according to the source, do so not only because of overpayment or poor business judgments, but also because of cultural clashes, an inadequate integration, insufficient communication and a lack of follow-through on promises that result in poor productivity and staff satisfaction.

While there are many keys to successfully combining companies, McMurry says similar corporate values and culture made the difference. "Our cultural due diligence suggested this was going to be the case, but honestly we were all amazed at just how precisely alike we are in thought and action," he says, adding that mixing different cultures is next to impossible without great upheaval, as is routinely proved by world events.

-more-



Consistent and honest communication with staff, clients and vendors, promises kept, and a well-thought-out integration plan have all played an important role, too. In a recent survey of Saratoga Springs staff, 94 percent were “satisfied” or “extremely satisfied” with how the integration has progressed. McMurry plans to conduct a similar survey of staff and clients in three more months to evaluate the complete success of the merger.

“I think it took a little while for everyone to believe that all the good things that were happening were real, and that there was no other shoe to drop,” says Fred Petrovsky, President, Custom Media. “Our message has stayed the same, we’re candid and fair, and people are seeing that we can all trust each other.”

“We didn’t come in and change everything Redspring was doing,” McMurry says. “We collectively and with open minds examined each element of all of our businesses to determine if and when it makes sense to combine efforts and share practices. One size doesn’t fit all, and sometimes it is smarter to forgo sameness and economies of scale, and instead view diversity as a source of innovation. This approach seems both respectful and wise.”

This year McMurry was ranked sixth in the U.S. on the “Best Small Companies to Work For” list by the Great Place to Work Institute and the Society for Human Resource Management, and was the highest ranking marketing communications company on the list. Management says the real test comes when the list is revealed next year. “If we make the list after all the change occurring this year, and I think we can, then we’ve accomplished our goal of making the acquisition positive for everyone involved, and in every shape, form and measure,” concludes McMurry.

#### **About McMurry**

McMurry (mcmurry.com), with three offices in Arizona and New York, offers a complete line of marketing communications services to a variety of clientele, including GlaxoSmithKline, The Ritz-Carlton Hotel Co., Amtrak, CBS, Aon, CVS Caremark, Waste Management, USAA and 24 Hour Fitness, as well as resources to more than 10,000 corporate professionals. The company has specialized practices in healthcare, finance and insurance. It is among the largest independent marketing communications companies in the U.S. and is recognized by the Great Place to Work Institute and Society for Human Resource Management as one of the top five “Best Small Companies to Work For” in the U.S.

#### **Contact**

Katie Haney, Strategic Communications Specialist

P: 602-395-5850

E: [Katie.Haney@mcmurry.com](mailto:Katie.Haney@mcmurry.com)

