Background: why are we raising this subject?

• The IFRS Foundation is being subject to considerable change with the creation of the ISSB and consolidations with other organisations, amongst other aspects.

• Studies show that the majority of mergers and acquisitions fail to fully achieve their objectives.

• The most common reason given for this is differences in culture.

• This has been the case for decades and yet studies still reach the same conclusion.

• Why is this?
Background Cont.

• It is widely acknowledged that organisational culture is often a key defining characteristic in organisational success, and yet priority is often still given to the details of the deal - "the things that need fixing first"- with culture belong relegated to secondary consideration, "once everything is in place"

• In other words, where once the problem was that culture was forgotten, now the problem is that it is remembered too late – by which time the damage has often already been done.
Background Cont.

• We want to ensure we learn from these findings and the experience of others, and so have started a workstream on culture alongside the other aspects of the programme needed to set up the ISSB at pace.

• As part of this, to help us explore this issue fully, we are looking to engage with: staff from the consolidating organisations; Advisory Council; Trustees; and an external consultancy firm.

• We would therefore welcome your insights and experience in how to bring people and organisational cultures together most effectively.
The elements being combined...

• One Board (IASB) in a mature phase, focused on one primary location (plus Asia-Oceania liaison office) to maximise efficient functioning

• A new Board (ISSB) in a start-up phase, with a multi-location model

• Consolidating organisations: IFRSF, CDSB, VRF (SASB/IIRC)

• Operations functions need to support offices in Americas/Europe/Asia

• Wider market engagement activities

• Staff from a wider variety of professional backgrounds
...And what is not changing:

• Standard-setting mission serving the public interest and capital markets
• A small organisation (150-300 people)
• Global outlook and reach
Questions for breakout sessions

• When working in a global multilocation setting, with multiple organisational consolidations occurring, and in a context of hybrid working during a continuing pandemic, what advice and learning can you offer from your experience of bringing organisational cultures together that could be helpful and relevant for us in what will still be a relatively small organisation?

• How can the IFRS Foundation best build on the strengths in the values and cultures of the legacy organisations and achieve a unified culture?