

Title:

Successful Merger Synergies - How To Make It Work

Word Count:

372

Summary:

"We tend to overestimate what we can accomplish in a day and underestimate what we can accomplish in a year."

This is particularly true in the case of mergers or acquisitions. Recently, a company I founded, EMJ, was acquired by SYNEX. Prior to that EMJ had acquired 12 other companies. The following is a list of lessons I have learned on how to do a successful merger.

1. Challenge assumptions: Most management thinks all companies work more or less the same. This is not...

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Article Body:

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This is particularly true in the case of mergers or acquisitions. Recently, a company I founded, EMJ, was acquired by SYNEX. Prior to that EMJ had acquired 12 other companies. The following is a list of lessons I have learned on how to do a successful merger.

1. Challenge assumptions: Most management thinks all companies work more or less the same. This is not true. All businesses, even if they are in the same business are unique. The differences tend to be subtle and therefore easy to overlook. One assumption that is often made if a company is struggling is that existing management is simply no good and that it is easy for a "well run" company to solve the issue. Usually it is not.

2. Plan Plan Plan: Mergers and acquisitions tend to be exciting. Sometimes the thrill of the deal overshadows proper detailed planning. Plan every aspect from customer, suppliers, staff etc.

3. Plan for downside. One of the characteristics of good entrepreneurs (and I

think good business people in general) is that they tend to be optimistic. However, in higher risk situations, one always needs to look at the downside and plan contingencies.

4. Be flexible: although we need to have a plan, we need to be flexible and change the plan based on new results.

5. Always learn: one of the things that will makes us successful as a company is to have a learning culture. Part of our challenge in the integration was a blindness of what could be learned.

6. Persist. In the face of challenge, keep trying. Persistence got us through the integration. Persistence pays.

7. And finally, think long term. It is the long term that makes for a truly great company.

Acquisitions tend to go through phases. The excitement and euphoria of the deal followed by the work integrating the companies and usually disappointments that the results are not as expected. But if the acquisition is planned well and truly well conceived, a third phase happens, true performance and synergy occurs.

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