



Culture battles kill most acquisitions

You've heard the old saying that culture eats strategy for breakfast. If you doubt that, just look at the countless examples of acquisitions that looked fantastic on paper. The numbers were beautiful, the strategic logic impeccable, the market conditions perfect, the competitive landscape deeply understood. Then time and time again they would fail to deliver the promised synergies and upside. That's not because the strategy was flawed, it's because there are lots of these pesky humans involved. Humans with opinions of their very own, who are deeply tribal creatures.

There's a lovely moment in the movie *Gladiator* when the Russell Crowe character Maximus is preparing for what is likely to be the last battle in a years-long Roman campaign of domination. His trusted lieutenant, Quintus, turns to him and says "People should know when they're conquered" and there's a meaningful pause before Maximus replies "Would you Quintus? Would I?". Precisely.

People should know when they're conquered. But they don't.

Have you ever noticed that those who start wars pretty much never win them? Much has been written about that, and I am so far from a military strategist that it's laughable for me to comment at all, but I genuinely believe there's a fundamental human truth at the base of that fact. When all is said and done, the passion with which one group of humans will defend their home, their tribe and their own way of doing things, will always trump the passion with which another group of humans will invade the home, tribe and way of doing things of someone else.

In an acquisition, there is invariably a show-down between the acquirer and the acquired. The acquirer will often be surprisingly naive about what is happening. After all, they bring the promise of extra investment, of scale, of a stronger brand, of market success. Who would be crazy enough to fight that?

Turns out - pretty much everyone.

Because our brains are essentially unchanged from 80,000 years ago and are threat detection, pattern recognition machines designed to keep us safe, they prioritise belonging over all our other needs. Even over food, water and shelter (that's right, Maslow was wrong).

When a new group of people arrive and impose their way of doing things on the existing group, those in the existing group interpret this as a threat to their belonging. Their sub-conscious minds are screaming at them that they will die if they don't belong, so they fight back. Many of them don't even understand why they're fighting, they just know they liked the old ways and don't like the new.

Their sub-conscious minds are screaming at them that they will die if they don't belong.

Usually this sort of fighting doesn't involve heavy weapons and casualties, but the fighting is no less real for that. The organisational equivalent is the 'meeting before the meeting' where not everyone is invited and there's a general agreement that the proposed changes won't be good for the bottom line. Or the 'meeting after the meeting', sometimes conducted over drinks that evening, where the clique gather to criticise the presentation they all nodded and smiled through that afternoon. You know the sort of stuff I mean. My guess is you've seen it over and over again.

Humans fight changes that threaten their belonging.

Humans fight changes that threaten their belonging. Once you know this, you can work with it instead of against it.

And if you're on the acquiring side of the next transaction, I recommend you pay particular attention to the cultural aspects of your integration. Without that, the synergies will be non-existent.



Fiona Robertson is a culture change coach, trainer and speaker focused on helping leaders create teams and organisations that thrive.

She can be contacted via fionarobertson.com, fiona@fionarobertson.com or +61 (0)3 8719 8020.