## JACOBS' JOURNAL

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# Surviving on the M&A home front

I was 15 years old when I experienced my first merger. Three years earlier my division had been spun off from the whole company.

I was 12 when my parents divorced in 1978. Our "company CEO," my dad, moved about an hour and a half away, so I essentially had one remote boss, while our division president, mom, ran the day-to-day operations.

Dad remarried three years later and suddenly I had a stepmom and a younger stepsister to deal with. It was a relatively easy merger, for me, though. The management team was at a remote location and pretty much left our spinoff alone. Periodic visits to the" company headquarters" were quick and generally painless.

Families are much like businesses. Divorces (divestitures) and remarriages (mergers and acquisitions) can create extraordinary synergies when the right people are brought together. But if the proper due diligence is lacking, any union suffers.

A couple years later, our smaller division merged as well. Mom remarried and I experienced a second, more-turbulent union.

My stepfather's children were older and mostly removed from the house, though his eldest would come back for visits, and he and I were about as compatible as a Snickers Bar and a kid with a peanut allergy. Ironically, we get along pretty well now, but back then it was rather unpleasant.

There were plenty of positives to this merger. Mom was certainly happier. But I guess by then I'd grown accustomed to the way we did things under the previous regime. Having a new manager imposing his own rules occasionally created conflict, but we generally stayed out of each other's way, so life wasn't too bad. Shortly after, I headed off to college where I experienced an entirely new level of boss-free responsibility (but that's another column).

As an employee, I didn't have much control over these mergers. I had to learn to adapt and accept. It made for some difficult times early on.

Although the economy might have dampened Green Industry merger-and-acquisition activity during the past few years, there are still quite a few companies on the hunt.

This month, our cover story (beginning on page 18) explores how the M&A market has changed, what companies are — and should be — looking for in acquisition targets and why business owners might be surprised to find out what their companies are really worth. But no matter how well the financials fit, no matter what service or market the acquired company brings, the deal is doomed to fail if the culture of the two organizations don't mesh.

Mergers, much like marriages, go through ups and downs. You have got to know and accept a lot about your "spouse" for the union to survive and thrive. Without hard work up front, you're likely to end up with a stereotypical Hollywood marriage — a couple of beautiful single people who come together for a brief and brilliant flash, before burning out quickly.

Mom's merger ended when my stepfather passed away many years ago. Dad's is still going strong after 30 years. I've been married to my beautiful bride for more than 20 years. It takes time, effort and persistence to make a marriage work — whether it's wedded bliss or an acquisition.

For business owners, mergers and acquisitions are among the fastest ways for companies to extend their reach and generate additional profits.

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