"Successful Mergers, Acquisitions and Strategic Alliances: How to Bridge Corporate Cultures."

Authors Charles Gancel, Irene Rodgers and Marc Raynaud
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Reviewed by Patricia Lane
LOKAHI INTERACTIVE, PARIS

This volume, written by the managing partners of Intercultural Management Associates (ICM[1]) , aims to accompany practitioners – corporate managers and consultants – involved in implementing mergers, acquisitions or alliances. Recognizing that after 5 years, over 50% of mergers are considered failures, the authors argue that "more often than not, the root cause of the problem is a failure to account adequately for the human factor and the hidden dimension that is culture." (p.6) Whereas economic and technical integration relate to explicit and measurable issues, cross-cultural integration relates to unconscious, implicit and oft unspoken factors. The authors posit that achieving full cultural integration on a collective level is neither a realistic nor a necessarily desirable goal. Integrating corporate cultures, however, is possible because the differences involved are less emotionally charged and easier to resolve than national culture elements. Defining the level of integration desired is a strategic choice which arbitrates between the need for group unity and the benefit of recognizing differences.

The book can be divided into 4 sections. Section 1 (chapters 1 to 3) outlines key issues, definitions, and areas of differences oft arising when two or more firms ally or merge. It asks why the issue of culture is so rarely addressed and suggests the reasons lie in a lack of awareness, understanding, willingness or ability. Section 2 (chapters 4 to 6) presents the main variables used in ICM's culture bridging work with clients (such as legitimacy, effectiveness and view of the future); and Section 3 (chapters 7 to 11) outlines the main phases of the Culture Bridging Fundamentals diagnostic model developed by the authors: diagnosis/cultural audit, integration processes, Culture Bridging competencies training. The last section, an appendix, compiles 7 interviews with senior managers of international companies who have had direct experience with the impact of cross-cultural issues in this era of globalization.

The book relates the experiences of an imaginary CEO, Ingo Janssen, as he struggles to make a success of the merger between two advertising agencies with very different corporate cultures. The narration is an effective means to grasp the reader's attention and sympathy, and sometimes even humorous empathy when some of the situations he encounters echo with our own experiences. Direct quotes from clients – most of them attributed – also rhythm the book and add credibility or relevance to its arguments.

"How to Bridge Corporate Cultures" is an easy read, practically-oriented, and not lost in theoretical jargon. Although the tone is sometimes too conversational, perhaps even chatty, the book succeeds in raising the awareness of readers who have yet to experience the impact of cross-cultural issues and in helping those who have to find the vocabulary and the tools to address some of these key challenges. More than a self-help/how to guide but less than a comprehensive manual, this book will leave certain readers wanting more. Yet there is no single recipe, method or process able to bridge cultures in all circumstances. Nevertheless, it would have been useful for the authors to include at least one real-world case study to offer a concrete illustration of the methodology presented and its step-by-step application.

As noted, the example used belongs to a highly client-oriented and individual relationship-based service industry: advertising. Though client quotes reflect a wide array of business sectors, there is little discussion in this volume of the impact of core client or supplier profiles, of external interest holders, or of overall legal and economic environment on corporate culture bridging choices and post-merger integration options. Given the authors' experience, one could have expected tidbits of wisdom regarding potential differences in the application of their CB model depending on corporate activity (industrial, consumer goods, consumer services, business services etc…), status (public v. private), structure and size, as well as regarding other change management or restructuring/reengineering issues facing the newly merged entity[2].

Despite these shortcomings, the book fills a gap in mass-market international business literature where offerings tend to focus predominantly on M&A techniques and processes, development of individual cross-cultural competencies, comparisons between one dominant culture (often American) and an array of "foreign" cultures, and cross-cultural training manuals[3]. The authors place the issue of corporate culture at the forefront of the debate on how to select a suitable corporate "spouse" and how to make the "marriage" work. In focusing on keys such as the import of early planning, carefully chosen transition teams, open and honest communications, and realistic and respected promises, the authors tackle culture's dual vectors (the what – tools, outputs – and the why – values, beliefs, ethics) without getting lost in a re-edition of the traditional analysis of culture along 6 dimensions offered by Hofstede and taken up by many professionals in the field.

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[1] Consulting firm based in Neuilly sur Seine, France

[2] See Aharoni, Yair and Nachum, Lilach. 2000. Globalization of Services: Some Implications for Theory and Practice. Routledge (reviewed by Anders Blomstermo for jibs.net in June 2001).

[3] See for example:
Brislin, Richard W. 1999. Understanding Culture's Influence on Behavior (2nd ed.). Wadsworth.
Brislin, Richard W. and Cusher, Kenneth, eds. 1997. Improving Intercultural Interactions: Modules for Cross-Cultural Training Programs (vol.2) (Multicultural Aspects of Counseling, No.8). Sage.
Brislin, Richard W. and Yoshida, Tomoko. 1997. Improving Intercultural Interactions: Modules for Cross-Cultural Training Programs (Multicultural Aspects of Counseling, No.3). Sage.
Hampton-Turner, Charles M. and Trompenaars, Fons. 2000. Building Cross-Cultural Competence: How to Create Wealth from Conflicting Values.. Yale University Press.
Harris, Phillip R. and Mora, Robert T. 2000. Managing Cultural Differences: Leadership Strategies for a New World of Business (5th ed.). Gulf Professional Publishing.
Galpin, Timothy J. and Herndon, Mark. 1999. The Complete Guide to Mergers and Acquisitions: Process Tools to Support M&A Integration at Every Level. Jossey-Bass.

Strategic mergers and acquisitions offer a solution to a different business problem. Perhaps the acquirer is looking to grab a new product line, add some additional facilities, enter a new market, or gain expertise and intellectual property. For professional services firms, a strategic M&A is often about gaining credibility, adding intellectual firepower or changing the balance of power in a particular market. The bottom line is a strategic merger yields value for both the acquired and the acquiring firm. To reluctantly use a hackneyed phrase, itâ€™s a â€œwin-winâ€ for both parties.Â And consider carefully how the merged firm will generate organic growth. Additional Resources. Download our free book Spiraling Up to learn how to develop a high-growth, high-value strategy for your firm.