

# Success in mergers and acquisitions

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Could casual Fridays and meeting times determine the success of billion dollar mergers and acquisitions in the business world?

According to research included in Mitchell Marks' recently published book that examines 30 years of mergers and acquisitions, only 25 percent of all business mergers and [acquisitions](#) achieved their financial objectives. Marks found that the process through which the companies were integrated -- navigating differences and similarities in [corporate culture](#) -- had the most impact on [financial success](#).

"It does not matter whether the combining cultures are similar or different, but how those similarities and differences are managed," said Marks, associate professor of management. "You can combine companies with strikingly different cultures, so long as you acknowledge and manage the differences rather than deny or ignore them."

Marks said that minute aspects of corporate culture can be important as companies come together. Mac vs. PC, dress shoes vs. sandals, and compensation packages can cause tension in a merger. "Little things like meeting starting times can mushroom into bigger issues," he said.

As the recession eases its grip and companies look to merge and expand, Marks said understanding those issues will become paramount. Many companies are undervalued, making them attractive targets for buyers, and tech companies such as [Google](#) will be looking to take over companies to acquire new innovations, rather than developing them in-house. "Who would have ever thought Oracle would have bought Sun?"

Marks said. "There will be huge deals as executives become more confident the economy is improving. It's going to take on a life of its own."

Marks expects foreign companies to become players in the expanding market, with companies in China and India among the busiest buyers. That will introduce [cultural differences](#) into the already difficult merger of corporate cultures.

He said companies such as Cisco that emphasize cultural learning have more success than those who try to dominate the other [company](#).

"You acknowledge the differences, you educate people on it," Marks said. "Companies that did deep cultural learning have better results."

**More information:** Marks will host a workshop on "[Making Mergers and Acquisitions Work: Managing the Human, Cultural and Organizational Issues](#)," for executives and managers on Nov. 4 and 5. The second edition of his book, *Joining Forces: Making One Plus One Equal Three in Mergers, Acquisitions and Alliances*, was recently published.

Provided by San Francisco State University

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