

# The Key to Merger Integration: Managers Who Can Manage

By David H. Maister

Everyone knows that most mergers fail to deliver the benefits sought, but what most people don't know is that the key element in making them work is not systems, procedures, processes or even strategy. The key is putting managers in place who know how to manage.

One of the first set of decisions that has to be made in a merger is who is going to head each department, group, location and division. In other words, the most crucial decision, the appointment of managers, comes earliest in the process.

Unlike what they taught most of us in business school, getting the best out of people (and getting them to collaborate effectively) has almost nothing to do with logic, rationality, professional skill and intelligence. It's all about interpersonal, social and emotional skills. And these talents are never more important than during the tense political drama of a merger. In a merger, where you have to get many people to take on new roles and also get strangers (and erstwhile competitors) to collaborate, the demand for these skills rapidly outstrips the supply.

Compounding the problem is the fact that managers have historically been selected for all the wrong reasons. They are often chosen because they are the best technician or the best business

getter or the most financially oriented. These are all important things, but none of them has to do with managing.

Managing is about the ability to get bright, energetic, mobile, autonomous people to accept your influence. Above all, it's about the ability to win trust (an especially scarce commodity in the state of flux that exists in postmerger situations).

Managers must act more like coaches than bosses. Their people must believe in their hearts that the coach is trying to help them win (and is not just trying to make the corporation look good). If I'm an employee and I accept that you're trying to help me, then I'll listen to your critique and engage in the dialogue with passion.

If I think you're not trying to help me but just trying to make yourself look good, then I'll comply to keep my job but I'm not really going to be engaged. On such subtle differences is business success built.

Yet look how hard this is postmerger. For better or for worse, before the merger I had a history with my manager and whatever trust existed at least could be based on experience.

Post merger, vast numbers of employees are going to suddenly have a manager they don't know, who might have come

from a different company and certainly doesn't know how things are done around here. You want me to trust this person?

Well, yes. If your people don't, then they aren't going to be enthusiastic participants. Few people (certainly not professional people) are motivated by grand visions, inspiring strategies and mission or value statements. They are inspired by individual managers who know how to get the best out of them.

Yet where's the training in how to manage people? Even those few professional firms that provide training in business actually provide training in managing.

Few are taught how to give a critique in such a way that it leaves the recipient energized rather than resentful. Few are taught how to get a bunch of prima donnas to sing like a choir. Most of us have had to learn it the hard way, through bitter experience. That luxury is not available during a merger integration. You need to pick your managers—carefully—and train them—quickly!



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