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**WITHOUT CLEAR OBJECTIVES, IT CAN ALL END IN TEARS**

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There's nothing like a spell of rampant corporate activity to create a buzz.

But the thrill of the chase can quickly turn sour if management fail to integrate a new business quickly.

"Roughly two-thirds of mergers and acquisitions historically fail to achieve the benefits they expected - and that's a big margin of error," said Pat Tomlin, director of M &A integration specialist and troubleshooting consultancy Wildcat One.

"Signing the deal is just the beginning of what can be a tortuously long process and many a dream corporate marriage can end in disaster because the protagonists just haven't thought things through.

"Firstly, management need to be really clear about the objectives and what they want to achieve. But, believe it or not, sometimes that level of clarity just isn't there because other influences get in the way and muddy the water - such as personal ambition or what other companies are doing, rather than focusing on clear financial or commercial reasons."

Classic flawed intentions for M &A include glory seeking, copying competitors or doing a deal because capital is cheap and easy - for example, when shares instead of cash can be used as currency in a booming stock market. The chances are that the strategic thinking behind these moves is easy and cheap, too.

The level and degree of integration management go for can also dictate the success or otherwise of the deal.

"If you completely subsume an organisation, sometimes you lose what you bought it for. If it's the culture and ethos of a company that makes it an attractive target, you need to be careful not to destroy that in the integration process."

Speed of integration is also crucial. As a general rule of thumb, Ms Tomlin said, the faster you can integrate, the better. Blips and delays can make staff, shareholders and customers twitchy.

Uncertainty caused by deals that drag on indefinitely can prompt a damaging exodus of key staff.

Research suggests about 47% of acquired company executives leave in the first year and 75% leave within the first three years. If the exiting team includes your top sales manager or biggest account handler, the result can be disastrous.

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