

From the Field to the M&A Negotiating Table, Every Successful Team Shares The Same Dynamics

August 22, 2024

By Michael N. Mercurio



They say there's no "I" in "team." Tellingly, for the parties in merger or acquisition, it's also impossible to spell "team" without an "M" or an "A."

But I'd like to introduce you to a different set of letters. Even though you can't find them in the word itself, every team should contain three "Cs": **cohesion**, **collaboration**, and **culture**.

Over the course of my career as a business attorney and advisor, I've seen many transactions succeed—and witnessed many more fall apart. Every deal that's gone through could not have happened if not for a cohesive, collaborative, culturally connected team.

Speaking as a sports fan, I could say the same about a squad like the Ravens, the Bulls, or the Bruins. Whether we're talking about a sports team or a corporate team, the Three Cs are paramount for optimal results:

- **Cohesion** is the team's capacity to stick together, through the good times and the difficult moments. It's the fundamental element every group needs to take on risk and uncertainty, survive failure, and doggedly pursue its goal. Without cohesion, there is no team.
- **Collaboration** is how the team works together as a unit, maximizing each team member's strengths to become something more than the sum of their individual abilities. Collaboration ensures the team is operating at its full capacity. It's how team members keep each other accountable, engaged, and in the game—be it a real game or a metaphorical one.
- **Culture** is everything the team cares about and stands for—the values, principles, beliefs, assumptions, and personalities that make the team unique. A team's culture determines how and why the team does what it does. Culture eclipses everything else; it's how Joe Namath led the Jets to triumph over the Colts, the so-called "greatest football team in history," in Super Bowl III.

The Three Cs are essential ingredients of all successful teams, but they aren't the only qualities that matter. Many teams with extraordinary M&A records have been together for a long time—sometimes years. Time not only imparts experience, but builds team confidence and predictability.

Diversity matters as well. An M&A advisory team should be comprised of individuals from different disciplines, such as leadership, accounting, law, and investments. Many successful sellers and buyers build teams from their networks: they tap their closest colleagues and associates for support; hire attorneys, bankers, and other M&A consultants; and then bring in trusted advisors from their organizations' boards of directors, executive suits, and finance departments.

Finally, even the smartest, most experienced and diverse teams need to watch out for dysfunction. Everyone on the team should share a single goal: deal consummation. Internal dysfunction can impact everything from timing to cost structures. With that in mind, effective M&A teams work on resolving conflicts early, build open lines of communication, and save their competitive energy for the playing field—or negotiating table.

Originally posted on 1/25/2019, no content changes.