

## Why Do Both Marriages and Business Mergers Have a 50% Failure Rate?

*By Laurence B. Valant*

AUGUST 2008 - Marriages and mergers end up on the rocks 50% of the time. Many management relationships, like husband and wife pairs, end up in such irreversible trouble that one person simply has to go—or be let go—often without a severance package.

Accountants are not immune to these troubles. The most abused process—and yet also critical for long-term success in any business relationship or marriage—is communication. More specifically, the source of problems in interpersonal relationships is often the lack of clear, unambiguous communication. The death knells of any relationship are these words:

- “That’s not what I wanted at all,” and
- “That’s not what I thought you said.”

Two rules can ensure success. These laws of interaction are effective in manager–subordinate relationships, merger and acquisition courtships, as well as in marriage. They are:

- Expectations must be clear and quantifiable, and
- Communications must be unambiguous.

Unfortunately, the high rate of failure in business or marriage relationships can often be traced to the intentional desire of the communicator to be completely unclear about expectations. Some managers or spouses are intentionally vague about expectations in order to exercise power over the other person. You’ve probably heard this in the workplace or in a marriage: “I don’t know what I want, but I’ll know it when I see it.” That may work when buying art, but it is a recipe for failure in achieving positive results in a business or marriage.

Clarity of expectations means quantifying the outcomes to be achieved. Unambiguous communications result when people candidly, directly, frankly, fairly, and honestly recognize reality and talk about it in sincere, impersonal terms. Yes, unambiguous communications can be painful, but they need not be mean-spirited or unkind. The facts are the facts; it is what it is. Unambiguous communications are achieved when the parties deal with the quantifiable facts openly, confront reality, set objectives, and develop plans to follow up. Both parties must commit to the objectives and the plans.

Only after the communicators are completely sure of what they want can they effectively share

those expectations. If you say, “Let’s meet on Friday to talk about the [family, business, or post-merger business] budget,” you have failed to understand the second rule above. An appropriate reply would be, “Talk about what about the budget, specifically? Come on, you can tell me.” In addition, by being vague you have abused the first rule, because you have provided no clarity of expectations or outcomes.

Of course, the receiver of the communication has the right and the obligation to push back to the communicator and say, “Let me see if I understand what you want,” which helps lead to clarity of expectations. Receivers must practice their own form of unambiguous communications, as well, by questioning (as needed) the directives from the communicator. “If you want that new division (new car, family vacation), it will cost not X, but 2X.” “OK, go ahead.” “OK, I can do it.” Roles, responsibilities, and expectations must be clear on both sides in order for the initiative (and the relationship) to be successful.

---

*Laurence B. Valant is president and CEO of Valant & Co. ([www.valantco.com](http://www.valantco.com)), a business performance improvement consultancy. He can be reached at [lvalant@valantco.com](mailto:lvalant@valantco.com) or 303-589-3840.*

**Close**