

◆ Mergers and Acquisitions in Scientific Publishing: The Impact on Suppliers, Publishers, Organizations, and Individuals

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Panelists:

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As an employee of a company that merged in 1998, I found this session to be of particular interest. My colleagues and I attended it to get some tips on dealing with transitions.

Margaret Reich represented association publishers who purchase services from full-service printers. She identified some of the companies that had merged or been acquired in the last few years. Reich expressed concern that the reduction of choices in suppliers would limit competition in pricing and development of new

or enhanced services. She fears that less attention will be paid to smaller publications. She advised that all contracts contain assignment clauses that spell out the expected level of service, quality, schedule, and costs if the company changes hands. As a customer, one must DEMAND excellent service from vendors. Reich has lived through mergers and acquisitions with colleagues who worried about their jobs and how those jobs would change.

The representatives of Business Navigating Systems Inc are consultants who have assisted individuals and organizations through mergers. Robert Reed said that mergers create complex adaptive systems. Organizations are cultures that are emergent and adaptive. Value is present in the cultures of both the acquiring company and the company being acquired, so neither culture should be killed.

The stages of a merger were then described, and Reed compared the stages with popular songs:

1. "Do You Want To Dance?": Often only a few people at the top of each organization make the initial contact.
2. "You're Just Too Good to Be True": Top executives and members of the board determine what the other organization has to offer.
3. "I Can See Clearly Now": The CEO and management heads determine the terms of the agreement and negotiate with each other.
4. "Go Tell It on the Mountain" and "Dancin' In The Streets": The deal is announced. For most employees, this is a time of high anxiety.
5. "Going to the Chapel of Love": An internal focus is necessary during this stage, but the board and CEO are often outwardly focused at this time. Chaos reigns within the organization. The CEO,

senior executives, and business-unit heads need to recognize that change is situational and that transition is a process.

6. "Will You Still Love Me Tomorrow?": The rank and file are very afraid during this stage. They fear and dislike change. It feels like chaos, and strong leadership is critical because structure arises from the chaos.

Martha Myers emphasized the importance of timing and communication throughout the 24 months of moving the company from the infant to toddler stage. She discussed setting up regular communication and transition teams. Her advice was to "mind the gap", meaning that one can't assume that the same words mean the same thing in the different spaces and contexts of different organizations. Recognize that chaos reigns for the first 9 to 12 months and that the primary focus should be on the employees. Cynthia Smith expanded by describing how people understand cognitively where the company is going but are not aware of the emotional change. Persistence is the anomaly; change is natural.

Chris Welch concluded by describing the science of chaos and complexity. The role of leadership is to harness complexity to influence direction. He described companies and individuals in transition as going through a period of perturbation. The organization reaches a point of bifurcation. Then a jump (saltation) occurs, possibly to a more positive environment. He urged people in a transition to stay engaged in useful work. Although it is good to stir things up, if too much disorder exists one cannot get the product out and do business. Leaders should seek the wavy line—a balance of persistent disequilibrium to influence change. Above all, remind people that each transition is different. 