

A WORKING SESSION FOR CEOs, OWNERS AND OPERATORS

How culture drives — or destroys — value in M&A

A conversation with Martin S. Harrell, who did eight of them.

21 October 2026 · 45 minutes together, 15 minutes of your questions

Your Hosts

One of us sells the system. The other one lived it, through three ownership eras and ten transactions.

Martin S. Harrell

PRINCIPAL, COASTAL LEADERSHIP GROUP

Former CEO of Coastal Construction Products, a specialty waterproofing distributor. Took the business from a family-owned Florida operation to a division inside a \$10 billion public company — eight acquisitions as the buyer, two sales as the seller. Now coaches CEOs of family businesses.

“Changing the oil, tires and paint color of a car driving 70 miles an hour on the highway.”

Dustin Campbell

EXECUTIVE CHAIR, CULTUREWISE

CultureWise is the culture operating system for mid-market companies — the methodology and platform that define, install and reinforce the behaviors that determine how an organization performs. Built on Culture by Design by David J. Friedman.

“Most companies don’t have a culture problem. They have a clarity problem, and then a repetition problem.”

Where we're going

Then fifteen minutes for yours. Put them in the chat as they occur to you — we would rather take them than run long.

PART ONE

Where does the value actually leak?

The costs of ignoring culture do not show up in Q1. They show up at six, twelve and eighteen months, and no line in the variance report says culture.

PART TWO

What do the acquirers who get it right share?

Three conditions, built on purpose before the deal closed. Talented leadership does not explain it.

PART THREE

What does the system actually look like?

Four phases, two integration paths, and the first ninety days — the part that is sequential, not optional.

PART FOUR

What does it compound into?

Do it across eight deals and the market starts treating you differently. That is the payoff, not the plan.

What you'll leave with: a way to tell whether your next integration is being planned or being hoped for — and the first three moves either way.

PART ONE

The deal closes. The culture challenge begins.

Most boards track the same metrics in the weeks after close. Culture is rarely on the list, and the omission is not free.

The costs don't show up in Q1

EBITDA, pipeline, headcount, integration milestones. The quarter looks fine. The problem is already running.

SIX MONTHS

The people who made the acquired company worth buying start leaving. The ones with the deepest relationships and the most options go first.

TWELVE MONTHS

The sales teams still cannot cross-sell, because two groups who were supposed to be one company are still operating as two.

EIGHTEEN MONTHS

The synergies that justified the deal keep extending on the J-curve, and no one line in the variance report says culture.

34%

first-year attrition among acquired-company employees, against 12% for comparably tenured people you hired directly.

MIT Sloan, 2019

WHAT THAT MEANS

The people you paid a premium to acquire leave at nearly three times the rate of the people you simply hired.

"Financial engineering is table stakes at this point. The next frontier is culture. If you can get culture right, it solves a whole lot of other things by itself."

LANE WIGGERS, MANAGING PARTNER, ARGOSY PRIVATE EQUITY

The standard responses fall short

When friction surfaces after close, leaders reach for a predictable set of moves. Each is reasonable. None addresses the underlying problem.

The all-hands values presentation

Values without behavioral specificity are wallpaper. People nod, then go back to doing it their way, because nobody defined what the expected way looks like in observable terms.

The culture workshop

A workshop creates a moment, not a system. Without a recurring practice structure, whatever alignment was built dissipates within weeks.

Assuming cultural absorption

Culture does not flow downhill automatically. The acquired team experiences the deal as a loss of identity, and quiet resistance becomes the default.

Ignoring culture entirely

The acquired culture does not disappear. It runs underground, and within months two parallel operating systems exist inside the same company.

75%

of integrations still encounter culture issues that require serious intervention.

Bain & Company, M&A Practitioners' 2023 Outlook Survey

67%

of deals experience delayed synergy realization due to culture issues.

Mercer, M&A Readiness Research

Mercer also found 43% of transactions had culture issues serious enough to delay the deal, reduce the purchase price, or trigger termination.

What inheriting that looks like

Martin did not only buy companies. He was handed three that someone else had already acquired and left unintegrated.

“Changing the oil, tires and paint color of a car driving 70 miles an hour on the highway.”

MARTIN, ON RUNNING THE NEW DIVISION

Three inherited acquisitions

Already bought, already struggling. The financial integration had happened. Nothing else had.

Eleven companies, one division

Counting his own eight, that is what the combined entity felt like from the inside — all of it inside a \$10B public company.

Two years to do it

Not a stabilization period. A buying spree running at the same time as the turnaround.

PART TWO

What the ones that work actually share

Across the acquisitions where attrition stays low and synergies land on schedule, the same three conditions were in place before the deal closed.

Built on purpose, before the deal closed

When the acquired team arrives, they read every early signal to answer one question: what kind of company is this?

CONDITION 1

Behavioral clarity

Everyone can describe the standard

People at every level can describe, in specific concrete terms, how the organization operates at its best. A description of actual behavior, not a values statement. A specific, observable answer speeds everything.

+

CONDITION 2

Consistency

A standard that holds regardless of who is in the room

It does not depend on any individual manager. When both legacy teams work inside the same behavioral standard from the first week after close, the sense of two companies operating in parallel begins to dissolve.

=

CONDITION 3

Psychological safety

People speak up before problems compound

The acquired team has to feel safe raising concerns and flagging what is not working. Where that is missing, friction stays hidden until it surfaces as turnover.

"I've been in meetings where it landed poorly and we walked away from transactions."

RICHARD KOPELMAN, CEO, APRIO

Project Aristotle studied 180+ teams over two years. Psychological safety was the single strongest predictor of effectiveness — ahead of talent and seniority.

“We have something special and I can’t tell you why”

The most important principle in the guide, and the one most acquiring CEOs miss: you cannot integrate someone into a culture you have never defined.

2014

A merger agreed on a hike

Two competitors shake hands on combining. He will be CEO of the new company. The owners trust each other; the rank and file have no reason to.

THE NEXT DAY

He hears David Friedman speak

At his Vistage group, the day after the lawyer meeting. The problem crystallizes: the culture is real and completely undescribed.

MONTHS BEFORE CLOSE

The Fundamentals get written

Not after the deal. Before it — by the new combined management team, so both sides own the outcome rather than absorbing an imposition.

“I want to quit saying we have something special and I don’t know why. I want to define why what we have is special.”

MARTIN, ON WHY HE STARTED

Four hours, and no introductions

January 2015. Two friendly competitors meet for the first time as one company, in a hotel conference room.

NOON

Both companies arrive

One on each side of the lobby. Two organizations who had competed, about to be told they are one.

NO INTRODUCTIONS

Straight into the rollout

No org charts, no synergy deck, no name badges. The Fundamentals went in before anything else.

FOUR HOURS LATER

One organization

People were solving each other's customer problems together. Then — and only then — they did introductions, over dinner.

"I've started every single meeting of my life with introductions. I didn't want people to know who you were and where you were from before they knew what we were going to be about."

MARTIN

The power of Clarity. Diving straight into understanding how each worked without pre-judging people proved a powerful illustration of the process.

The night he had to say “we messed up”

An acquired workforce left day one believing they had lost their health insurance and their 401(k). Nobody knows exactly how.

THAT SAME EVENING

Three webinars, back to back

Five to six. Six to seven. Seven to eight. So that every single employee heard it live, from him, the same night — not in a forwarded email the next morning.

AND THEN, EVERY DEAL AFTER

He used it on purpose

On day one of every subsequent acquisition, someone named it out loud: we are walking through comp and benefits with you individually today, because we got this badly wrong once. He had HR tell it as “Martin made the mistake.”

“We messed up. I’m still not sure how we communicated that. I’m going to ask for grace and forgiveness, and we’re going to start over.”

MARTIN, ON THE CALL THAT NIGHT

Ambiguity is the tax. People fill a silence with the worst available answer, and they do it in the parking lot on the way out. Admitting a mistake on day one buys more trust than claiming you have done this a hundred times.

PART THREE

What the system actually looks like

Four phases, two integration paths, and ninety days that run in order. This is the part of the guide you can put on a plan.

Four phases, in sequence

Each one addresses a specific failure mode in how most acquirers have approached culture.

1

Define the behaviors

Pinpoint the observable behaviors that drive performance and build trust in the combined entity. Both legacy teams participate, so they own the outcome rather than absorbing an imposition. This addresses the clarity gap.

2

Create rituals

The Fundamental of the Week in every meeting agenda, weekly manager-led discussions, a reminder quiz. When both legacy teams practice the same standard simultaneously, two cultures begin to converge.

3

Enlist the team

In an acquisition this is the moment that decides whether the acquired team reads the new culture as invitation or imposition. A structured Roll Out controls that narrative.

4

Reinforce continually

Weekly pulse surveys sliced by legacy company, adoption analytics and coaching prompts — so leaders see where alignment is taking hold and where friction is building, before it shows up in turnover data.



**CONSISTENCY BEATS
INTENSITY**

Two integration paths — Martin ran both

One of the first decisions in any integration. The answer depends on where each company stands when the deal closes.

PATH A

Neither company has Fundamentals

Use the acquisition as the catalyst to build them together. When people from the acquired company help define the standard, they own it — and their stories and language shape a result more durable than either company would have built alone.

Martin's first deal. A merger of equals, with the Fundamentals written by the new combined leadership team before the two companies ever met.

PATH B

The acquirer already has Fundamentals

Introduce them to the acquired team through a structured Roll Out right after close. The team hears the stories behind each Fundamental and experiences the integration as joining something, not being absorbed.

Martin's deals two through eight. The Fundamentals went in before any other integration step, every time.

How did the experience differ? What are the tradeoffs?

Sequential, not optional

From diligence through the first round of pulse data, with the ritual cycle live across both legacy teams by day 60.

PRE-CLOSE

Diligence

Assess the target's existing culture to understand it, not to grade it. Which behaviors get rewarded? What gets tolerated? This sets the integration path and shapes the day-one plan.

DAYS 1–30

Close + onboarding

Execute the rollout at once. In Path A, a facilitated session introduces the acquirer's Fundamentals as an invitation. In Path B, begin the collaborative build with both companies in the room. Do not wait.

DAYS 31–60

Ritual activation

Launch the weekly cycle across the combined entity. Every meeting opens with the Fundamental of the Week. Every manager runs the same discussion. The first pulse data accumulates, sliced by legacy company.

DAYS 61–90

Measure and adjust

Review the first pulse results. Where is adoption strong? Where are the gaps? Target coaching from the data rather than from instinct — and stop the J-curve becoming permanent.

Skip a window and the J-curve stretches. Run them in order and the acquired team is operating inside one shared culture before the first quarter closes. Martin's version of the pre-close window was simply this: the integration work started during due diligence.

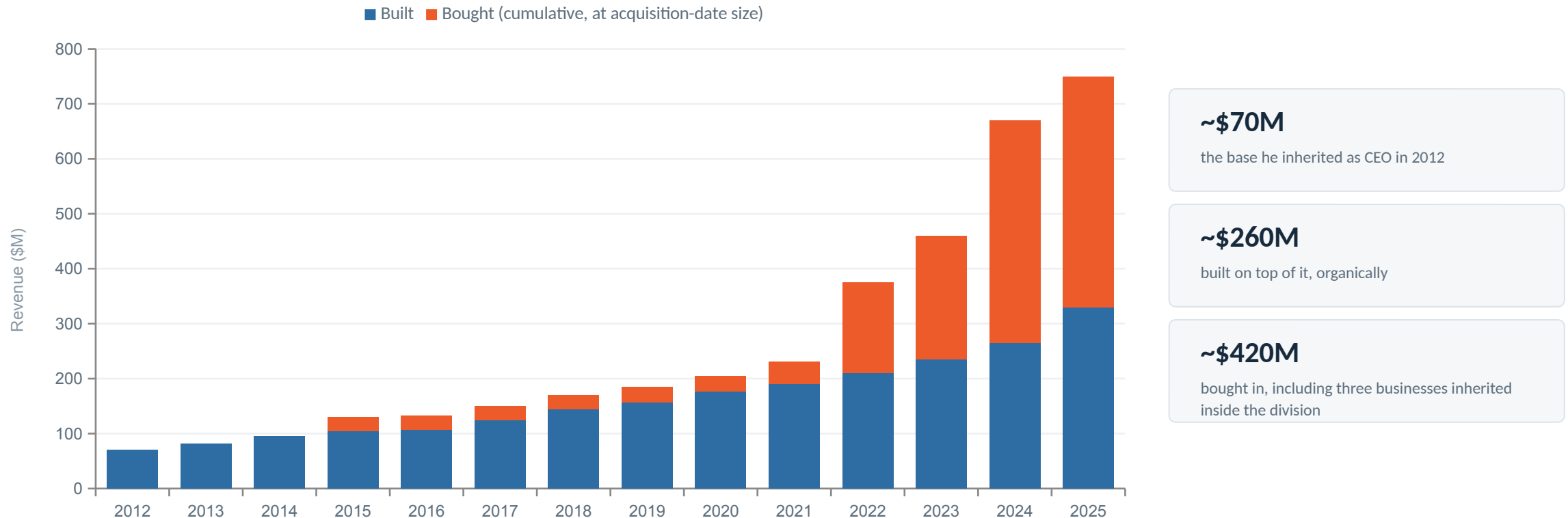
PART FOUR

What it compounds into

Do this across eight deals and three ownership eras and something changes in how the market treats you.

Where the growth actually came from

Revenue split by how it arrived. Acquired revenue stays in the bought band at the size it was when it came in, so the bought band only ever grows.



Both engines are running. The point is not that acquisition did the work — it is that acquired revenue only stays acquired revenue if the team you bought is still there to deliver it.

Eight deals. No process. Every time.

Once you can describe your own standard, two things become possible that were not before.

You can finally screen for it

A standard you can name is a standard you can test a target against. He walked away from multiple acquisitions on culture — including a prize geography he chose to greenfield instead, which was harder, slower, and still the right call. What made that possible was explicit permission: his CEO told him “you drive the ship — if you say they don’t fit, they don’t fit.”

And sellers start calling you

As president of his industry trade group he brought David Friedman in to speak to the whole industry, including his own future targets. Half the room understood it. Half thought it was mumbo jumbo. Both responses were useful — retiring founders looking for a safe home for people with three and four decades of service knew exactly who to call.

Across all eight acquisitions where he was the buyer, the seller never ran a process. He was the only bidder every time.

None of this makes the ride comfortable

Deals are never easy. But you can dramatically increase the odds of success.

Not everyone wants the destination

Family-owned to private equity to publicly traded is not for everybody. Be clear with people and let them choose their path.

The hardest Fundamental never gets easy

Embrace Change finished last on the annual Fundamentals survey every single year.

Team first is easy while hiring

The real test is how you put the team first when you are cutting costs or cutting headcount.

"I believe in embracing change, and it's still freaking hard."

MARTIN

Clarity is kindness.

Three things to do before your next deal

None of these need a consultant or a line item. They need about two hours and a decision.

1

Clarity: Determine how confident you are in your approach to culture?

If you don't have behaviors you expect defined, how will you make clear to others coming in new what you want.

ABOUT AN HOUR

2

Consistency & Repetition: Determine the cadence of communication in the target. Match and phase in change over time.

Don't leave a void for others to fill in. Don't assume they heard what you intended.

PLAN MANY CONVERSATIONS

3

Be good pilots on the runway



When there is no update, still communicate.

ONE PLANNING SESSION

Do the third one and you will have out-planned most acquirers in your sector. The cadence becomes the communication.

THE NEXT FIFTEEN MINUTES

Your questions

Drop them in the chat.

EVERYTHING IN THIS SESSION, IN ONE PLACE

The Acquisition & Integration Guide — the research, the three conditions, both integration paths and the ninety-day framework. We'll email it to everyone who registered, along with this presentation.

TALK TO A CULTURE ARCHITECT

Forty-five minutes on your next deal, at no cost. No deck — you describe what is actually in front of you and we tell you what we would look at first.

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