SMEs Acquiring SMEs: A Military Model for Success

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Much has been written regarding large firm mergers and acquisitions, but there is a dearth of literature on SMEs (small-to-medium-sized firms) acquiring other SMEs. Countless difficulties are experienced when one SME acquires another, particularly integration issues. A new model is proposed for the acquiring SME that will improve the chances of successful integration of two small businesses. This model is based on the utilization of counterinsurgency (COIN) tactics as employed by the United States military and others.

Small business owners find a myriad of reasons for selling their businesses or harvesting the firm as it’s known in the literature (Longenecker, Petty, Palich & Hoy, 2014). Owners wish to retire, the founder passes away and remaining family does not want to manage the firm, one or more of the owners becomes seriously ill, the business is being overpowered in the market by a much larger competitor, and various other reasons. This exiting, or harvesting of the firm, is not always simple, and many small businesses rely on brokers to market the business for them. There is always the skepticism in the market that questions exactly why the owners really want to sell.

Many small firms choose to sell their firms to the existing employees through some form of employee stock ownership plan (ESOP). This unique option allows employees to purchase the company’s stock by borrowing the money from a bank or insurance company, using the stock as collateral for the note (Timmons, 1999). An ESOP also is a tax-qualified retirement benefit plan.

The focus of the present discussion is when a small-to-medium-sized firm sells itself to another small business, or SMEs acquiring SMEs. What can the acquiring firm do to ensure that the acquisition is successful? While standard steps in the acquisition process are commonly understood, such as review of financial statements and tax returns, thorough discussions with the current owners, inquiry with customers and suppliers, and other due diligence, there is no guarantee of success. Acquiring an existing business is perilous in many cases, with no real blueprint available to SME owner/operators as to the secret of integration. Valuation is often an issue, as well, since many SMEs report goodwill, comprised of their customers’ loyalty and a sound reputation, as being their greatest asset.

The new model that is proposed can be the most effective method of realizing intended benefits of acquisitions. That model is the utilization of counterinsurgency tactics (COIN) as employed by the U.S. military and others (Lester & Lipinski, 2013). While there is a lack of literature that specifically addresses SME acquisition activity, some common problems are noted. Following the literature review of COIN and acquisition activity, a model utilizing COIN techniques for acquisition activity by SMEs will then be presented, followed by a summary and conclusion.

REVIEW OF THE LITERATURE

Small business owner/operators pursue acquisitions for a variety of reasons that are as diverse as the owners themselves. Haleblian, Devers, McNamara, Carpenter, and Davison (2009) provide a comprehensive list of examples for firms of any size, including the creation of value through increased market power (Battacharyya & Nain, 2011), efficiency, resource redeployment, or market discipline as it relates to ineffective managers; managerial self-interest as it relates to compensation (Agrawal & Walking, 1994), hubris, or defense tactics; environmental factors such as uncertainty (Folta, 1998) and regulation, imitation and resource dependence, and network ties; and firm characteristics like past experience with acquisitions activity or a firm’s strategy and position (Graebner & Eisenhardt, 2004).
Firms are acquired regularly in the current business milieu, but this has been true for some time, particularly in the U.S. Simply stated, when one firm buys another an acquisition has occurred. One reason for one firm to acquire another is synergy. Synergy is most closely associated with acquisitions of firms that are somewhat related, enabling the sharing of resources and capabilities between firms. Originating in the Greek language, synergy means working together, that “the whole is greater than the sum of the parts.” Examining synergy in the context of business, when the combination of two or more business units leads to superior effectiveness and efficiency than was achieved prior to their conjoining, synergy has been accomplished (Barragato & Markelevich, 2008). In theory, the result is that the combined firm has created more value than the two firms could have independent of each other, or put another way, 2+2=5 (Mintzberg, 1989). This is only accomplished when the “synergies are the present value of the net additional cash flow that is generated by a combination of two companies that could not have been generated by either company on its own” (Ficery, Herd & Pursche, 2007, p. 29). The concept of synergy represents an increase in wealth to shareholders that could not be duplicated on their own through something as basic as portfolio diversification (Bauguess, Moeller, Schlingemann & Zutter, 2009).

Other than synergy, there is the issue of relatedness. It has been applied to multiple situations, including selling the same or similar products, serving similar markets, or existing in the same vertical chain (Blackburn, Lang & Johnson, 1990; Chatterjee, 1986). Such noted management theorists as Lubatkin (1983), Porter (1985), and Rumelt (1974) have posited that related acquisitions yield superior accounting results to unrelated acquisitions. Lubatkin and Chatterjee (1994) also cite lower risk for organizations with closely related acquisitions.

When considering related acquisitions, there has been an overriding belief in the potential of synergy (Chatterjee, 2007), particularly the benefits of economies of scale and operating efficiencies (cost synergy), revenue growth (revenue synergy), or both. SMEs acquiring other SMEs in many cases represent related acquisitions. While synergy has been cited as the primary antecedent for acquisitions, this paper proposes that synergy is in fact unrealizable without one firm dominating the other and imposing its management control.

The obvious problem most firms encounter when acquiring another for synergistic purposes is integration (Chatterjee, 2007). The result of many synergy-based acquisitions is poor performance by the acquired firm post-acquisition (Datta, 1991) as opposed to pre-acquisition. Datta’s (1991) sample consisted of 173 acquisitions in the manufacturing and mining sectors that were valued at $1 million or more. Many firms acquired through related acquisitions have causally-ambiguous internal, complex business operations (Chatterjee, 2007) that have been developed over a long period of time, contributing greatly to difficult integration issues post-acquisition. Relatedness, often referred to as ‘strategic fit’ (Lubatkin, 1983; Salter & Weinhold, 1979) in the management literature, can provide synergistic benefits only if the post-acquisition integration is successful. New leadership for acquired firms is obviously provided by managers of the acquiring firm in a study by Walsh and Elwood (1991) that included SMEs in a sample and a control group of companies.

Among large businesses, it is well-documented that most firms overpay for companies they acquire (Carroll & Mui, 2008). This finding renders a strong return on investment as critical for shareholders of the acquiring firms. Without realizing a premium, the only shareholders to benefit are those of the firm being acquired. For SMEs that make a strategic acquisition (Longenecker, et al., 2014), perhaps a large premium is not necessarily paid for the firm acquired, but certainly a financial obligation is incurred, necessitating a higher return than the acquiring firm is currently earning. In light of this issue, a more precise definition of synergy has been operationalized by Sirower (1997) as “the increase in performance of the combined firm over what the two firms are already expected or required to accomplish as independent firms” (p. 20).
Contrary research, primarily involving large firms, has challenged Rumelt’s findings (Dubofsky & Varadarajan, 1987; Michel & Shaked, 1984; Varadarajan & Ramanujam, 1987) that related acquisitions yield superior results, with research supporting superior results with unrelated diversification attempts. Lubatkin (1987), for example, found that horizontal, related acquisitions did not outperform conglomerate or vertical acquisitions. In addition, Seth (1990) discovered no significant differences in value creation between related and unrelated acquisitions. Regardless of which type of acquisition produces better results, a key issue for all acquiring firms is the consequence of paying large premiums (Carroll & Mui, 2008).

Although merger and acquisition activity is commonly associated with larger, more mature organizations, SMEs have several valid reasons for pursuing acquisitions. According to Mariotti and Glacken (2012), the most cited drivers of acquisition activity include easier, faster start-up or overcoming entry barriers (Hitt, Ireland & Hoskisson, 2014), reduced risk, potential for a bargain, and in some situations the acquiring SME’s knowledge base can jumpstart the ownership process (Mariotti & Glacken, 2012). The overriding factor, however, is usually to grow the business by extending product lines or acquiring new capabilities (Early, 2004). An acquiring SME can immediately increase sales, market share, and market power (Akdogu, 2009) by horizontally acquiring another SME in the same industry niche. SMEs also pursue vertical acquisitions by purchasing their suppliers or customers, moving backward or forward, up or down the value chain.

When SMEs acquire other SMEs, there is normally an integration of operations, at least to some extent. If the goals of the acquisition are to be attained, such as an increase in sales or market power, the acquired SME is absorbed into the operation of the acquiring SME. This integration leads to several problems that can doom the purchase from the start, causing the acquiring SME not to realize the gain it hoped when the acquisition was first planned. Such problems include, but are not limited to, resentment and distrust by the acquired firm’s employees, actual efforts at sabotaging operations post-acquisition, talent flight, many times to leading competitors, and corporate cultural issues where norms and values of the acquiring firm differ greatly from that of the company being acquired. To achieve long term positive returns through acquisition activity for SMEs a new model is proposed that utilizes some of the tenets of counterinsurgency.

**A NEW MODEL FOR INTEGRATING FIRMS**

The integration of two firms’ employees and operations is the most difficult challenge in related or unrelated acquisition activity where the goal is to go from two firms to one (Rafferty & Restburg, 2010). And while synergy as a concept is certainly plausible, no less than Michael Porter and Rosabeth Moss Kanter, both strong early proponents of synergy as the basis for acquisitions, admit that most firms fail in their synergy attempts, finding the challenge quite difficult (Kanter, 1989; Porter, 1987). Trautwein (1990) reported that available synergies were almost always cited as a justification for diversification attempts by managers. Yet, some noted researchers (Hitt, Ireland & Hoskisson, 2013) make it clear that synergy actually increases the risk of failure for firms due to the joint interdependence between businesses that constrain an organization’s flexibility to respond to changing competitive environments.

While firms continue to profess the investment value of acquiring new technology, new market presence, and other innovative advantages through acquisitions rather than internal development, the failure rate of such activity is alarmingly high (Lee & Lieberman, 2010). What should be paramount in related acquisition activity, whether synergy is purported to be the primary driver or not, is that without integration no value will be achieved, regardless of premiums or market price paid. Sirower (1997) reported the results of a study by the Boston Consulting Group of large corporations indicating eight out of ten acquiring firms do not perform detailed work in advance of an acquisition to determine if synergy is even possible (Zangwill, 1995). A study by Diamond takes this an important step further by reporting a lack of awareness of business platforms and operations of targets by acquiring firms at all levels of pre-acquisition planning, failing to recognize the risk of business platforms (Calkin, Smith & Sviokla, 2006).
According to Datta (1991), integration problems post-acquisition result in the acquired firm performing more poorly post acquisition than pre-acquisition. The post-acquisition performance of organizations is historically so dismal, it has led Warren Hellman, the former president of Lehman Brothers, to remark: “So many mergers fail to deliver what they promise that there should be a presumption of failure. The burden of proof should be demonstrating... that anything really good is likely to come out of one” (Fisher, 1994, p. 66). If acquiring firms do destroy shareholder value, as Sirower (1997) contends, there must be better approaches to integration.

Since acquisition activity is not going away, how can the integration problems, in particular those of related acquisitions by SMEs, be overcome and successful results achieved? Due to the complexity of integrating two disparate organizations, it is not surprising that the process is difficult at best. Key issues to be managed include comprehending the target SME’s basic business operation and source of competitive advantage, melding the financial control systems and information technology assets, and delving into the corporate culture of the target firm in pursuit of real understanding. Gutknecht and Keys (1993) also point to the importance of people issues such as maintaining employee morale after the acquisition, and integrating conflicting organizational values, structures, climates, and roles. Layoffs though downsizing efforts invariably occur as firms attempt to realize synergy through cost savings and as they need to increase profitability due to taking on new indebtedness. These layoffs, or downsizing activities, create negative feelings among survivors as their workload typically increases and they fear future layoffs or reprisals. This fear is also accompanied by feelings of guilt, anger, or perhaps relief by survivors (Gutknecht & Keys, 1993). The mergers and acquisitions literature regularly refers to downsized employees of acquired firms as casualties and remaining employees as survivors (Gutknecht & Keys, 1993). Yet, the biggest issue acquiring small businesses face in integration may be the simple prospect of change and its effect on survivors. One such example is presented of a SME that regularly pursued acquisitions with disastrous results.

AN EXAMPLE OF FAILING TO UTILIZE COIN

One example of a SME acquisition strategy that failed is from a small business in the mid-south region, Kevin Wright, Inc. that one of the authors has past experience with. This company began operations as a residential plumbing business. After a successful two or three year period in business, the firm expanded to commercial plumbing, securing the plumbing and medical gas repairs and installations at two local hospitals. Being flush from the success of the commercial endeavor, Kevin Wright, the founder and owner/operator, acquired a small electrical repair company in an attempt at a related acquisition. Next was a local heating and air conditioning firm. Each company was folded into the Kevin Wright organization, completely losing their former identity. In each case the former owner/operators of the acquired firms were retained as managers. Wright later expanded his business lines by taking on a line of spas or hot tubs and starting a swimming pool service operation, with the thought being plumbers handle much of the repairs in those business.

Although each business acquired had an owner/operator, Wright assumed total control after the deals were consummated. The first order of business after each acquisition was to convert the operation to the Kevin Wright way of doing business. Policies and procedures were immediately adopted, and the former manner of operations for the acquired firms ceased to exist. The blowback was somewhat negative with the customer base that these new firms brought with them, primarily due to a more rigid method of operation, including new rules, standards, and pricing, which was always higher. Most affected, however, were the newly acquired employees. The cultural change drove many to quit and seek other employment, creating a temporary vacuum. With the manpower shortages, service slowed, and revenue dipped. Undaunted, Wright moved forward with a kitchen and bath showroom and remodeling endeavor.
The bath and kitchen businesses required a retail showroom, leading Wright to construct a new facility that was state-of-the-art but very expensive. To fund this facility expansion, each division, as they were referred to by Wright, saw their share of the overhead increase dramatically. This put even more pressure on the newly acquired divisions to outperform their prior sales and earnings. Lastly, Wright decided the only related services he did not offer were lighting fixtures and a chimney sweep. So, of course, they were added. The situation was further complicated by new contractual relationships that had to be established with vendors, each one requiring large minimum orders of product, since the company had moved from repairs only to providing a myriad of products. The new product inventories led to an expansion of the warehouse, again increasing the overhead. And, with the small plumbing business now a multi-divisional company, new layers of management were required, more advertising was necessary, and several new trucks and pieces of equipment purchased.

While Kevin Wright was a driven and self-motivated small business owner, his past management experience had been focused on a small plumbing repair company with about six employees. This new divisional firm with ten managers, a vice-president of operations, and over fifty employees was a challenge. In less than five years, the entire company had unraveled, and Wright was back to owning one plumbing repair company, having sold his facility to another company. What Wright failed to comprehend was the attachment each company’s employees had to their former values and norms, in essence their way of doing business. The shift from informal operations to formal took months of training and a good bit of trial and error effort. Wright was personally very demanding, regularly pointing out that his name and reputation were at stake each time a truck and technician were dispatched.

This example of one small business has limited application, but some clear lessons can be learned. The new model proposed below of utilizing some counterinsurgency techniques when acquiring SMEs, if followed, might have allowed Kevin Wright’s firm to flourish rather than wilt.

**EXPLORING COIN**

Strategic management researchers have often sourced military science when creating new theoretical models. One area of military science that has risen in prominence in recent years is counterinsurgency or COIN. COIN research (Kilcullen, 2006; McNeil, 2009) has as one of its origins the classical French military scholar David Galula (2006) who analyzed France’s activities in Algeria. More recently David Kilcullen’s (2006) twenty-eight fundamentals of successful COIN have become highly regarded. Kilcullen’s work has been seen as a model for the dominant form of warfare in the coming decade, influencing greatly the U.S. Army Field Manual on Counterinsurgency. Kilcullen’s (2006) work, as outlined below, will serve as the COIN model for this paper.

**Preparation:**
1. Know your turf – know the people, history, and culture
2. Diagnose the problem – who are the insurgents and their leaders?
3. Organize for intelligence – your operations will be intelligence driven
4. Organize for inter-agency operations – learn to work with partners
5. Travel light and harden your Combat Service Support – lighten your load
6. Find a political/cultural adviser – find one from among your people
7. Train squad leaders – then trust them – battles are won or lost in moments
8. Rank is nothing; talent is everything – spot people who are naturally good at COIN
9. Have a game plan – a mental picture of how you see the operation developing the golden hour
10. Be there – establish a presence
11. Avoid knee jerk responses to first impressions – don’t act rashly; get the facts first
12. Prepare for handover from day one – preserve corporate knowledge in folders
13. Build trusted networks – persuade people you have their best interest at heart
14. Start easy – go with the grain to gain confidences
15. Seek early victories – find a clear-cut target and resolve a long-standing issue
16. Practice deterrent patrolling – patrol to deter enemy attacks
17. Be prepared for setbacks – you will make mistakes, lose people, or retain the wrong person
18. Remember the global audience – media is everywhere, especially social
19. Engage the women, beware the children – women control the social network
20. Take stock regularly – develop metrics to determine progress

**Groundhog Day:**
21. Exploit a single narrative – ally with opinion makers
22. Local forces should mirror the enemy, not ourselves – move, equip, and organize like the enemy
23. Practice armed civil affairs – meet basic needs first
24. Small is beautiful – keep programs small; it makes them cheap and sustainable
25. Fight the enemy’s strategy, not his forces – coopt against an insurgent leader

**Getting Short:**
26. Build your own solution – only attack the enemy when he gets in the way – remember to implement your own solutions
27. Keep your extraction plan secret – protect details of the extraction plan
28. Whatever else you do, keep the initiative – if the enemy is reacting to you, you control the environment

The COIN model is viewed through a lens that reveals similar issues between problems encountered by occupying military forces and SMEs acquiring other SMEs. Acquisition research emphasizes the need of the dominant firm to overcome people problems with the acquired firm if antecedents are to be achieved. While all of Kilcullen’s (2006) points are not applicable to acquisition integration, several are relevant to overcoming these people problems.

Kilcullen (2006) defines counterinsurgency as “a competition with the insurgent for the right and the ability to win the hearts, minds and acquiescence of the population” (p. 29). While the employees of target SME firms are rarely referred to as insurgents, it is clear that acquiring SME firms face some of the same challenges in integrating operations as occupying military forces face. Although Kilcullen’s (2006) twenty-eight points are not an exact match for the needs of acquiring SMEs, such as the need for Combat Service Support, the key themes serve as a checklist that any acquisition team would do well to follow if they hope to succeed in their effort. Themes include preparation, first impressions (Golden Hour), continuing actions (Groundhog Day), and completion (Getting Short). All are phases that must be mastered for a successful transition.

Key points of Kilcullen’s (2006) recommendations are paraphrased so they can be utilized by acquiring SMEs, including:

**Know your turf** (economy, history, and culture) – Take some time to determine why you wanted to acquire the business; what was unique or different about the firm that made you believe it was worth purchasing rather than creating an imitation of it yourself;
Diagnose the problems (what makes people tick, what are the issues that worry people) – for most firms, the people are the greatest asset but this is particularly true when the business is a SME; Get to know the entire staff, not just the owner/operator for a better understanding of its resources;

Organize for intelligence – operations are intelligence driven, so the more you know the better the transition;

Prepare for cross functional operations – this acquired business will have vendors and customers that you are unfamiliar with so get help in sorting the ends and outs of those relationships;

Find a “cultural advisor,” - consider putting a trusted employee form your firm into the new business as a way to keep abreast of the organizational climate;

Have a game plan ready to execute day one – you need a framework for integration that should at least serve as a starting point;

Maintain a strong presence – don’t think you can be unavailable after the firm is acquired and expect the integration to go smoothly;

Build trusted networks – many times business is about relationships;

Seek early victories – resolve some longstanding issue in the acquired firm that earns you confidence credits with employees;

Avoid backsliding – there will be problems and setbacks, just don’t let them turn into a regression of the acquired firm’s operation;

Remember that the world (or at least other stakeholders in the industry) is watching – your creditors, customers, shareholders or partners, and suppliers are vested in your acquisition being a success;

Regularly analyze the situation and make adjustments – frameworks are just that, guidelines, so don’t be married to them when the environment calls for change;

Work to blend cultures – this is a tall order, especially when the cultures are far apart, but the slow process of integration will eventually meld the best parts of both;

And, finally, keep the initiative (control the environment) – it is your firm, you bought it, so stay aggressive in a controlled manner so that it will pay off.

This article recommends the methodology of COIN for coping with the problem of SMEs integration. Based on his personal experience and research, Kilcullen’s (2006) fundamentals are most relevant when considering the utilization COIN in firm to firm acquisitions. We have modified one of Kilcullen’s models, the three pillars of counterinsurgency, for use in an acquisition scenario (See Figure 1).
Figure 1. *Three Pillars of Counterinsurgency for Successful Mergers and Acquisitions*

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The model demonstrates how the principles of counterinsurgency line up to create a secure situation which will allow the dominant firm in an acquisition to incorporate the personnel and assets of the target firm into the merged organization. Information serves as the foundation of this process. As previously mentioned, having good intelligence as to what is happening in the target organization, understanding the feelings of the employees post-merger and being able to counter negative messages are all key, as is controlling the message being put out by the media. As the COIN model notes, understanding the culture of the acquired firm enables the acquirer to gradually meld the two cultures together. The purpose of this melding is to get ahead of attempts by acquired employees to foster resistance or promote a counter ideology, which could lead to a serious dissension problem.

The three pillars in the model, Security, Political and Economic all support the activities that take place as merged entities are brought together. The first pillar, Security, entails the need of employees for security, clarity, and an understanding of how the merger will positively affect both the organization and their personal career. The acquiring firm owner(s) must assure current staff that, until proven to be ineffective, they have job security.

The Political pillar indicates who’s in charge, what are the clear lines of authority or chain of command with regard to corporate governance, and will the business be completely integrated or will it stand partially or completely on its own. Employees transitioning to a new ownership group should be more comfortable post acquisition if one of their own managers is still in a position of authority. If the firm is to be folded into the acquired company, the leadership can experience a smoother integration over a period of time and eventually replace the new level of management.

The Economic pillar is concerned with future growth and investment. Has the business been acquired with no plans for continued investment and growth and development, or are there plans in place for expansion and the creation of opportunities for acquired employees, which reaffirms the issue of careers in the Political pillar. Some acquired businesses need new information technology, facilities, and other assets of business, as well, and an investment in these basic needs goes a long way toward assuring new employees of a commitment by the acquiring owners.
Ultimately, with a good foundation and strong pillars, the process will be capped by Control, where management can set the tempo of activities and demonstrate stability in the newly merged organization. Effective implementation of this model will make it clear to employees where they stand with the organization and will allow the organization to demonstrate to external stakeholders that the new entity is in a position to execute its intended strategy.

CONCLUSION

SME owner/operators run several risks when acquiring another SME. There is always the potential of simply buying someone else’s problems. Some SMEs will overextend their credit limits when those funds might be better put to use by being invested in their own firm. Also, some SMEs are just not a good fit with the acquiring SME. This is more so the case when a vertical acquisition occurs, since the owner/operator may have never been at that level of the industry niche. For example, a retail SME may purchase a wholesale SME, and clearly those are two different types of businesses with different customer bases and different margins.

Assumed synergies that might be apparent on paper are rarely evident to all the stakeholders involved. This is especially true among the employees in the target SME where uncertainty is often the source of negative rumors and speculation. In this environment, the most able employees often leave the acquired SME for what they perceive as either better or more stable opportunities elsewhere. Employees without such options often become entrenched and begin a counterinsurgency as they attempt to hold on to the status quo and resist change. The U.S. military faces a similar situation when confronted by insurgents. With recent actions in Iraq and Afghanistan the military has been forced to revisit counterinsurgency and update their models. The resulting strategy, known as the Petraeus doctrine, has been recognized as an improvement over previous counterinsurgency efforts and led to greater success for the United States military. While no model can be perfect in such a chaotic and epistemological scenario, the updated military strategy has demonstrated improved results. As such, we have recommended that a modified version of the military model be developed to aid SME managers attempting to consolidate an acquisition. The model that we have described, if properly implemented, will make it clear to individuals where they stand with the organization, inform them about both their future and the future of the organization, and make it clear to external stakeholders the direction the merged organization will take.

By taking action quickly, acting decisively, and with transparency, companies will increase the probability of success. While some individuals will still be negatively affected, acting quickly and communicating transparently to the remaining members of the new organization and external stakeholders will maximize the probability that management will control the situation and have the ability to achieve the planned objectives of the newly formed organization.

PRACTICAL IMPLICATIONS AND FUTURE RESEARCH

Since this model is being proposed here first, there is no empirical data confirming or disputing its premise. The tenets of COIN that are featured here, however, are built on sound principles of military doctrine that were developed over time based on centuries of past examples. Employee resistance to change and new ownership in particular require owners of acquiring SMEs to not just assume business will continue as usual after the acquisition is complete. The fomenting of dissension is a strong possibility in any acquisition situation, and the COIN model presented at least gives managers much food for thought when taking over a new firm. A comprehensive integration plan is needed from day one.
The possibilities of future research in this area are myriad. Case studies are a natural starting point where both the acquiring and acquired SMEs can be studied in person, in depth. Since the value of case studies is limited due to the sample size among other concerns, empirical research in SME acquisition activity is warranted. Firms can be surveyed as to their acquisition activity, and a component of the research must be questions regarding the tenets of the COIN model to see if some or all are already being followed.

REFERENCES


