The Acquisition That Never Became One Company

Real Operating Decisions. Real Capability Failures. Real Business Outcomes.
An Executive Case Study in The O'Brien Method Series

COMPANY PROFILE

Industry	Business services
Approximate revenue	$120-$150 million combined
Business model	Regional service companies assembled through acquisition
Growth Stage	Private-equity-backed platform integrating three add-ons

EXECUTIVE SUMMARY

Three acquisitions shared a brand, an ERP, and a CRM but did not share a company. Each business defined customers, priced work, managed sales, scheduled service, and reviewed performance differently.

Leadership believed that systems integration would create operational integration. Instead, common technology concealed incompatible decisions behind standardized screens. Synergy targets slipped, forecasts remained unreliable, and customers experienced different companies depending on the legacy office serving them.

The integration was reset around capabilities rather than applications. Leaders defined the few enterprise processes that required a single standard, preserved local practices that created value, and assigned owners for cross-company decisions. Technology followed the operating model.

THE SITUATION

The investment thesis relied on scale. Shared systems, centralized purchasing, cross-selling, and common management practices were expected to improve growth and margins. The platform quickly consolidated the visible infrastructure.

Twelve months later, the financial statements were consolidated, but operations were not. One company treated a verbal commitment as pipeline, while another required a scheduled start date. Discount authority varied by office. Service profitability was calculated using different labor assumptions.

Executives spent more time debating whose data was correct. Legacy leaders protected methods that had made their businesses successful, while the platform team interpreted variation as resistance.

The organization had completed a transaction and a systems migration but had not completed an operating integration.

THE INVESTIGATION

The diagnostic compared how each company performed across twelve recurring decisions, from lead qualification and pricing through scheduling, service recovery, and account review. The same labels often concealed different practices.

The new CRM required standardized stage names, but managers advanced opportunities using legacy judgment. The ERP had a single chart of accounts, yet branches coded labor and rework differently. Cross-selling reports counted introductions without indicating whether the receiving team acted.

Some variation was valuable. Customer buying patterns and labor markets differed by region. Other variation existed only because no enterprise owner had set the standard.

Integration had been managed as a sequence of technical workstreams. The missing work was managerial: defining where the combined company needed a single capability, a single decision rule, and a single source of truth.

ROOT CAUSE

The root cause was the lack of an explicit operating model for the combined enterprise. Leadership had merged legal entities and technology, leaving core processes, definitions, decision rights, and management rhythms fragmented.

Systems cannot reconcile operating philosophies that leadership has not resolved. They can only encode that ambiguity.

THE INTERVENTION

Leadership identified six capabilities requiring enterprise standards: customer definitions, opportunity qualification, pricing authority, service profitability, forecast governance, and strategic-account ownership.

Cross-company teams documented the strongest existing practice, tested it against the investment thesis, and selected a standard based on evidence rather than on the legacy company's size or politics. Exceptions required a stated economic rationale.

Enterprise process owners received authority to maintain definitions, measures, training, and compliance. Local leaders retained discretion over execution choices that did not compromise enterprise visibility or customer consistency.

Only after those decisions were made were the ERP and CRM reconfigured. Integration reviews shifted from task completion to capability adoption and to economic outcomes.

BUSINESS RESULTS

Forecast variance across the group declined by more than half over three quarters. Pricing exceptions fell 29 percent, and service-margin comparisons became reliable enough to reveal two operational improvements previously hidden by coding differences.

Cross-selling converted more slowly than the original deal model assumed, but qualified referrals began generating measurable pipeline because ownership and follow-up were clearly defined. Customers received consistent account governance across regions.

The acquisitions merged into one company when leaders standardized the decisions that defined how the enterprise operated—not when employees received the same login.

THE O'BRIEN METHOD INSIGHT

Integration is not the elimination of every difference. It is the deliberate choice of where common capability creates enterprise value and where local variation should be preserved.

Begin with the operating model: processes, definitions, decision rights, measures, and management cadence. Technology should implement those choices once leadership has made them.

KEY TAKEAWAYS FOR CEOS

- Do not treat shared systems as proof of operating integration.
- Identify the few capabilities that must be common across the enterprise.
- Distinguish economically valuable variation from inherited habit.
- Give enterprise process owners real authority.
- Measure integration through adoption and business outcomes, not project completion.

Capability before complexity.