



When ‘Let’s Make a Deal’ Turns Into ‘Game of Thrones’

The Challenges of Mergers and Merger-Like Acquisitions

In both corporate finance classrooms and boardrooms, the terms “merger” and “acquisition” are routinely used interchangeably. Legally, the distinction often comes down to deal structure, share treatment or regulatory classification. But from an integration standpoint, the two are fundamentally different animals. Most transactions are structured as acquisitions: one dominant entity absorbs another, with a clear hierarchy and authority from the start. A merger, by contrast, implies a negotiated coming together of relative equals. That distinction, however subtle it may appear on a term sheet, can reverberate across every dimension of post-close integration, from which operating model and software platforms survive to how much planning can be completed before close and whether the best talent stays or quietly updates their résumé.

The current market context makes this more than a theoretical distinction. Global M&A activity reached approximately \$1.6 trillion in Q1 2026, a new quarterly record,¹ with strategic buyers accounting for more than 80% of all transactions. More than half of those deals, 58.6% by count,² brought together companies operating in the same industry. These are not always clean, bolt-on or tuck-in acquisitions with a clear buyer and seller. In many cases, they involve two organizations, sometimes former competitors, that must now decide whose board leads, whose culture carries forward and whose systems survive. At current deal multiples above 10x EBITDA, the cost of getting that wrong is substantial.

Over the last several years, FTI Consulting has been involved in a number of transactions that look, feel and operate much more like mergers than acquisitions. These engagements require more than simple project management. They require seasoned experience and the ability to navigate dynamics that can feel, at times, like a competitive chess match and, at others, like Game of Thrones.

In our experience, newly joined organizations find themselves post-deal with the greatest challenges in five particular areas relating more to people and systems than to terms and legal papers.

Overall Governance and the Role of the Two Boards

In an acquisition, board governance is relatively straightforward: the acquirer's board remains in control, and the target's board dissolves. Decisions flow from a clear center of authority.

In a merger of equals, however, the governance question becomes more complex. In some cases, both boards enter the deal expecting influence over the combined entity, and neither is inclined to simply stand down. The result can be an oversized, unwieldy board where political balance is prioritized over effective oversight. Committees proliferate, decision-making slows and strategic direction becomes muddled by competing institutional loyalties.

Companies that handle this integration well establish clear governance protocols before signing, defining board size, committee composition and decision rights in the merger agreement instead of deferring to post-close negotiations, when goodwill may already have begun to erode. In the best cases, the board delegates responsibility to a smaller transaction or integration committee that can provide focused oversight throughout the process.

Even when much of this is pre-aligned, however, board dynamics can still become difficult when the real question becomes who stays and who goes.

Cultural Integration

Mergers typically break down most visibly over cultural differences. In an acquisition, the acquirer's culture typically dominates, and while employees of the acquired company may resent it, the power dynamic is understood.

In a true merger, no such clarity exists unless leaders take a deliberate, methodical approach to cultural alignment. Employees on both sides may believe their culture is the right one: their way of running meetings, making decisions, managing performance, tolerating risk and treating customers. The absence of a clear cultural authority can invite prolonged tribal conflict, often playing out through passive resistance and management gridlock.

Successful mergers invest heavily in cultural diagnosis before close. They identify the specific nonnegotiable behaviors the combined company must embody, and they appoint integration leaders with the credibility and mandate to actively drive that agenda instead of hoping it resolves itself over time.

Systems and Technology

No integration principle is violated more consistently, or more expensively, than the instinct to simply cherry-pick the best features from each company's technology stack.

In an acquisition, the path is usually clear: migrate to the acquirer's systems and sunset the rest. In a merger, both sides may arrive with institutional pride in their platforms. A compromise that takes the ERP from one and the CRM from the other, or worse, that customizes systems to preserve the best features of both, produces integration complexity that can consume years and hundreds of millions of dollars.

The cleanest mergers make deliberate and binary systems decisions early: pick one platform per function, document the rationale transparently and execute the migration with discipline. The goal is a single operating backbone for the combined company, not a patchwork that permanently hampers the organization's ability to operate efficiently and scale for future deals.

Timing of Leadership Decisions for the Combined Company

The timing of leadership decisions in a merger, especially one with a prolonged sign-to-close period, can be a conundrum. Moving too fast can destabilize the individual parties while they are still competing as independent companies. On the other hand, delayed leadership decisions can also destroy value.

When employees at all levels do not know who their manager will be, whether their role will survive or who is accountable for the business they support, productivity suffers. And the best performers, who typically have options, may leave first.

In acquisitions, leadership clarity tends to emerge more quickly because the acquirer's structure shapes these decisions. Usually, it is decided or obvious from the outset who, if anyone, from the target leadership team will survive. But in mergers, the political sensitivity and regulatory ramifications of naming winners and losers across two historically equal organizations can cause executives to defer these decisions well past the point of organizational damage.

Successful outcomes mean making leadership appointments at the top two to three tiers of the combined organization as early as possible before close, communicating them clearly and accepting that some valued leaders from both sides will not find a role in the new structure.

Pre-Close Synergy Planning

Synergies announced at signing, including headline cost savings and the revenue upside that justifies the premium paid, are rarely delivered on time when pre-close planning is treated as a legal constraint rather than a strategic opportunity.

In acquisitions, clean team protocols address regulatory and competition concerns, and the acquirer typically has sufficient information to plan integration in meaningful detail before close. In mergers, however, where both parties are simultaneously buyers and sellers, and sometimes direct competitors, information-sharing restrictions are tighter, and the temptation to defer planning until post-close is stronger.

Companies that consistently deliver or over-deliver synergies on schedule build detailed integration work plans before signing, using clean room structures where necessary, so that on Day 1, functional teams know exactly what decisions are pending, who owns them and what the deadline is. Synergies do not materialize from announcements; they result from disciplined pre-close planning converted into disciplined post-close execution.

Minimizing the “fire and ice” of a transaction doesn’t happen by accident. While the legal distinction between a merger and an acquisition may ultimately be a matter of paperwork, the distinction between integration and non-integration is a matter of outcomes. Companies that treat a merger with the same playbook as an acquisition risk destroying the value they set out to create. The five dimensions above are not meant to be exhaustive, but in our experience, they do represent some of the fault lines where merger integrations most commonly fracture. Addressing them with discipline, clarity, speed and honest leadership is what separates the deals that deliver from those that become cautionary case studies.

Endnotes

¹ “Q1 2026 Global M&A Report,” PitchBook Data, Inc. (April 29, 2026), <https://pitchbook.com/news/reports/q1-2026-global-m-a-report>.

² “Global M&A Q1 2026 Market Update,” FTI Consulting, Inc. (April 29, 2026), <https://www.fticonsulting.com/insights/reports/global-ma-q1-2026-market-update>.

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