April 2023

Transact to Transform

PwC's 2023 M&A Integration Survey

Transformational deals are back. Companies face markets being reshaped by technology and disrupted by geopolitical unrest, a global pandemic and economic shocks. As a result, CEOs are turning to transformative acquisitions to reposition and reinvent their businesses for long-term success.

Companies are also beginning to crack the code on how to make big, transformative deals successful: leveraging experience, early and sustained investment in integration, and a commitment to creating and implementing new long-term operating models. Here's how they're doing it.

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Introduction

Deal volume was strong for most of the three-year period since our 2019 survey despite extreme market volatility driven by the COVID-19 pandemic, geopolitical unrest and technological acceleration. Policymaker responses to these challenges brought unprecedented quantitative easing in 2020 and 2021, followed by inflation and equally strong quantitative tightening in 2022.

The environment over the last three years called for many companies to double-down on their M&A and integration efforts to thrive. Executives needed to be agile while leaning on experience to confirm M&A processes were disciplined — from target screening through integration.

And they've invested more time, effort and capital into transactions while taking greater risks as they sought to create value and use transactions to transform their businesses.

As a result, as PwC's 2023 M&A Integration Survey shows, companies are being rewarded with increased success across many important metrics. But nearly all companies surveyed — even the most successful acquirers — have room for improvement in how they integrate acquisitions, develop new operating models and leverage technology to transform themselves through transactions.

10 key survey findings

- Transformational deals are once again on the rise
- Comprehensive M&A integration success remains elusive
- Experience factor shows up in deal outcomes
- Companies are investing more in M&A integration
- Value creation plans should include important elements
- Go-to-market goals and revenue synergies have increased in importance
- Talent retention is at the heart of deal success
- Change management is imperative
- Cross-functional areas are the toughest to integrate
- Technology is a key enabler for transformation

Transformational deals are once again on the rise

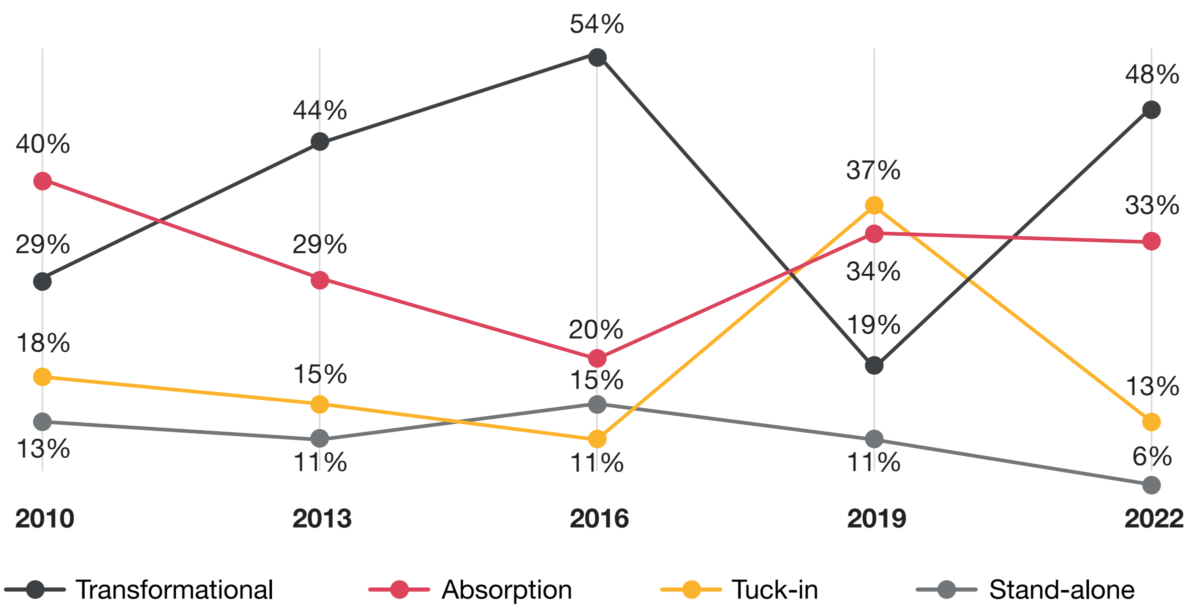
The 2010s featured an unprecedented growth cycle as companies emerged from the Great Recession, which significantly influenced deal types and the challenges involved. As a result, the way that companies combined people, products, technology and operations during M&A integration also evolved.

Then, in February 2020, the COVID-19 pandemic ended the longest economic expansion in US history. From 2020 to 2022, the period covered by our survey, dealmakers navigated economic shocks followed by a rapid, policy-induced recovery.

Arguably, 2022 survey respondents faced changes as great in magnitude as those experienced in the prior 15 years — all compressed into three years.

The expansionary policies of regulators and unprecedented geopolitical impact of COVID-19 shaped the size and type of transactions during the 2022 survey period — they are bigger, bolder and riskier. For the first time in our survey's history, more than 25% of executives indicate that the purchase price of the acquired organization exceeded $5 billion. Transformational deals also increased significantly to nearly half of all deals (see Figure 1).

Figure 1: Transformational deals are once again on the rise
Acquisition type of the largest acquisition in the past three years



How would you characterize the M&A by integration type?
Base: 2022: 232, 2019: 200, 2016: 151, 2013: 106, 2010: 135

M&A deal types

Transformational: Acquiring new markets, channels, products or operations in a way that fundamentally changes the fully integrated organization.

Absorption: Acquiring and integrating companies similar to the buyer, such as industry competitors. Also referred to as consolidation.

Tuck-in: Acquiring and integrating smaller companies, generally to gain access to key products, technologies or attracting talent.

Stand-alone: Acquiring a business and operating it separately from the rest of the organization.

Large-scale absorption deals have remained relatively constant, though for different reasons than we have seen in the past. Tuck-ins have fallen in comparison, as these transactions aren't large enough to move the needle. And stand-alone deals, at just 6% of deals, are less relevant.

Tuck-in acquisitions enjoyed a resurgence from 2017 to 2019, with dealmakers seeing them as a way to acquire specific talent, technology and products. But their integration success was limited, and in 2020-2022 the amount of tuck-ins returned to its historical baseline.

While absorption deals are traditionally a result of industry capacity, the environment created by COVID-19 resulted in strategy shifts. Companies sought to strengthen their operations and increase capacity and supply chain stability as pandemic shutdowns disrupted labor markets and supply chains.

The low cost of capital and ongoing uncertainty encouraged companies to acquire redundant capabilities instead of facing pandemic-induced business disruptions.

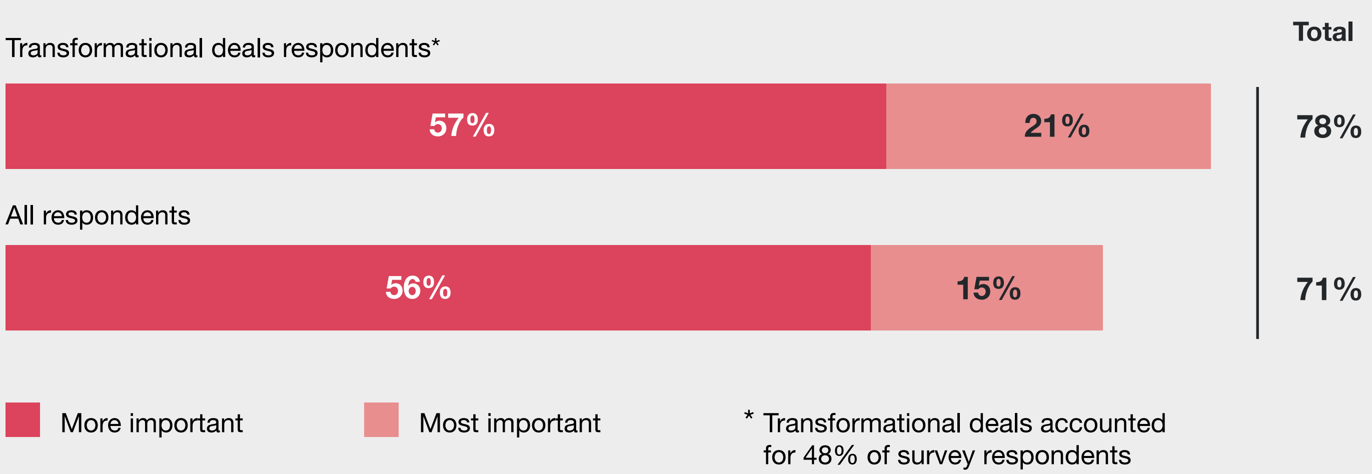
From 2014 to 2016, transformational deals accounted for 54% of all deals, but companies struggled to successfully integrate them. They were inexperienced in those transformational transactions and also underinvested in them. During the 2017-2019 period, the portion of transformational deals fell to 19%.

Faced with disruptive challenges and ultra-low interest rates, corporate leaders turned to transformational deals again during the latest survey period. This time they brought more experience and are investing earlier and longer in integration, leading to increased success.

Carve-out acquisitions have grown in importance for corporate M&A

In their quest for value, companies are assuming more deal complexity by incorporating carve-out acquisitions into their M&A strategy. Carve-outs — which involve only a division, product line or other component of an enterprise — have their own unique challenges. Some 71% of survey respondents indicate that carve-outs are more important now than during the prior deal cycle (see Figure 2). The figures are more surprising for the 48% of companies that executed transformational deals, with 21% indicating that carve-out acquisitions are the most important new component of their M&A strategy, and 78% indicating that it's more important than during the last deal cycle. This represents a significant change in strategy, indicating that corporates are increasingly competing against private equity on the most complex, high-risk transactions.

Figure 2: Carve-out acquisitions have grown in importance for corporate M&A
Percentage reporting "more" or "most" important new component of M&A strategy



As part of your M&A strategy, how important have carve-out acquisitions become compared to the previous M&A cycle?
Base: 2022: 232

Comprehensive M&A integration success remains elusive

M&A integration is inseparable from a company's overall strategy and operations. Three key measures of integration success align with the overall corporate performance measures.

Strategic success is generally accomplished by "doing the deal" based on acquisition strategy.

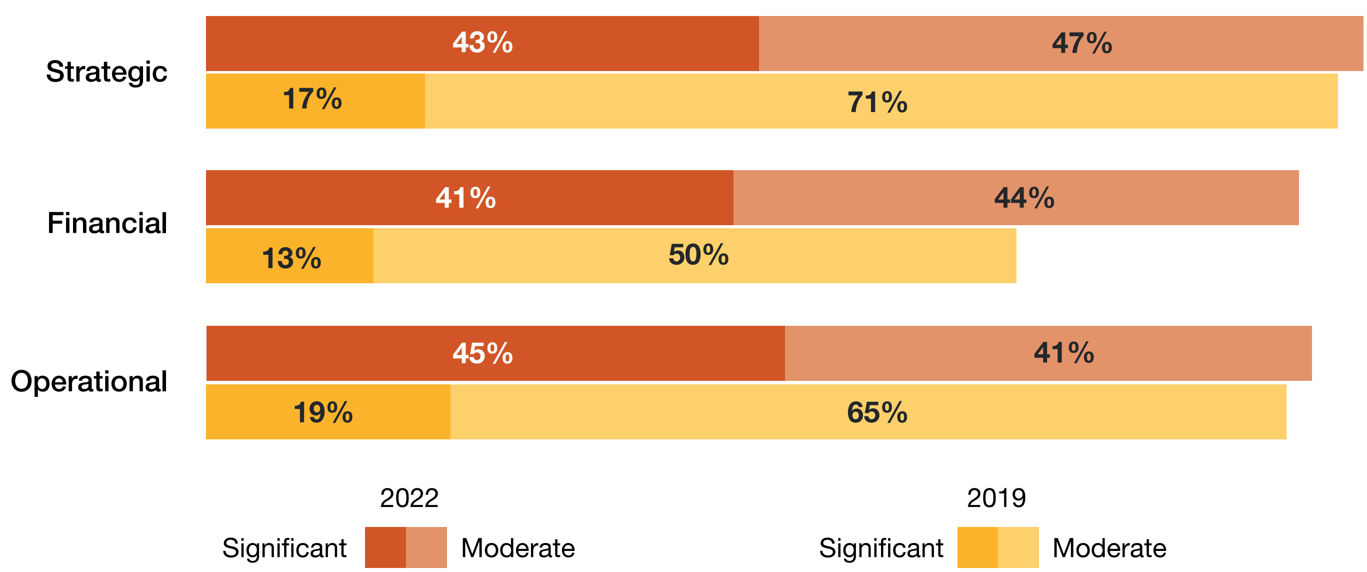
Financial success is determined largely by how the integration performs against revenue and cost projections.

Operational success reflects how well companies tactically execute an integration.

Despite the challenges during this survey period, companies report greater success in achieving M&A goals, with responses of significant success in each individual measure increasing significantly versus the 2017-2019 survey period (see Figure 3).

Figure 3: Comprehensive M&A integration success remains elusive

Percentage reporting "significant" or "moderate" strategic, financial and operational success



How would you judge the success of the largest merger or acquisition your organization has undertaken in the last three years from the following perspectives?
Base: 2022: 232, 2019: 200

However, **Successful M&A Organizations,** defined as reporting significant success across all three measures — strategic, operational and financial — are rare. Only 14% of the 2022 survey respondents, and none from 2019, indicated this elusive level of success.

Throughout the rest of this report, we highlight some traits and behaviors that separate these 14% from the rest of the survey respondents, and refer to them as Successful M&A Organizations.

Under the right circumstances, M&A offers a blend of opportunity and challenges. The rebound in M&A success was impressive given the unprecedented circumstances of the last three years. There is no indication that the coming years will be any less challenging for dealmakers and business leaders.

Our 26th Annual Global CEO Survey, released in January 2023, found that 73% of CEOs expect a global economic decline in the next 12 months. Even so, only 14% indicate they would delay acquisitions. This raises the stakes for dealmakers and requires companies to concentrate on a disciplined, proven approach to integration and, ultimately, transformation.

With geopolitical tensions, inflation and recession concerns hanging over today's markets, this survey offers insights into integration fundamentals that remain constant over time as well as new opportunities for corporate dealmakers to improve the odds of success — regardless of economic environment or deal type. They are addressed in four sections.

- Integration strategy
- Value creation
- People and change
- Transact to transform

Integration strategy

Setting the course for integration success

Corporate strategy drives deal strategy which, in turn, drives M&A integration strategy. While individual M&A integration strategies change based on corporate strategy and deal types, the fundamentals of successful M&A integration remain constant. Experience — plus early and sustained investment in key components throughout the integration process — drives success.

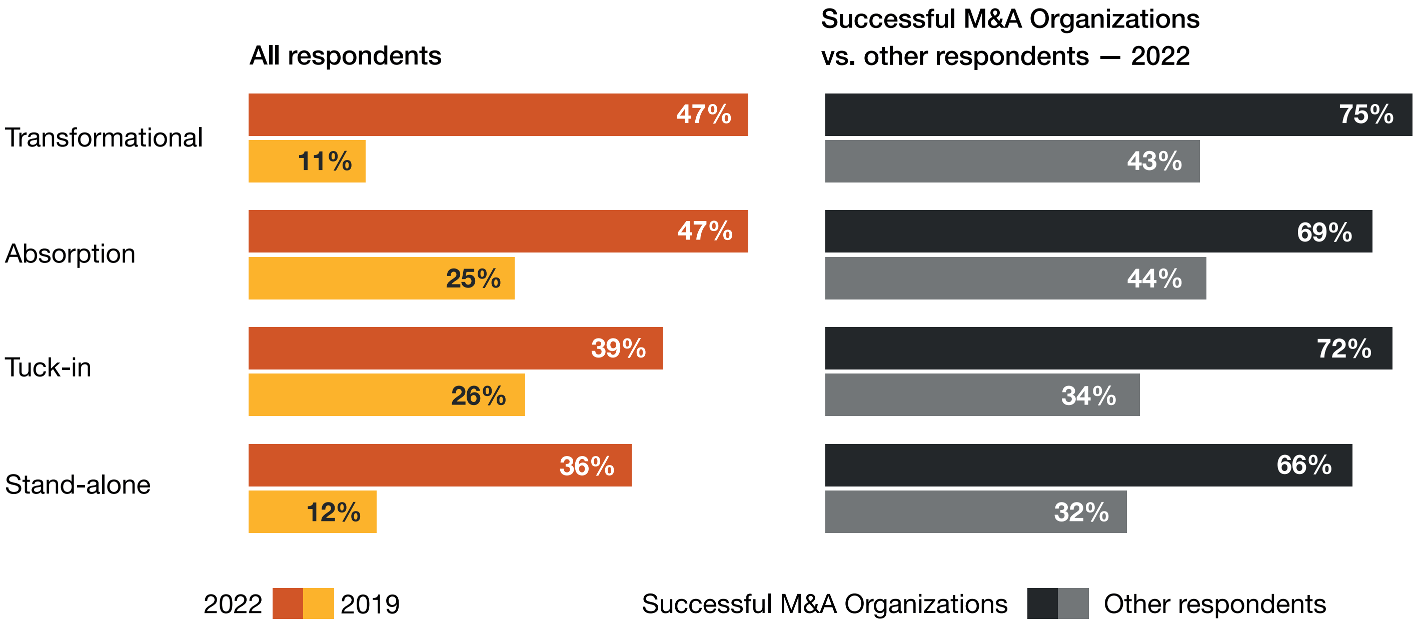
Experience factor shows up in deal outcomes

M&A integration is an enterprise-wide business process with a steep learning curve. Companies with the most institutional and managerial experience have the greatest chance for success. As you can see in Figure 4, there's been a major increase in experience across all deal types in the 2022 survey compared to 2019.

Successful M&A Organizations are especially more experienced in the most important transactions — transformational deals — where 75% are very experienced compared to 43% for other respondents.

Figure 4: Experience matters

Percentage reporting "very experienced" by deal type



How would you rate your organization's experience level across the following acquisition types?
Base: 2022: 232, 2019: 200

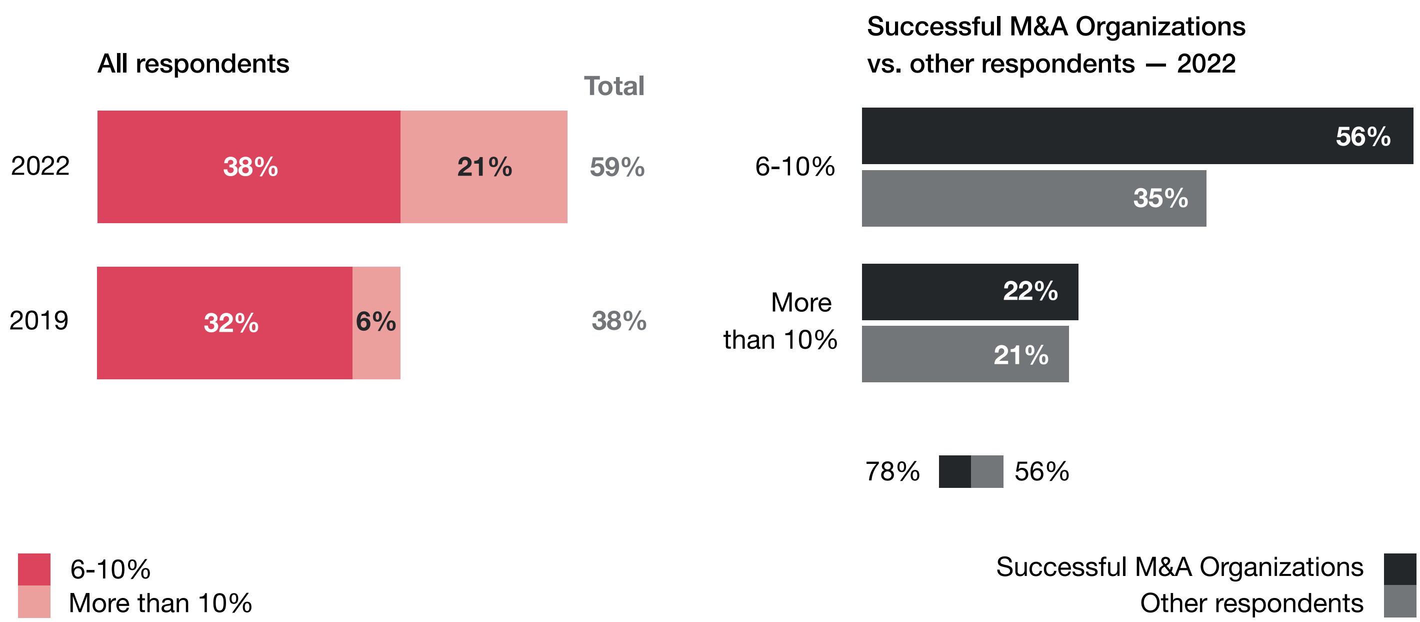
Companies are investing more in M&A integration

Experience in isolation doesn't automatically produce success, but it often brings a commitment to invest sufficient time, money and talent to the integration process.

With a growing number of organizations spending more on transactions, corporate executives also report spending more on M&A integration than ever before — with improved results.

Take a look at Figure 5, which shows 59% of companies spending 6% or more of deal value on integration in 2022 compared to 38% previously. Seventy-eight percent of Successful M&A Organizations spend 6% or more of deal value on integration. By comparison, only 56% of other respondents spend at that level.

Figure 5: Integration spend has increased
Percentage of deal value spent on integration



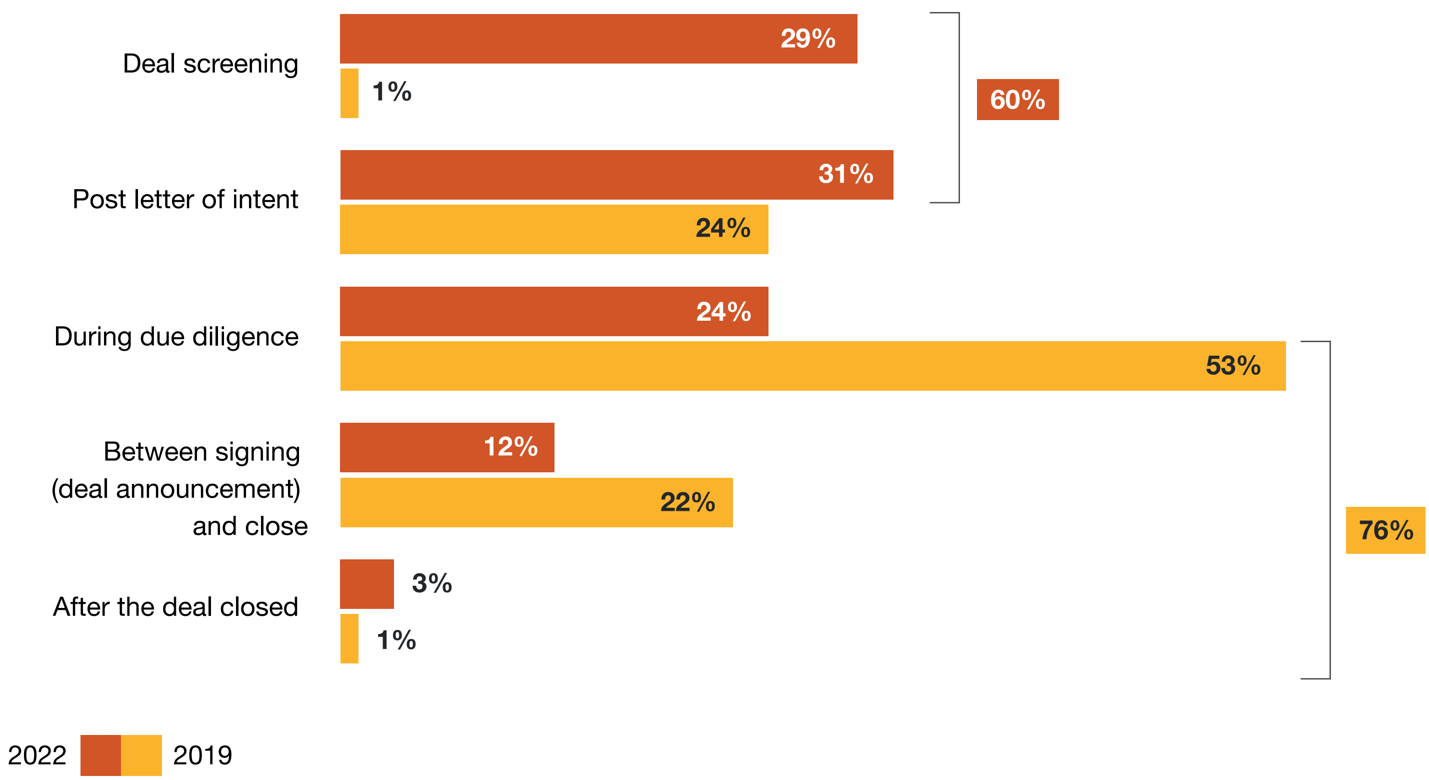
How much of the total deal value did you spend on integration?
Base: 2022: 232, 2019: 200

Companies are also investing in integration much earlier. Figure 6 shows long-term operating models are in development earlier in the deal cycle, with 60% of companies planning before due diligence, compared to 25% in 2019.

Almost a third plan during deal screening, up from 1% in 2019. Among Successful M&A Organizations it was even more, with 41% planning during deal screening compared to 27% of other respondents.

Figure 6: Operating models are being planned earlier

Stage in deal process when long-term operating model planning started

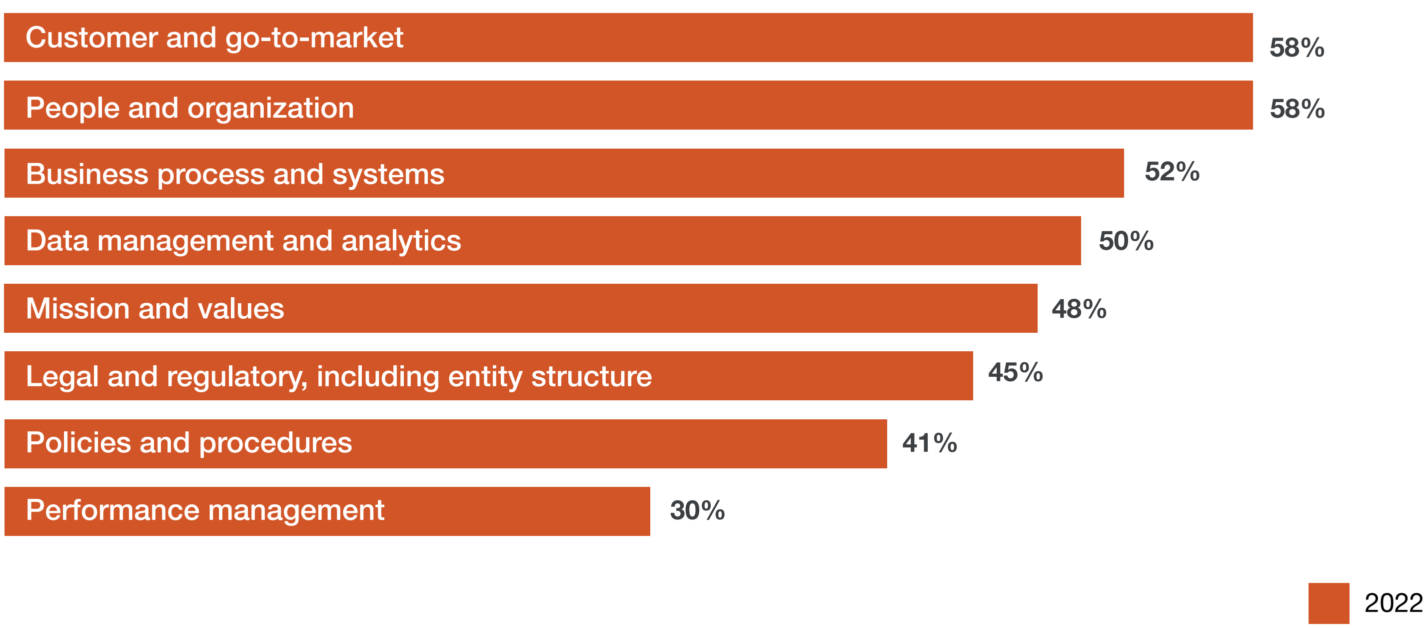


At what point did you start planning your long-term operating model?
Base: 2022: 229, 2019: 198

More companies are developing holistic, long-term operating models across eight critical components (see Figure 7). Historically, these operating models included only two or three components and were often static theoretical frameworks focused on competitive differentiators, organization design and supporting processes — and not executed at an operational level.

Companies did not have the experience, technology or data analytics to execute complex, interdependent operating model components simultaneously across the enterprise. They were certainly not able to move from completing the transaction to carrying out a large-scale transformation at speed.

Figure 7: Eight critical components of operating model development in M&A integration
Percentage reporting components of long-term operating model



What elements were included in your long-term operating model?
Base: 2022: 232

Savvy dealmakers are using large, transformational M&A as catalysts to reposition their companies for future success. A thorough, multifaceted operating model enables enterprises to jump-start critical integration activities with clear direction and purpose.

Successful M&A Organizations plan and execute on value creation, change management, technology and other integration elements.

Value creation:
Driving long-term, sustainable results

While every buyer is unique, all acquirers seek to create value. Purchase price is just one factor to consider at the beginning of a transaction.

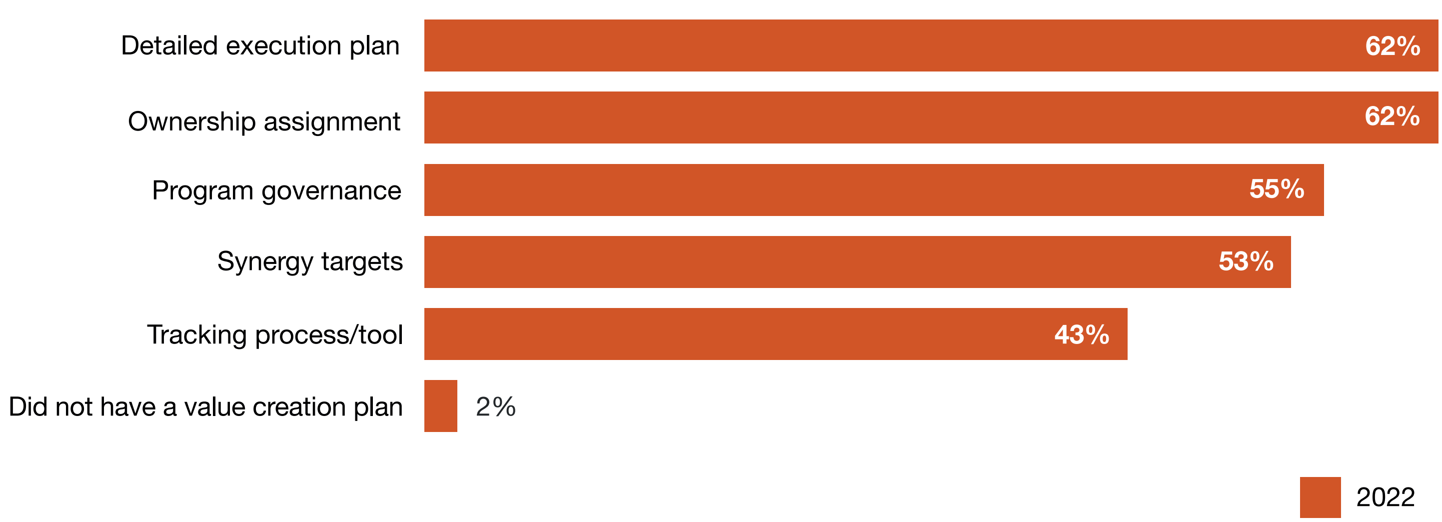
Unlocking long-term, sustainable value creation from a deal requires integration leading practices and a transformational mindset.

Value creation plans should include important elements

Survey respondents were almost unanimous in recognizing the importance of a value creation plan to help underwrite M&A success. But these plans often lack some of the critical elements of a value creation plan.

Only 24% of the respondents had more than three of the five elements — resulting in fragmented plans lacking the hard metrics required to drive execution. As Figure 8 highlights, only 55% of respondents had program governance, only 53% had synergy targets and just 43% had a tracking process in place.

Figure 8: Value creation plan elements
Percentage reporting elements of value creation plan

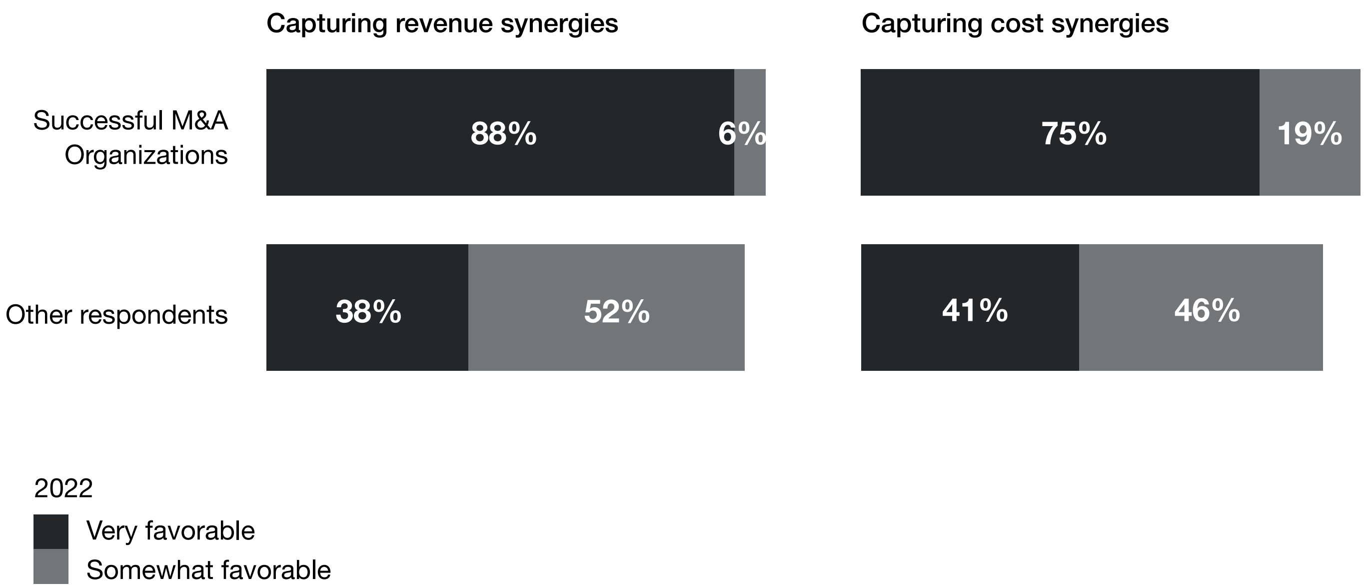


What did your value creation plan include?
Base: 2022: 232

Despite missing some elements, respondents improved synergy capture as compared to our 2020 survey report. Figure 9 shows substantial success in capturing revenue and cost synergies. This reflects market expectations, the importance of experience and an increasing focus on execution.

Successful acquirers are getting better at building the institutional muscle to achieve results. But there's still room for improvement. Companies should improve the identification of revenue and cost drivers supported by a holistic value creation plan in order to manage execution throughout the acquisition and integration.

Figure 9: Synergy capture has improved
Percentage reporting "very favorable" or "somewhat favorable" results



How would you characterize the results your organization achieved in the following areas?
Base: 2022: 232

Go-to-market goals and revenue synergies have increased in importance

Historically, acquirers have been reluctant to include revenue synergies in their valuation models when determining the premium to pay for another company. Revenue synergies were considered too difficult to achieve and too risky to bet on. Cost synergies were the focus. But this dynamic has changed in an era of transformational deals where the importance of go-to-market goals is increasing.

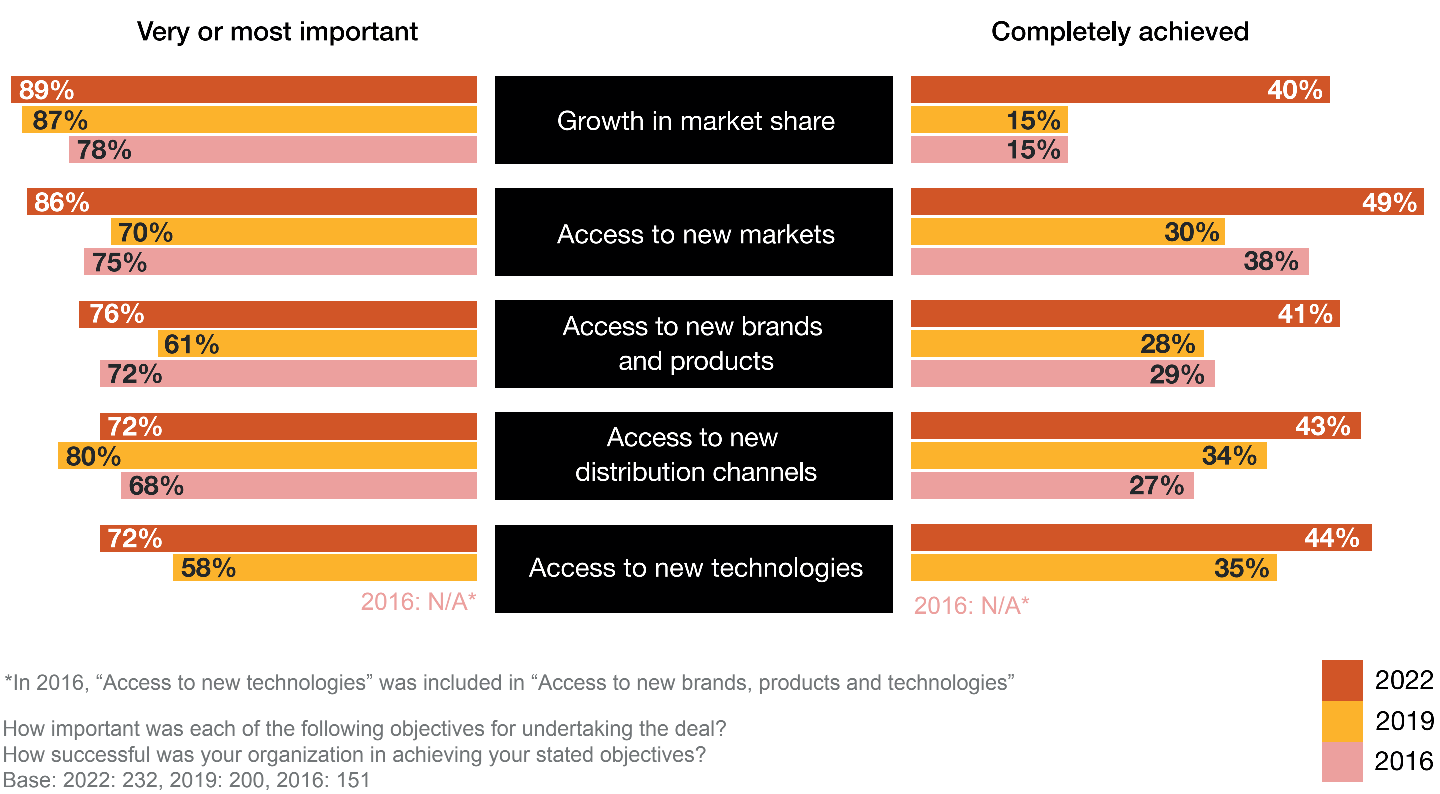
That's illustrated in Figure 10. The column on the left lists objectives that executives described as very or most important and, on the right, objectives described as completely achieved.

Growth in market share, access to new markets, access to new brands and products, and access to new technologies have all grown in importance over the past decade, a period of significant economic growth and quantitative easing.

For the 2020-2022 survey period, COVID-19 likely reduced new distribution channels as executives were probably focused on supplementing and stabilizing existing supply chains instead of expansion.

Figure 10: Go-to-market goals remain difficult to achieve

Percentage reporting deal objective was "very important" or "most important" and "completely achieved"



*In 2016, "Access to new technologies" was included in "Access to new brands, products and technologies"

How important was each of the following objectives for undertaking the deal?
How successful was your organization in achieving your stated objectives?
Base: 2022: 232, 2019: 200, 2016: 151

Similarly, remote working and different ways of working drove companies to focus on access to enabling technologies. Despite increasing importance, achieving go-to-market goals remains difficult, with less than half of respondents completely achieving these objectives. Successful M&A Organizations in the 2020-2022 survey period, however, were more than twice as effective in completely achieving go-to-market goals versus other respondents.

The apparent contradiction between the importance of go-to-market goals and their achievement is not a surprise. Revenue synergy planning and execution remain extremely difficult because it often relies on enterprise-wide transformation of business processes and their underlying systems. Revenue synergies are commonly based on future variables, including:

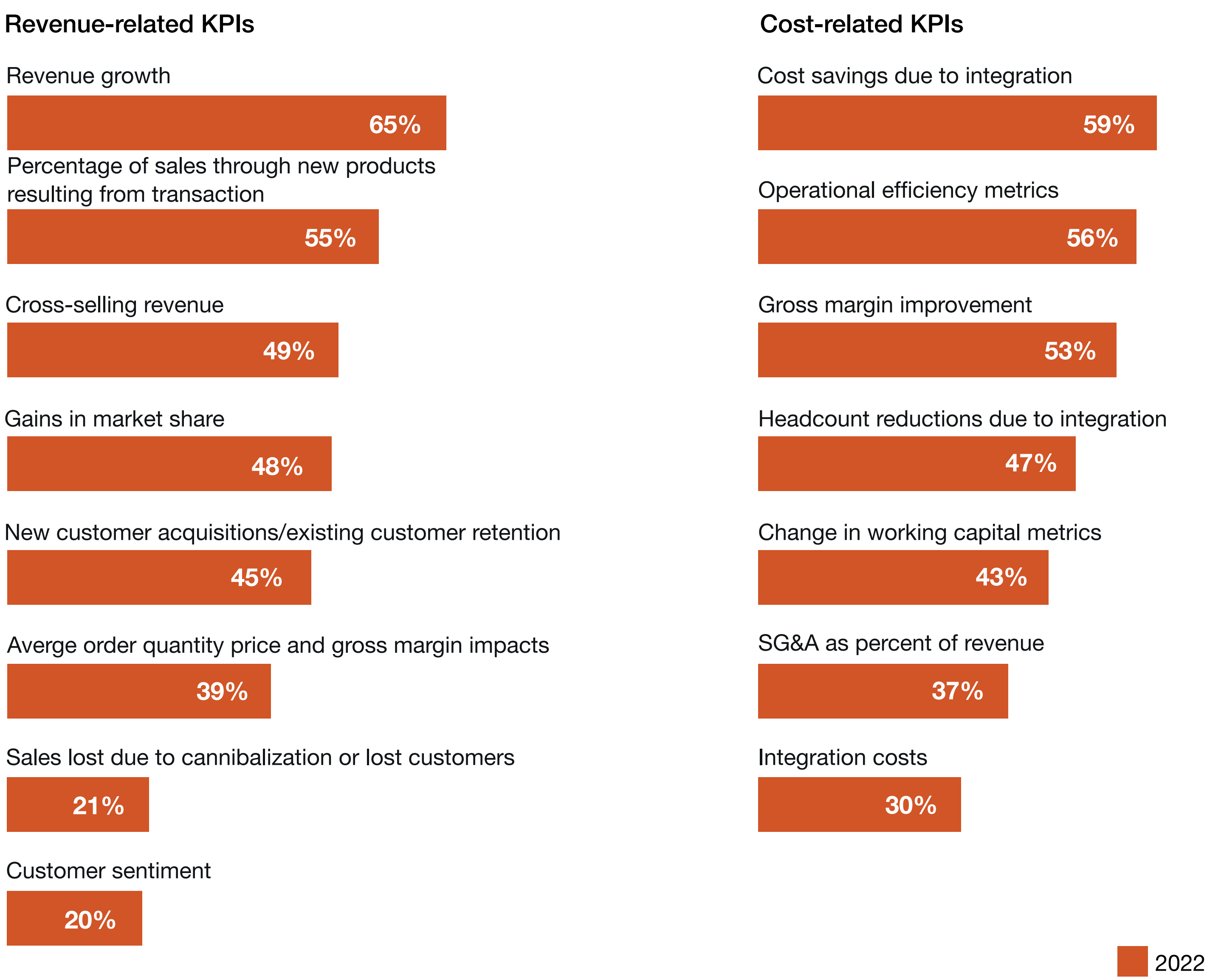
- The market environment and its demand.
- Whether cross-selling can be realized.
- The challenges of entering a new sector or geography.
- The impact on customer experience.

Cost synergies can be estimated using historical financial information, which is generally more available and reliable in predicting the future than data used to model revenue synergies. Cost synergy initiatives also usually occur earlier in the integration process.

Cost synergies are typically found in back-office functions like procurement, payroll, human resources, finance and information technology. Savings can result from permanent reductions in operating costs, better fiscal management (e.g., policy alignment) and increased productivity from consolidated operations (e.g., economies of scale, technology efficiencies). While back-office functions reliably deliver synergies, dealmakers also should look for ways to extract additional value, such as transforming operations with a digital-first approach.

Figure 11 shows revenue and cost KPIs used to measure deal success. These results continue to be surprisingly low, particularly for the more common metrics that should be tracked on almost every deal — including revenue cross-selling, gross margin and cost savings.

Figure 11: Deal performance indicators being tracked
Percentage reporting metrics used to measure success of the deal



Indicate what types of revenue-related and cost-related KPIs or metrics your organization used to measure the success of the deal.
Base: 2022: 232

Finally, in addition to financial metrics, companies can benefit from non-financial KPIs that track employee engagement and retention as well as more subjective factors related to culture and change management.

Whether the objectives are qualitative or quantitative, formulating specific KPIs from the start can help your company set realistic targets.

People and change:
Acquiring and retaining key talent

Engaging and retaining talent from an acquisition is critical to capturing deal value. Yet taking the right approach — during the integration and for the long term — remains challenging.

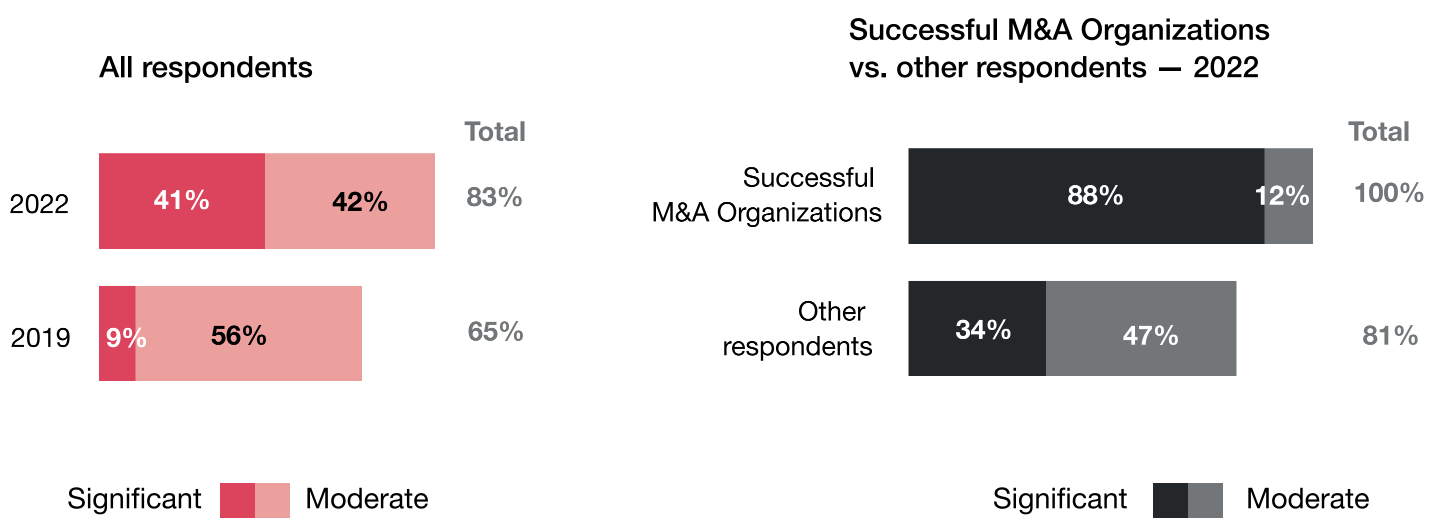
Acquirers, regardless of deal type, must provide clarity and direction to key people and manage change throughout the integration.

Talent retention is at the heart of deal success

Corporate executives understand that people are crucial in M&A, and the companies that concentrate more time and resources on people early in the deal life cycle tend to reap the rewards.

Even in the face of COVID-19 challenges and the battle for talent, these companies reported more success with employee retention (see Figure 12).

Figure 12: Employee retention has improved
Percentage reporting “significant success” or “moderate success”



How would you characterize your organization's success at retaining key employees?
Base: 2022: 232, 2019: 200

Successful M&A Organizations reported significant success at retaining key employees at more than twice the level compared to other survey respondents (88% versus 34%).

This wasn't luck. Successful M&A Organizations achieved superior retention outcomes through specific strategies, including:

- Equity-based retention payments (81% for Successful M&A Organizations versus 41% for other respondents).
- Cash-retention payments (75% versus 55%).
- Non-financial retention incentives (81% versus 34%).

Change management is imperative

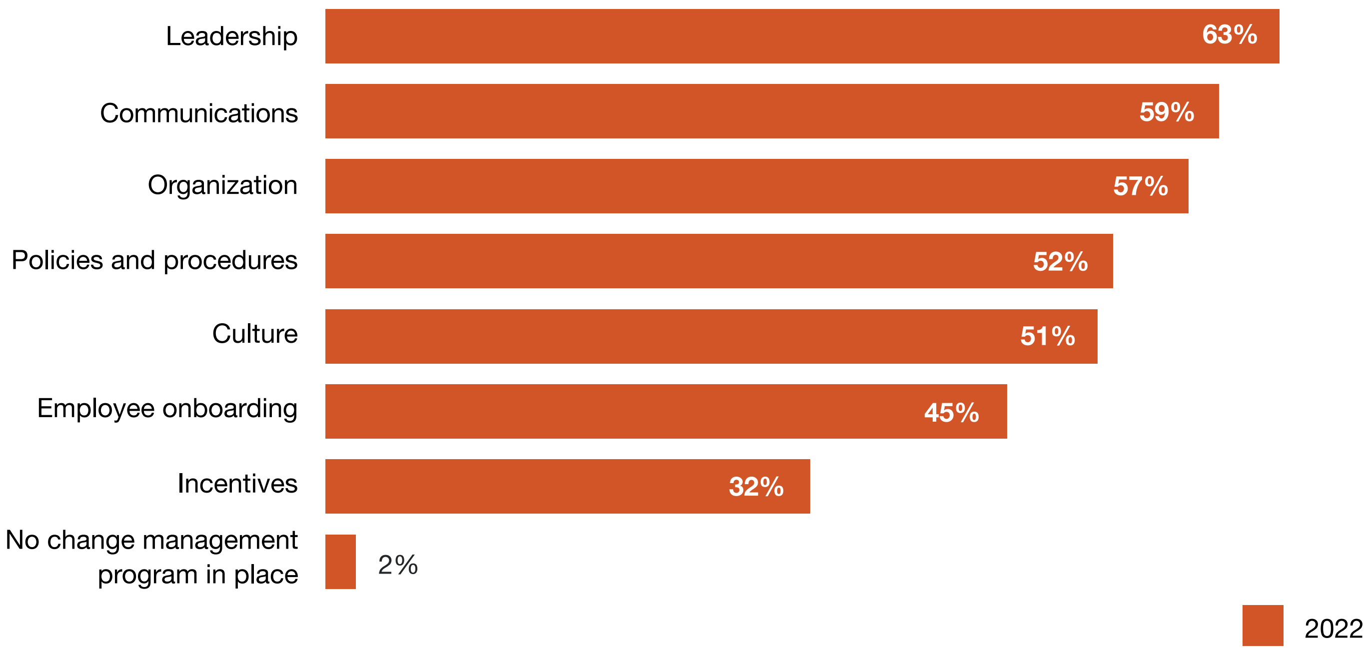
While companies are doing better at retaining and motivating key talent during M&A, there's still room for improvement. Our 2022 survey found more companies launching change management programs earlier in the deal life cycle, with 43% of respondents kicking them off before due diligence, compared to only 23% in 2019. More than 60% included a culture assessment during due diligence and made it part of the go/no-go decision. And 71% of survey respondents launched change management initiatives prior to signing.

Most companies understand that transactions can create significant uncertainty for both acquirer and target company employees. Our survey found that more companies are sustaining a commitment to inclusive change management programs throughout the integration life cycle.

More businesses are designing change management programs to align with the integration strategy and then implementing those initiatives alongside the integration effort. This increases employee commitment and productivity, improves the speed and effectiveness of decision-making and bolsters workforce confidence.

The value of experience shows up here as well. Our 2022 survey respondents are implementing more robust change management programs, with more than 50% using five of the seven critical drivers of change compared to just one in 2019.

Figure 13: Seven critical drivers of change management in M&A integration
Percentage reporting drivers of change management program



Which of the following elements did your change management program include?
Base: 2022: 232

Since talent is vital to unlocking value and achieving transformation, smart acquirers will continue to evolve their approaches. Acquirers can include more or, ideally, all of the seven critical change drivers and sustain those investments throughout the entire deal, integration and transformation life cycle.

People follow leaders. Not surprisingly, leadership was the most common of the seven critical drivers of change management reported in 2022 at 63% (see Figure 13). Swift selection of key management positions early in the transition is critical to clarifying authority, assigning accountability and mitigating the crippling effects of uncertainty.

Communication, the voice of the change management program, is the second most common driver at 59%. Communication is a stabilizer, keeping people focused and energized rather than confused and impatient. It can build support for a broad array of changes — including the new business proposition, new organization and new ways of working.

Roles and responsibilities are not clarified just with the publication of an organization chart. Organization involves understanding changing roles and complex interrelationships, and that was the third most common driver at 57%. People want to know what's expected of them, what they are accountable for, what decisions they own and what decisions they share.

Policies and procedures nearly doubled in frequency to 52% in 2022 from 27% in 2019. Prior to a transaction each organization has fully functioning, self-contained processes and practices. During integration, the combined company should define the go-forward policies and procedures that will help enable new ways of working. This is even more critical due to the complexity of large transactions in a challenging global regulatory environment.

Culture is the set of entrenched behaviors that characterize how a company gets things done. Cultural integration is not rhetoric. It's about behavior change focused in three critical areas.

- Defining desired behaviors.
- Deploying key role models.
- Providing meaningful incentives.

It's not surprising that transformational deals, where successfully integrating diverse teams can make or break the deal, include a cultural assessment in due diligence over 70% of the time — the highest among all deal types.

A change management program isn't complete without employee onboarding and training. The integration will result in changes in policies, procedures, systems and processes that will alter the way people work. Effective acquirers identify these areas and design appropriate training and development programs.

Finally, incentives that start with retention play an important role. Using monetary and nonmonetary rewards to recognize employees who exhibit desired behaviors can catalyze behavior change across the enterprise.

While companies are improving, there's more work to be done. In our 2022 survey, not even 10% of respondents had all seven drivers in their change management programs, and only 42% had four or more elements. Companies should expand change management, develop plans that include all seven drivers and actively manage the program over the integration and transformation life cycle.

Transact to transform:
Enhancing enterprise performance

During the last three years we've seen a shift in mindset, with more companies betting on large-scale, transformational deals to acquire new markets, channels, products, operations and talent. Executives know they must fundamentally reposition their companies for ongoing success. Companies have gotten smarter about pursuing big, bet-the-company deals.

Our 2022 survey indicates that companies are beginning integration earlier and investing more to make transformational deals successful.

But there are plenty of opportunities for further enhancement. Companies need to put in place some fundamental ingredients to move from transaction to transformation over the long-term.

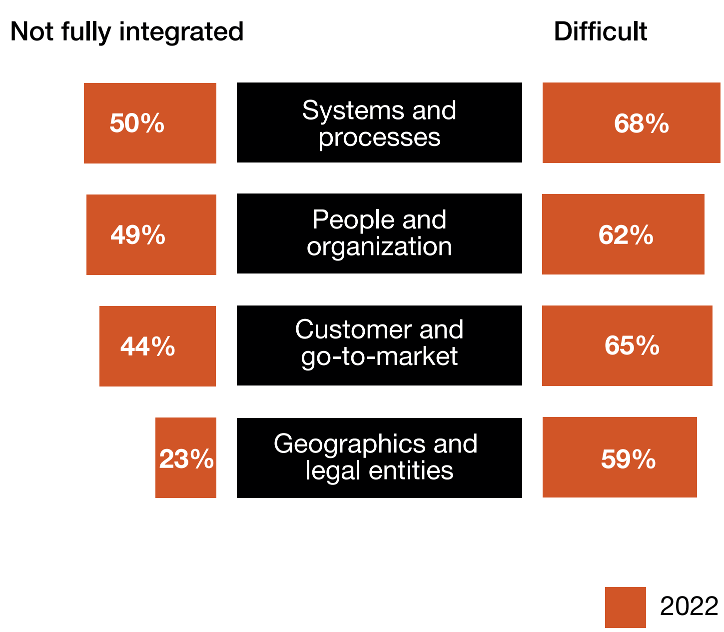
Cross-functional areas are the toughest to integrate

Complicated cross-functional workstreams in large transactions can be difficult to orchestrate and execute. Multiple teams need to collaborate to achieve their goals. Companies using M&A to transform their organizations have the added complexity of delivering on integration goals in parallel with transformation objectives.

Our surveys have consistently shown that many companies lack commitment to long-term integration completion, which makes transformational objectives harder to accomplish.

The 2022 survey was no exception, with most respondents reporting difficulty in completely integrating key cross-functional areas (see Figure 14).

Figure 14: Integration areas not fully complete
Percentage reporting "not fully integrated" and "difficult"



With regard to the merger or acquisition being discussed, how difficult did your organization find integrating the following areas?
What areas do you feel were not fully integrated?
Base: 2022: 232

It's no surprise that systems and processes top the list in difficulty at 68%, and in completion rate, with just half of respondents reporting full integration. Integrating business processes and their related systems is complex and can be risky. Yet this activity is at the heart of transformation, particularly in large deals. Integrating disparate applications and their associated business processes enables overall enterprise planning and execution, and it's a prerequisite to integrating the other three key cross-functional areas shown in Figure 14.

Successful M&A Organizations reported a completion rate that was approximately 57% higher than other respondents. Put another way, the acceleration of business processes and systems integration (BPSI) through a structured framework is now table stakes for companies to successfully transact to transform.

People and organizations can also be difficult to completely integrate. Employee retention, assignment of leadership and effective change management programs can help. Still, companies should commit to the long term by building digital capabilities and equipping employees with the leading technology and solutions to compete in the market, help drive internal efficiencies and transform.

As discussed earlier, revenue synergies and realization of go-to-market goals are increasingly important with transformational deals, but still difficult to achieve, so it should come as no surprise that 44% of respondents weren't able to fully integrate customer and go-to-market activities. However, Successful M&A Organizations reported a completion rate that was approximately 15% higher than other respondents.

These companies leverage an effective go-to-market BPSI framework that consists of three important components.

- An assessment of the go-to-market technology landscape for both companies.
- A blueprint of core go-to-market processes.
- Fit-for-purpose technology and processes across enabling functions to enhance customer experience and drive revenue.

Finally, integrating legal entities around the world is much more than optimizing the effective global tax rate and streamlining the number of tax-reporting entities. Operationalizing a legal entity structure often involves sequencing and coordinating hundreds of cross-functional integration activities across regions and within countries to avoid regulatory violations while achieving operational transformation.

Time zones, cultural differences, distance and local market requirements are common hurdles. The most sophisticated companies have detailed plans to capture value by managing systems and processes, people and organization, and customer and go-to-market processes by country.

While a limited number of survey respondents reported fully integrating all the cross-functional areas, Successful M&A Organizations reported 44% success at fully integrating all of them (compared to 12% for other survey respondents). Moreover, Successful M&A Organizations also demonstrated enhanced M&A integration and digital capabilities.

Technology is a key enabler for transformation

Rapid growth in hyperscalers, and other cloud infrastructure and software as a service solutions have brought data analytics, machine learning and other enabling technologies to the mainstream. So it is no surprise that all 2022 survey respondents are focusing on adopting new technology and developing new digital capabilities — both internally and customer-facing — to compete effectively.

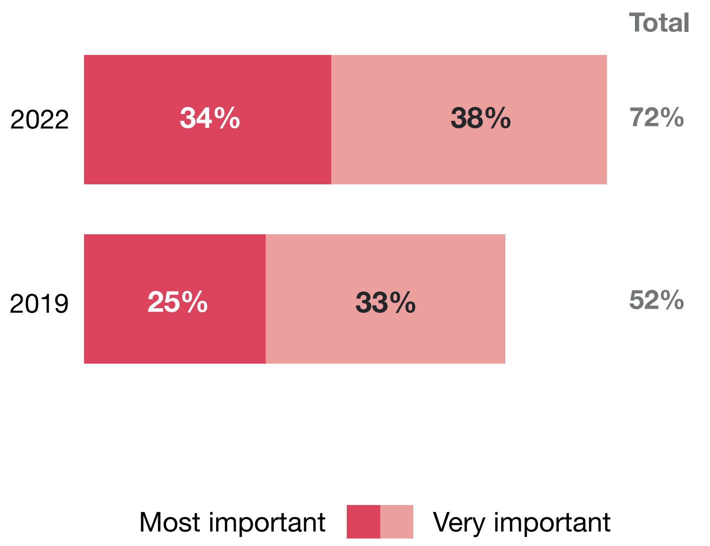
More companies are using these technologies throughout the M&A process to model complex go-to-market synergies, manage cross-functional work and implement long-term operating models — all in parallel. They're also digitizing the M&A integration process in order to transform the new, larger organization.

A growing percentage of organizations are undertaking technology-driven transformation deals as part of their integration strategy. Access to technology is emerging as a critical transaction objective across all industries.

Seventy-two percent of 2022 survey respondents indicated that access to new technologies was the most important or a very important transaction objective (see Figure 15). And 88% of respondents view the target's technology capabilities as a mechanism to accelerate their own digital transformation.

Figure 15: Technology is a key enabler for transformation

Access to new technologies' importance as a transaction objective

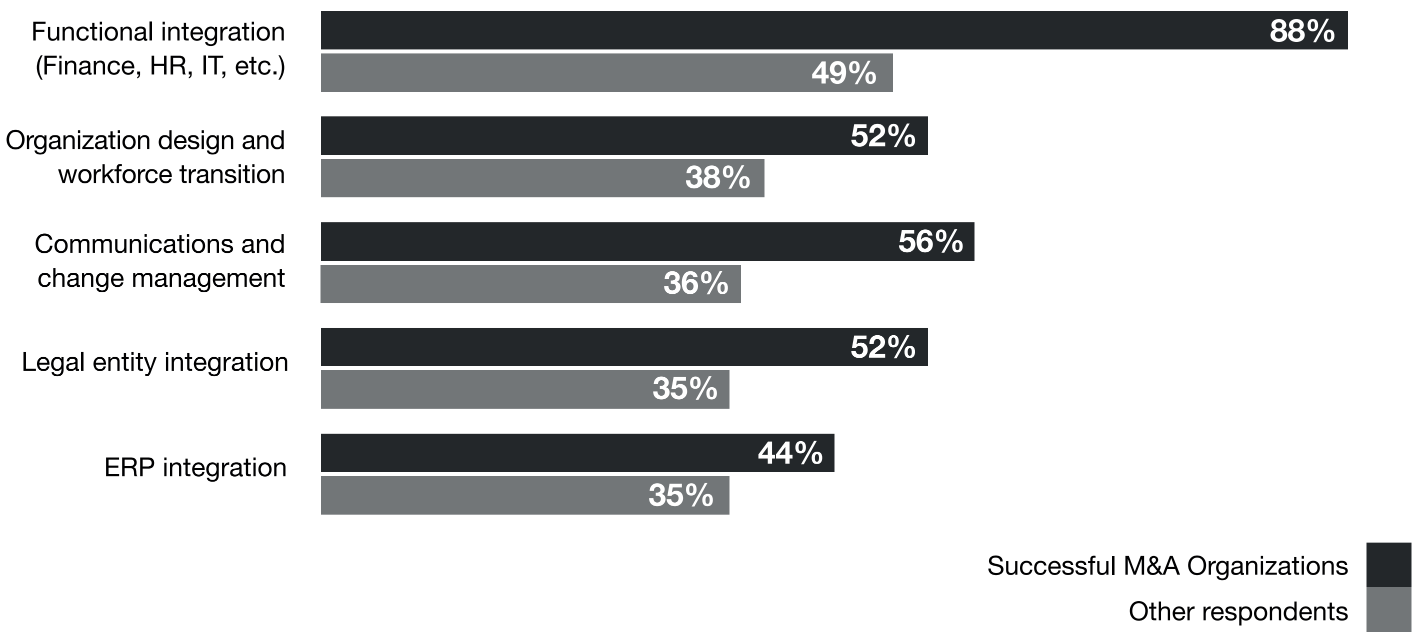


How important was each of the following objectives for undertaking the deal?
Base: 2022: 232, 2019: 200

As noted in other areas of this report, early development of the long-term operating model jump-starts critical integration activities. This holds true with the use of technology enablers. Having a long-term operating model in mind during deal screening allows Successful M&A Organizations to use digital accelerators, data analytics and pre-configured systems to accelerate integration and transformation. And they use digital accelerators (i.e. tech-enabled solutions) across critical functions and activities more often than other acquirers (see Figure 16).

Figure 16: Digital accelerators enhance integration

Integration areas enhanced by digital accelerators

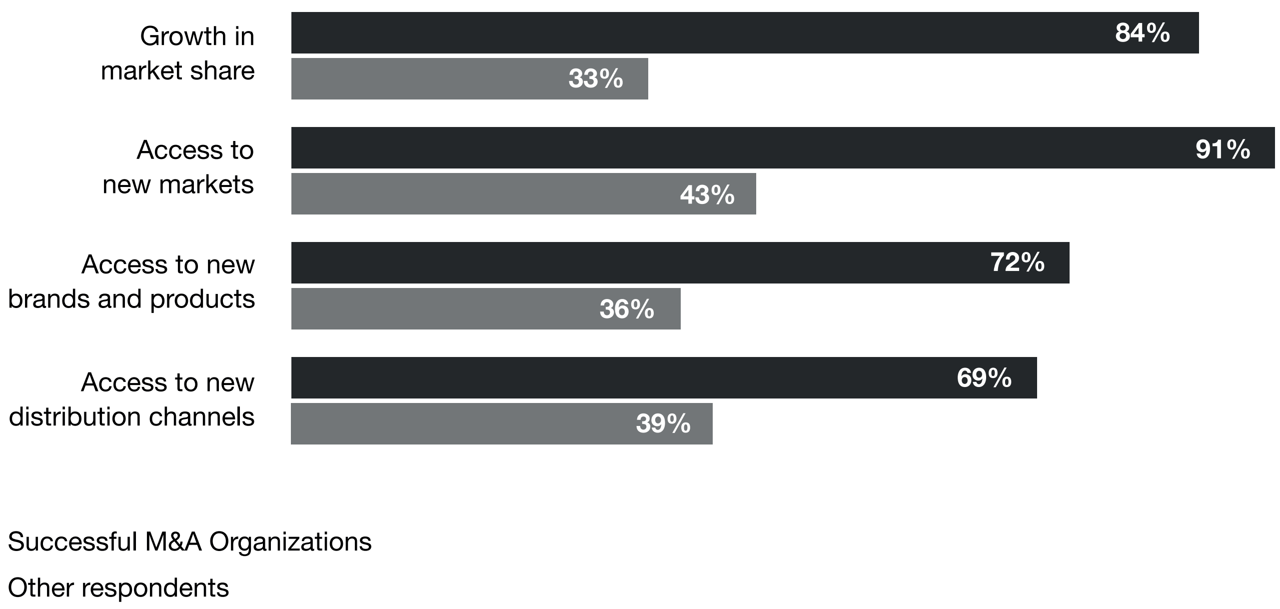


In what areas of integration were digital accelerators leveraged?
Base: 2022: 169

Successful M&A Organizations are also more effective at integrating and extracting value from technology, with 88% reporting that their company was very effective at doing so, compared to 42% of all other respondents.

And while the importance of realizing go-to-market goals is paramount in transformational deals to achieve strategic, operational and financial success, Successful M&A Organizations were also more effective at achieving their go-to-market objectives compared to other survey respondents (see Figure 17).

Figure 17: Successful M&A organizations are more effective at achieving go-to-market goals
"Completely achieved" go-to-market objectives



How successful was your organization in achieving your stated objectives?
Base: 2022: 232

Bottom line

Delivering a transformation in parallel with realizing integration goals is clearly a challenge for most organizations — though we have seen how success can be within reach. Successful M&A Organizations deliver a unique combination of M&A integration fundamentals, experience, investment and technology enabled accelerators to more successfully transform themselves through transactions.

Methodology

PwC has conducted its M&A Integration Survey since 1997. In 2022, we surveyed senior management from a sampling of Fortune 1000 companies that had completed mergers or acquisitions in the previous three years. The goal was to understand the current state of M&A integration practices and evaluate their impact on management's assessment of deal success.

We asked an independent third-party survey company to conduct telephone interviews with these executives. Respondents participating in the telephone survey were guaranteed anonymity for themselves and their companies and were screened to ensure they had firsthand knowledge of the issues their organizations dealt with during the M&A integration.

Industry

- Technology, media and telecommunications - 30%
- Industrial manufacturing and automotive - 22%
- Financial services - 16%
- Consumer markets - 11%
- Health industries - 11%
- Energy, utilities and resources - 10%

Revenue

- $10 billion or more - 30%
- $5 billion to under $10 billion - 26%
- $1 billion to under $5 billion - 44%

Purchase price

- $5 billion or more - 25%
- $1 billion to under $5 billion - 38%
- Less than $1 billion - 37%

Of the 232 respondents participating in the survey, 57% were at the C-suite level, with titles including CEO, president, COO, CFO, CIO, CHRO and CTO. The remaining 43% were vice presidents from corporate development, strategy, sales and marketing, operations, information technology, finance and human resources.

If you would like to participate in future surveys, please contact pwcdeals@pwc.com.

Contact us

To have a deeper discussion about how this topic might impact your business, please contact your engagement partner or a member of PwC's Deals practice.

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