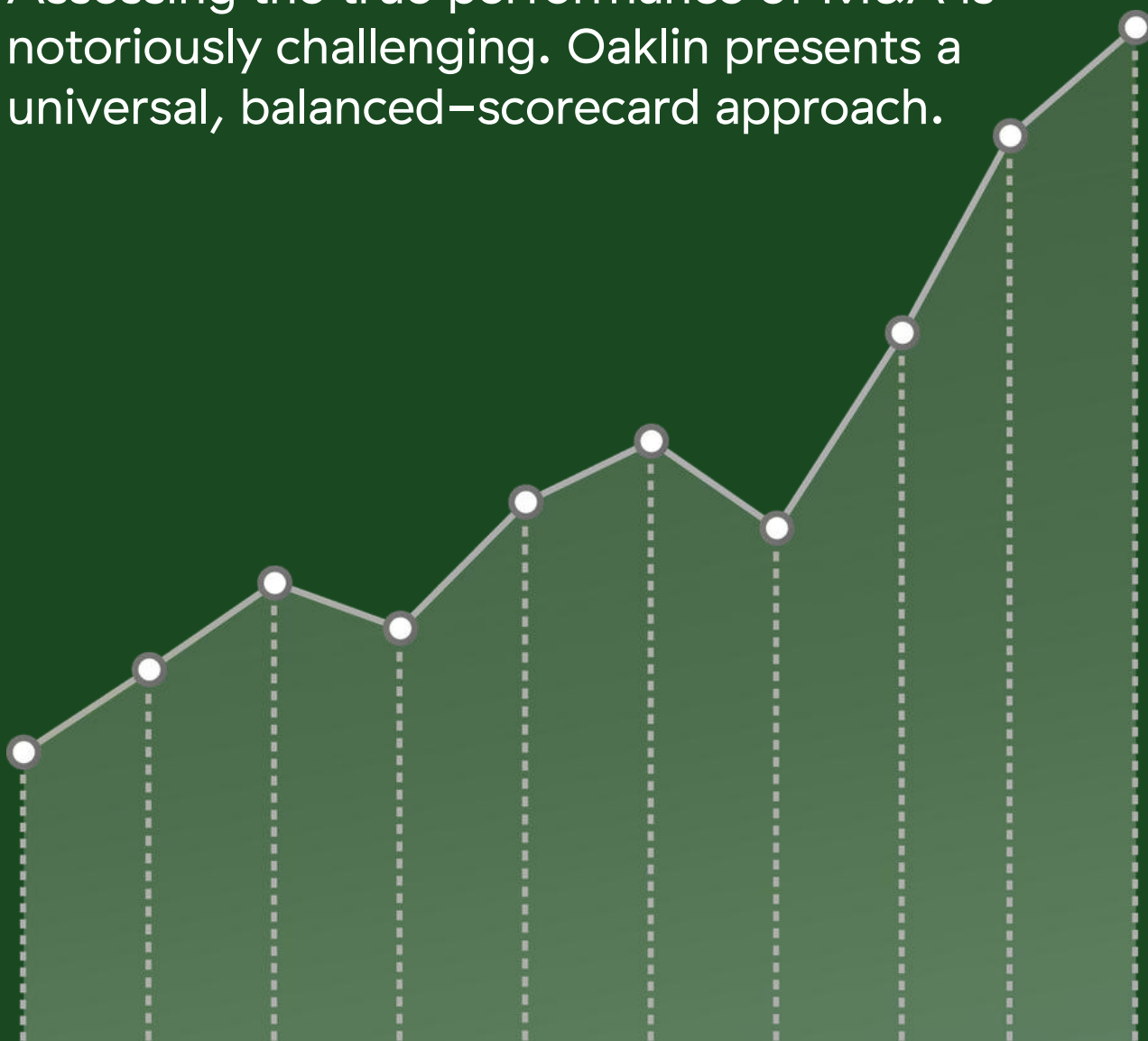




Measuring Up

Assessing the true performance of M&A is notoriously challenging. Oaklin presents a universal, balanced-scorecard approach.



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Assessing the real, long-term performance of M&A is one of the most persistent challenges in corporate life. Everyone agrees it matters. Few agree on how to measure it. And even fewer actually do it.

Some years ago, I spoke with the EVP of Strategy and M&A at a multi-billion-dollar tech company. His Board had asked him to review a decade of acquisitions: What did we buy, and how did they perform? Having assembled the data, the results were a predictable traffic-light mix: a handful of greens, a few reds, and a sea of amber.

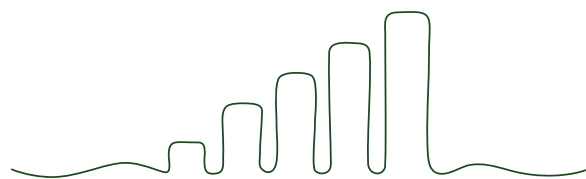
“My problem...”, he told me, “...is that I have absolutely no idea why the green ones are green, or what made the red ones red. How am I supposed to explain that to my Board?”

That moment captures the core problem. M&A is full of metrics — integration milestones, synergy targets, share price reactions, ROCE trends — but none of them reliably answer the only question that matters:

Did this deal actually work?

And while most organisations invest heavily in pre-deal analysis and business cases, very few follow through with the same discipline post-close. In recent research conducted by Oaklin,¹ only around half of acquirers conduct formal reviews of deal performance. At the same time, fewer than 50% believe their M&A activity consistently delivers deal benefits in full or on time.

Coincidence? Probably not.



Separating the wood from the trees: Most common approaches fall short

Most organisations rely on a patchwork of metrics to assess M&A performance:

- Did the acquired business hit its first-year budget?
- Were synergies delivered?
- Did integration milestones land on time?
- Did the market react positively?
- Are customers satisfied?
- Did key people stay?
- Has productivity held up?

Useful questions, but none tell the whole story. And when results are uncomfortable, they're easy to explain away. Meanwhile, other academic studies continue to search for the perfect financial or accounting metric to define M&A success. Decades in, no consensus exists.

But the bigger issue is more uncomfortable: Do senior leaders actually want long-term M&A performance to be measured?

Pre-close, deal value is scrutinised to the decimal point. Post-close, rigour evaporates. Some executives still insist that “synergies can't really be measured” or that “it's impossible to isolate deal performance from the rest of the business”.

¹ M&A Mastery - Destiny, Design or Dumb Luck?; Oaklin LLP, 2026

² e.g., *Performance Assessment of Mergers and Acquisitions*; Wang, Moini et al, 2012 and *The Use of Accounting-Based Measures in Measuring Performance: A Review of Five Decades of Research*; Thanos and Papadakis, 2012



While they have a point, it also avoids a harder truth:

What gets measured gets managed. What worries the Board gets measured. And M&A rarely worries the Board for long.

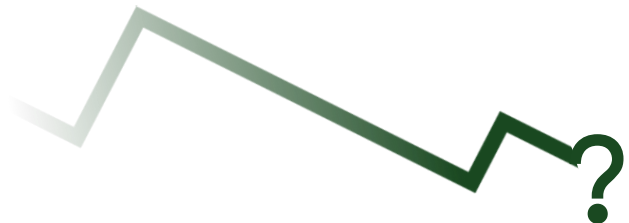
We've all heard the refrains:

- “The deal may not have gone perfectly, but we still made our numbers.”
- “We missed our targets, but this is a strategic deal; it’ll pay off eventually.”

Once the spotlight moves on, so does accountability. One Fortune 500 executive put it bluntly: “I really don’t know if the deal was a success. But my boss no longer cares, so why should I?”

Our own research backs this up³: 77% of organisations said lack of senior-level attention post-close had a major negative impact on long-term deal outcomes.

And even when synergies are delivered, the question remains: **Were they truly driven by the deal, or would the business have achieved them anyway?** In most cases, it’s impossible to tell. This ambiguity invites politics, ambiguity and spin.



How organisations try to measure M&A performance today

Despite the challenges, most M&A and integration leaders genuinely try to measure and learn. Across our client work, we see five common approaches; each with strengths, but also clear limitations:

What Companies Measure	Common Metrics	Strengths	Weaknesses
Deal Business Case	Post-close operating budget	Easy to measure	Hard to isolate deal impact; often disconnected to deal or integration costs
Financial Synergies	Synergy budgets	Generally straightforward	Often too high level; difficult to separate integration effects from BAU improvements
Integration Delivery	Program plans and milestones	Clear, binary metrics when defined well	Measures integration delivery, not long-term deal performance
Operational Performance	Operational KPIs, customer metrics	Easy to track	Rarely directly linked to long-term value creation
Employee Sentiment	Engagement surveys, qualitative feedback	Quick read on mood and issues; enables rapid response	Follow-through often weak; hard to use results to drive specific integration adjustments



The problem isn't lack of effort. It's a lack of a coherent, universal approach that works for Boards, executives, operators, and investors alike. But for those who succeed, the rewards are there:

Organisations that consistently measure their M&A performance as part of a range of good M&A behaviours enjoyed a three-year increase in share price more than twice that of their peers who did not.³

Do we really need a better way of measuring M&A?

Short answer: yes. Despite decades of experience, billions spent on advisory support, and endless academic studies, M&A performance hasn't meaningfully improved. If anything, the pattern is stubbornly consistent:

- **Between 50–70% of acquisitions still fail to create value** within two to three years of closing, a statistic that has barely shifted in over 40 years.
- **Serial acquirers experience significantly higher CEO turnover** than their non-acquisitive peers during downturns, suggesting Boards lose patience when repeated bets don't pay off.
- **Acquirers who run structured post-deal reviews are far more likely to report long-term success.** In some studies, more than 70% say it has a major positive impact on performance.
- And companies that **consistently measure M&A performance** as part of a disciplined operating model see **materially stronger share-price growth** than those that don't.

Peter Drucker's line still holds: "*What's measured improves.*" The problem isn't intent: most leaders genuinely want their deals to succeed. The problem is the lack of a shared, credible, and practical way to measure success across the organisation.

That gap creates three recurring challenges:

1. Deal assessment lacks objectivity

In many organisations, the people who assess the deal are the same people who sold it internally. That creates bias, blind spots, and a natural reluctance to surface uncomfortable truths. Meanwhile, the teams who live with the consequences — operational leaders, functional owners, integration teams — are often excluded from pre-deal modelling and therefore lack the ability to inform targets or the context to evaluate performance later.

It's a structural flaw: **Deal teams are too close. Integration and business leaders are too far away.** Until that changes, confidence, objectivity and accuracy will remain elusive.

2. Synergy modelling lacks rigour

Loose assumptions, high-level estimates, and assumption-heavy synergy cases remain endemic. Without a clear link to underlying integration and operational drivers (e.g. headcount, product footprint, pricing, procurement, customer migration, platform consolidation), synergy models are little more than optimistic guesses.



⁴ Various sources, available on request



A credible synergy model needs to:

- validate high-level assumptions;
- explicitly model operational drivers;
- develop and use sensitivity scenarios;
- reflect the cost and timings of post-close integration plans;
- identify where value is genuinely created, and where it isn't.

3. Non-financial measures lack attention

Most Boards default to financial and commercial metrics: market share, margins, EPS, TSR. These matter, but they're influenced by far more than the deal itself. They're lagging indicators, not diagnostic or decision-making tools.

Meanwhile, the non-financial drivers that really make or break deals — leadership alignment, cultural compatibility, talent retention, customer experience — are often ignored pre-deal and therefore impossible to benchmark post-deal. And because these factors aren't captured early, they can't be assessed later.

The result? When organisations lack a clear, consistent way to measure deal performance, predictable problems follow:

- Endless debates about whether to intervene in a struggling acquisition.
- Misaligned investment priorities at the executive table.
- Confused messaging to employees.
- Negative or inconsistent signals to the market.
- And perhaps most damaging: discomfort and paralysis around future deals.

We've seen many Boards halt their entire M&A agenda because they couldn't agree on whether the last deal worked. Not because it actually failed, but because everyone had their own definition of success.

If you can't measure your M&A performance today, you may not be allowed to do M&A tomorrow.

Different measures, universal approach

Every deal has its own strategic intent, and the way you measure success must reflect that. No single metric, or even a standard set of metrics, can capture the full picture. To address this challenge, we advise clients to establish a common, repeatable framework for deal assessment that:

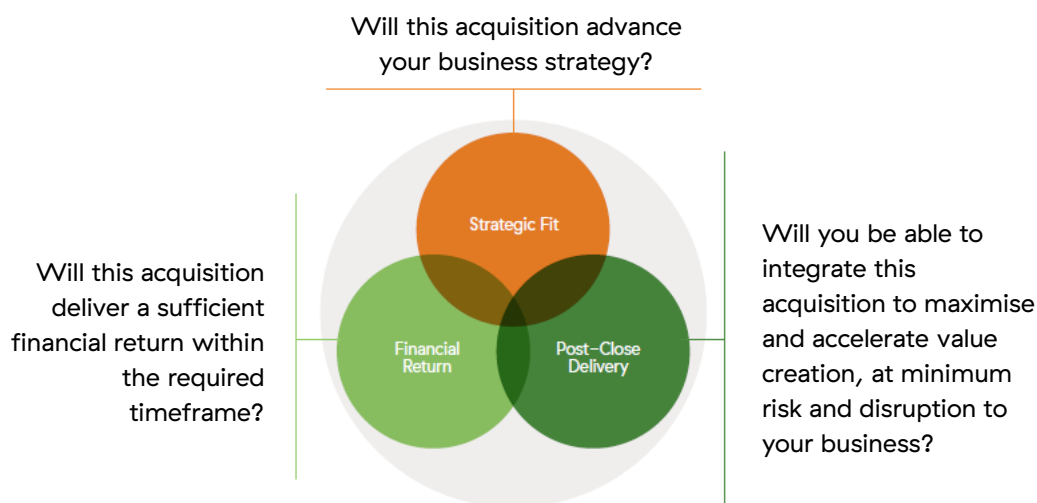
- aligns with the business case, giving the Board a clear view of long-term value delivery;
- manages stakeholder priorities and expectations, ensuring everyone understands and agrees on what 'good' looks like;
- provides early warning signals, enabling teams — pre- and post-close — to identify emerging risks and intervene before value erodes.





Oaklin’s M&A Performance Framework

Every transaction is unique, but each needs to satisfy three basic criteria:



Based on these criteria, your deal assessment approach should reflect the right balanced scorecard across these three dimensions, guided by the questions outlined below:

Area	Questions to Ask	Universal M&A Metrics to Consider
Strategic Fit	<ul style="list-style-type: none"> • Has the deal met its (pre-defined, quantified) non-financial goals? • Has the acquisition added specific, <i>relevant</i> capabilities to the business? • Is the senior management team of the new combined business stronger and more stable? • Do investors recognise the added value the transaction has delivered? 	<ul style="list-style-type: none"> • Market share/position • New internal capabilities • Unintended Senior Executive turnover on either side of the deal • P/E ratio • Relative share price volatility/long-term trend post-announcement • Rate of NPD
Financial Return	<ul style="list-style-type: none"> • Has the deal met its financial goals? • Is the combined business more cash-generative? • Has the deal provided an acceptable return to investors? • Is the business financially stronger because of the deal? 	<ul style="list-style-type: none"> • Specific financial synergy targets • Integration cost metrics • ROCE/ROIC, EPS, TSR • Revenue, EBITDA, FCF; other profitability targets • Balance sheet metrics • Cost of Capital • Tax optimisation metrics
Post-Close Delivery	<ul style="list-style-type: none"> • Has the deal accelerated revenue growth? • Has the deal retained or reduced relative operating costs? • Do customers perceive the deal as being beneficial to them? • Did post-close activities adversely impact operational efficiency or effectiveness? • Did post-close activities adversely impact employee morale or productivity? 	<ul style="list-style-type: none"> • Sales growth rate • COGS as a % of Revenue • SG&A as a % of Revenue • Net Income/Employee • ‘Voice of the Customer’ or equivalent metrics • Key operational performance metrics (e.g. safety, key process timings) • Employee performance indicators (e.g. staff turnover, level of unintended staff departure, absenteeism) • Direct employee engagement and morale metrics (e.g. <i>via</i> engagement surveys)



Isn't cultural alignment a universal metric?

You may have noticed that we haven't included 'cultural alignment' as a standalone metric in the universal scorecard. That's deliberate.

At Oaklin, we're strong advocates for understanding, and where necessary aligning, organisational cultures during M&A. But culture isn't a universal requirement; nor should it be treated as one. Not every successful acquisition demands deep cultural integration. In many cases, maintaining distinct cultures is exactly the point, especially where the deal is designed to preserve different propositions, operating models, or innovation styles.

And when cultural alignment *is* important, its impact will show up across the broader scorecard anyway: in leadership stability, customer retention, employee engagement, operational performance, and ultimately financial results. If cultural integration is part of your plan, it should absolutely be measured.⁵ It just doesn't always have to be.

The bottom line: There is no single metric that can definitively assess the performance of every merger, acquisition, or divestment. But a balanced set of strategic, financial, and post-close delivery indicators can give you a 'beyond reasonable doubt' view of whether a deal has worked — and, crucially, allow you to compare one deal to the next with confidence.

When organisations adopt this kind of structured, universal approach, they stop debating the past and start learning from it. And that's the real goal: **not just measuring M&A performance but improving it.**



...but is your M&A strategy a success?

Everything we've covered so far helps you assess the performance of an individual deal. But that naturally leads to the bigger question:

How do you measure whether your overall M&A strategy is working?

Many organisations default to simply summing or averaging the results of individual deals over a period. That's one approach, but it's rarely the most insightful one. A better starting point is the question that too often goes unasked in the Boardroom:

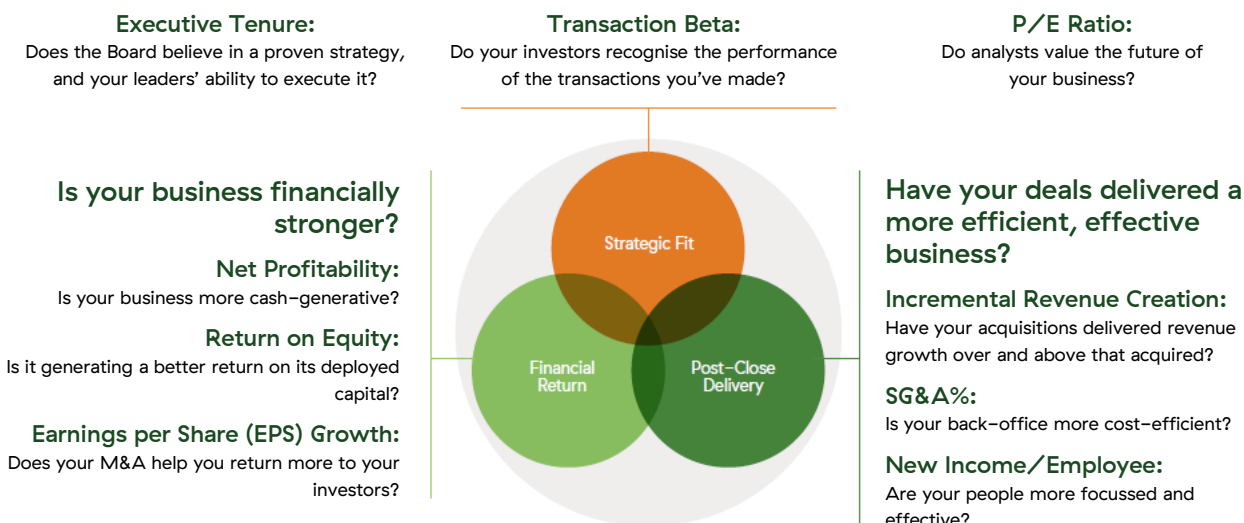
What are the specific, measurable objectives of your M&A strategy?

Without clarity on that, no amount of post-deal analysis will tell you whether your M&A is delivering what it was designed to achieve.

Once these M&A strategic objectives are explicit, the same principles that guide deal-level assessment apply at a higher level: a balanced scorecard of strategic, financial, and operational indicators. At Oaklin, our own M&A Performance Indicator (MAPI) uses this structure to assess the effectiveness of a company's M&A strategy, or even the performance of an entire industry's acquisition activity:



Has your M&A advanced your business strategy?



Of course, the level of M&A activity matters too. A business doing one small bolt-on every five years should not be assessed the same way as a serial acquirer completing multiple transformative deals. Factoring deal count and deal size into the overall MAPI score ensures the assessment reflects reality rather than raw averages.

Is this a perfect way to evaluate the long-term impact of M&A? No, and there never will be. But the above model represents a practical, consistent, and transparent way to understand whether your strategy is creating value or quietly eroding it.

And the EVP who was asked to present a decade of M&A performance to his Board? The story didn't end well: By the time the review was complete, the business had already entered a downward spiral. It was eventually acquired in a deal widely viewed as disastrous: mass redundancies, senior leadership departures, and an \$8bn write-down within four years — almost 60% of the original purchase price; although arguably much of this rests with the acquirer, as we discuss elsewhere.⁶

Nonetheless, the underlying lesson is clear: even if you don't measure it, serial underperformance in M&A doesn't stay hidden forever. Eventually, the market notices. And when it does, systemically poor acquirers become targets for those who consistently get M&A right. In today's economy, M&A is not optional: it's a core engine of growth. But the difference between organisations that thrive through acquisition and those that stumble is stark.

Serially successful acquirers measure, learn, and adapt.

Serially poor acquirers hope, defend, and repeat.

Which side of that line you fall on depends on one thing: your willingness to measure what truly matters.



Unconventional Wisdom: Practices For Measuring M&A Performance

1. **Measure wide and deep.** Rely on a balanced range of strategic, financial and post-close operational metrics to tell the story — all are important.
2. **Stay relevant.** Select specific metrics that the Board and Executives find important, but be prepared to educate them both.
3. **Aim for cross-deal consistency.** As far as possible, use ‘universal’ metrics that can be applied from one deal to the next.
4. **Strive for objectivity.** Get the right group to assess your M&A performance to ensure a rational, balanced view and minimise any political complications.
5. **Measure your deal strategy, not just your deals.** Are you doing M&A well, or doing the right M&A? Measure the performance of your overall M&A strategy, not just individual deals.



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