



**UNIVERSITY
OF TURKU**

Turku School of
Economics

Synergy Realization in Post-Acquisition Integration

Role of Strategic Alignment

International Business,
Department of International Business
Master's thesis

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19.3.2026
Turku

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Master's thesis

Subject: International Business Growth and Strategy

Author: Heidi Marttila

Title: Synergy Realization in Post-Acquisition Integration: Role of Strategic Alignment

Supervisor: D.Sc. Niina Nummela

Number of pages: 98 pages + appendices 9 pages

Date: 19.3.2026

Abstract

Synergy realization is an important strategic process for companies engaged in mergers and acquisitions. Its intended impact is to ensure that the strategic rationale of the acquisition translates into coherent decision-making, coordinated integration actions, and aligned ways of working across the combined organization. To ensure this, strategic alignment between merging companies forms the foundation for effective integration, the realization of operational synergies, and improved post-acquisition performance with value creation. The development of strategic alignment and the design of integration strategy are closely interconnected processes. Clear alignment at the strategic level guides integration priorities, defines synergy targets, and shapes the degree and pace of integration. In this way, strategic alignment and integration execution are mutually reinforcing elements that together determine whether the acquisition's intended value creation can be successfully achieved.

This thesis examines how strategic alignment drives the realization of operational synergies in companies by exploring the connection between strategic alignment and post-acquisition integration outcomes. A qualitative case study approach was conducted involving four Finnish multinational companies that have acted as either acquirers or targets in M&A transactions and have recent experience in post-acquisition integration processes. The research combines a comprehensive literature review on strategic alignment, synergies, and integration strategies with empirical data from the companies, and their case acquisitions, including semi-structured interviews with key integration stakeholders and further analysis of integration. This approach enables an in-depth understanding of how strategic alignment shapes integration strategy and facilitates synergy realization during the post-acquisition phase.

The study finds that companies should prioritize the role of strategic alignment when acquisition rationale creates a need to secure effective synergy realization. In the case acquisitions studied, differences in strategic intent, operating models, and market positioning acted as catalysts for emphasizing alignment during the post-acquisition integration phase. Strong strategic alignment clarified integration priorities, aligned expectations regarding achievable synergies, and provided a direction for decision-making across the combined entity. The findings indicate that a selective and well-timed integration approach enhanced synergy realization by focusing on operational areas where value could be captured with minimal disruption. Rather than pursuing full-scale integration immediately, successful firms adopted a phased approach that preserved existing capabilities while gradually expanding integration efforts. This approach strengthened commitment, reduced organizational resistance, and improved transparency in synergy tracking. Strategic alignment created a link between the original acquisition rationale and day-to-day operational execution. By aligning integration strategies with clearly defined strategic objectives, firms were better able to translate long-term value creation goals into concrete operational synergies. In this way, strategic alignment not only facilitated immediate synergy realization but also reinforced the strategic coherence and competitive positioning of the combined organization over time.

This thesis contributes to the international business and M&A literature by bridging the relationship between strategic alignment and operational synergy realization in post-acquisition integration. Strategic alignment is positioned as a mechanism that connects acquisition rationale with effective execution, thereby playing an integral role in transforming synergies into value and sustained competitive advantage. The findings offer practical guidance for managers on how to design integration efforts in a way that strengthens strategic coherence and accelerates synergy realization.

Keywords: Mergers and Acquisitions, Synergy Realization, Strategic Alignment, Integration, Strategy

Pro gradu -tutkielma

Oppiaine: Kansainvälinen liiketoiminta: Kasvu ja Strategia

Tekijä: Heidi Marttila

Otsikko: Synergioiden toteutuminen yritystoston jälkeisessä integraatiossa: Strategisen yhdenmukaisuuden rooli

Ohjaaja: KTT Niina Nummela

Sivumäärä: 98 sivua + liitteet 9 sivua

Päivämäärä: 19.3.2026

Tiivistelmä

Synergioiden toteuttaminen on tärkeä strateginen prosessi yrityksille, jotka osallistuvat yritystostoihin. Sen tavoitteena on varmistaa, että yritystoston strateginen perustelu konkretisoituu johdonmukaisena päätöksentekona, koordinoituina toimenpiteinä ja yhtenäisinä toimintatapoina yhdistetyssä organisaatiossa. Tämän varmistamiseksi sulautuvien yritysten välinen strateginen yhdenmukaisuus muodostaa perustan integraatiolle, operatiivisten synergioiden realisoitumiselle sekä yritystoston jälkeisen suorituskyvyn ja arvонуonnin parantumiselle. Strategisen yhdenmukaisuuden kehittäminen ja integraatiostrategian suunnittelu ovat toisiinsa kytkeytyviä prosesseja. Selkeä strateginen linjaus ohjaa integraation painopisteitä, määrittää synergiatavoitteet sekä muovaa integraation laajuutta ja etenemismuutoksia. Näin strateginen yhdenmukaisuus ja integraation toteutus vahvistavat toisiaan ja yhdessä ratkaisevat, voidaanko yritystoston tavoiteltu arvонуonti saavuttaa onnistuneesti.

Tämä tutkielma tarkastelee, miten strateginen yhdenmukaisuus ohjaa operatiivisten synergioiden toteutumista, selvittämällä strategisen yhdenmukaisuuden ja integraatiotulosten välistä yhteyttä. Tutkimus toteutettiin laadullisena tapaustutkimuksena, johon osallistui neljä suomalaista monikansallista yritystä, jotka ovat toimineet joko ostajina tai kohdeyrityksinä yrityskaupoissa. Tutkimuksessa yhdistetään kattava kirjallisuuskatsaus strategiseen yhdenmukaisuuteen, synergioihin ja integraatiostrategioihin sekä tarkastelluista yritystostoista kerätty empirinen aineisto, mukaan lukien puolistrukturoidut haastattelut keskeisiltä toimijoilta sekä integraatiovaiheen analyysi. Tämä lähestymistapa mahdollistaa syvällisen ymmärryksen siitä, miten strateginen yhdenmukaisuus muovaa integraatiostrategiaa ja edistää synergioiden toteutumista yritystoston jälkeisessä vaiheessa.

Tutkimus osoittaa, että yritysten tulisi painottaa strategisen yhdenmukaisuuden merkitystä silloin, kun yritystoston perustelut luovat tarpeen varmistaa synergioiden tehokkaan toteutumisen. Tarkastelluissa yritystostoissa erot strategisissa tavoitteissa, toimintamalleissa ja markkina-asemoinnissa toimivat katalysaattoreina strategisen yhdenmukaisuuden korostamiselle integraatiovaiheessa. Vahva strateginen yhdenmukaisuus selkeytti prioriteetteja, yhdenmukaisti odotuksia saavutettavista synergioista ja tarjosi suuntaa päätöksenteolle. Tulokset viittaavat siihen, että valikoiva ja oikea-aikainen integraatiolähestymistapa edisti synergioiden toteutumista keskittymällä niihin operatiivisiin osa-alueisiin, joilla arvoa voitiin saavuttaa vähäisin häiriöin. Sen sijaan, että olisi pyritty välittömästi täysimittaiseen integraatioon, menestyneet yritykset omaksuivat vaiheittaisen lähestymistavan, joka säilytti olemassa olevat kyvykkyydet ja laajensi integraatiotoimia asteittain. Tämä vahvisti sitoutumista, ja paransi synergioiden seurannan läpinäkyvyyttä. Strateginen yhdenmukaisuus loi yhteyden alkuperäisen yritystoston perustelun ja päivittäisen operatiivisen toteutuksen välille. Yritykset kykenivät paremmin muuntamaan pitkän aikavälin arvонуontitavoitteet konkreettisiksi operatiivisiksi synergioiksi yhdenmukaistamalla integraatiostrategiat selkeästi määriteltyihin tavoitteisiin. Näin strateginen yhdenmukaisuus ei ainoastaan edistänyt välitöntä synergioiden toteutumista, vaan myös vahvisti yhdistetyn organisaation strategista johdonmukaisuutta ja kilpailuasemaa pitkällä aikavälillä.

Tutkimus täydentää kansainvälisen liiketoiminnan ja yritysjärjestelyjen tutkimuskirjallisuutta yhdistämällä strategisen yhdenmukaisuuden ja operatiivisten synergioiden toteutumisen näkökulmat. Tulokset tarjoavat käytännön ohjeita johtajille siitä, miten integraatiotoimet voidaan suunnitella tavalla, joka vahvistaa strategista yhdenmukaisuutta ja nopeuttaa synergioiden toteutumista.

Avainsanat: Yrityskauppa, Strateginen yhdenmukaisuus, Synergia, Integraatiostrategia, Strategia

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1 Introduction

1.1 Background for the Study

Mergers and Acquisitions (M&A) are corporate transactions by which two or more business entities consolidate (merger) or one entity purchases another (acquisition), resulting in a reorganization of ownership, assets, and control (Corporate Finance Institute, 2023. 1). M&A have been a main strategy for companies to highlight their goal to consolidate and grow inorganically. Action is typically driven by strategic objectives such as aiming for growth in the market, efficiency in operations or innovation through synergies. (Ellis & Lamont, 2004.) M&A serves as a strategic tool for firms to reallocate resources and realign operationally more rapidly than through organic extension means. (Angwin et al., 2022, 848). In core corporate strategy, M&A play an essential part because they enable firms to enter new markets, acquire new capabilities and technologies, scale efficiently, and respond dynamically to competitive and technological disruptions (BCG 2024, “Is your M&A organization built to win?”).

M&A activity continues to be a key barometer of corporate dynamism. In 2025 PwC’s review informed that the global deal value increased by 15% year-over-year, despite declining volumes, indicating that firms are still willing to invest deeply. (PwC, 2025.) According to Financial Times, the total value of worldwide M&A transactions in 2025 surpassed USD 4 trillion for the first time since the peak year of 2021. In total, 68 transactions exceeding USD 10 billion reshaped industries ranging from media to manufacturing, as companies capitalized on favorable market conditions and improved access to financing. Data compiled by the owner of the London Stock Exchange indicate that the value of international M&A activity increased by nearly 50 percent compared to the previous year (2024), reaching approximately USD 4.5 trillion. Industry experts attribute the surge in activity to strong risk appetite supported by accessible financing and a relatively favorable competition law environment (Financial Times, as cited in Helsingin Sanomat, 2024).

Post-acquisition integration is widely recognized as the most critical determinant of acquisition outcomes, yet it remains a complex and multifaceted process that has valuable potential in terms of corporate growth and market share capturing (Bauer & Matzler 2014, 224). Strategic alignment in M&A refers to the degree to which the strategic objectives, business models and operational systems of the buy-side and sell-side are mutually supportive of each other and coherently integrated toward a unified competitive entity (Mehta & Hirschheim 2007, 146). By focusing on strategic alignment during operational synergy realization, merging companies can result in efficient post-deal value

creation. Given the financial scale of global M&A activity in recent years and motivations that drive transactions, it is critically important that post-acquisition integrations are carried through thoughtfully and systematically.

Synergy (in M&A) refers to the value created when companies combine, such that the performance of the merged entity exceeds the sum of the companies operating separately. It can arise from cost savings, increased revenues, improved capabilities, or more efficient use of resources. Synergy is argued to be the most important source of value creation in mergers and acquisitions. (Mirc & Sele 2023, 1466.) Yet, a recurring challenge in this field lies in realizing synergies through the combination of resources or processes in midst of M&A is difficult. Awaited synergies are often used to justify acquisitions, the outcomes realized in the post-acquisition phase may differ from these expectations. (Bauer & Matzler 2014, 223.)

Despite its importance, Mirc and Sele (2023, 1466) state little is known on synergy realization in practice and particularly the lack of knowledge on the role of actors and needed actions in integration scene. Managing synergies in M&A projects requires overcoming challenges in *realization*, which means the complex implementation of synergies. As per the fundamentals of M&A synergy realization decisions are led by the management via top-down decisions (Schade 2014, 19). The core of synergy management during integration should include the following: 1) identification of operational synergies i.e., cost synergies and revenue synergies, 2) quantification, and 3) the realization of synergy potentials, both operationally and organizationally.

This thesis aims to explore how strategic alignment in post-acquisition integration can be used to drive the realization of operational synergies, a phase of mergers and acquisitions that is often underestimated despite its critical impact on value creation. The topic is examined through four real-world M&A integrations, providing insight into how integration strategies translate deal rationale into tangible outcomes. By combining academic theory with empirical case evidence, this thesis offers practical implications for firms seeking to strengthen post-acquisition integration and improve long-term value creation through more strategically aligned integration practices. Successful integration does not only benefit the companies involved, but also generates broader societal value through improved productivity, more efficient allocation of resources, and strengthened competitiveness within industries.

1.2 Research Questions and Scope

This study investigates the relationship between strategic alignment, integration strategies and the realization of operational synergies, driving deal value both during and after integration phase.

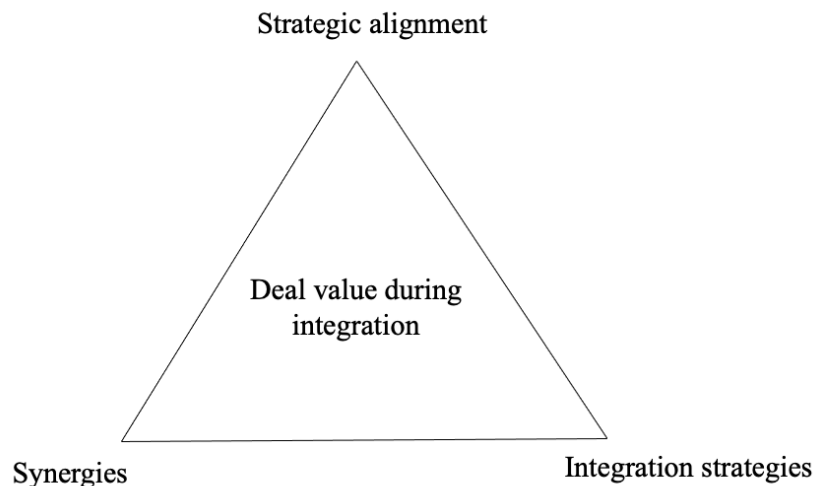


Figure 1 Positioning of the study

The main research question this thesis aims to answer is:

How does strategic alignment influence the realization of operational synergies during the post-acquisition integration phase?

The question is framed to capture the link between alignment and integration outcomes, as the degree to which an acquisition target's operational and strategic profile corresponds with the acquirer, and how it affects the successful realization of synergies. In this context, *alignment*, emphasizes an ongoing process of bringing structures, capabilities, and initiatives into harmony with strategic goals. By contrast, *strategic fit* tends to create a more static image of matching two elements perfectly (Chorn, 1991). While this can be useful, it risks implying that there is a single, fixed point of compatibility. The two terms are closely related and can be used interchangeably in many contexts. Ultimately, *alignment* captures the fluidity of strategy, while *fit* highlights the precision required at specific moments (Chorn, 1991). This adaptability is valuable in today's business scene, where conditions and internal priorities do change based on market and the stakeholders, so this thesis is examining *alignment*.

To ensure that the main research question can be examined with depth and analytical rigor, it is broken down into three sub-questions. These sub-questions address complementary aspects of operational synergies in integration, thereby offering a structured pathway toward answering the main research

question. The following sections present the sub-questions, along with the rationale for their selection and the scholarly contribution for each to generate. To elaborate on the main question the thesis answers the following sub-questions:

- 1) What types of strategic commonalities facilitate the realization of synergies during post-acquisition integration?

The definition of *strategic commonalities* in this case are strategic, i.e., target market, supply chain structures, technologies, and customer bases. Without sufficient overlap, even well-aligned strategies may struggle to deliver measurable outcomes. By investigating which types of commonalities are most helpful in synergy realization, the thesis provides clarity on the structural prerequisites. This sub-question deepens the analysis by connecting the theoretical concept of ‘potential synergies’ (Larsson & Finkelstein, 1999, 8) with even concrete operational characteristics, by translating an abstract idea in M&A literature into a more practical and measurable form.

- 2) How are the acknowledged synergies strategized?

The second sub-question addresses how synergies, once identified, are prioritized, sequenced, and integrated into strategy. This is crucial because the recognition of synergies does not automatically result in their realization: They must be embedded into strategic plans that consider timing, financing, resource allocation, and organizational dynamics. By exploring how synergies are strategized, this sub-question captures the intersection between strategic planning and execution. It introduces a lens into the analysis, highlighting how firms move from the identification of synergy potential to concrete action. In doing so, it enhances the power of the thesis by accounting not only for what synergies exist and which integration strategies are used, but also how core strategy ensures that synergies are realized in practice.

- 3) Which integration strategies effectively drive the realization of synergies in post-acquisition integration?

This sub-question therefore examines how different types of integration ranging from full integration to partial impact the process of synergy realization. This is essential because strategic alignment alone cannot guarantee outcomes unless supported by appropriate managerial actions. By comparing integration strategies, this question aims to identify which approaches best translate alignment into realized operational benefits. The depth of this sub-question lies in its potential to bridge the gap between theoretical integration and empirical evidence from the case studies on M&A integrations.

The study encompasses perspectives from the buy-side and the sell-side of M&A integrations. By considering data and insights from different parties involved in the integration process, the thesis acknowledges that realization of synergies is not solely only the responsibility of the acquiring firm, but instead synergy creation depends on the interaction between buy-side and sell-side, when the willingness and abilities of both parties are matched strategically and operationally. Incorporating views from both sides enriches the analysis part by highlighting potential outcomes in the post-acquisition integration phase.

Another scope of the study lies in its thematic emphasis. While M&A success can be evaluated through multiple lenses such as financial performance, this thesis narrows the focus down to *operational synergies*, i.e., improvements achieved by combining and optimizing the operational activities of merging firms, such as processes, systems and resources to increase efficiency, reduce costs, or enhance productivity. The study introduces *organizational synergies* briefly to explain their further need in an integration phase. They represent human capital, managerial competencies, and knowledge networks. Other synergies, such as financial synergies and purely cultural factors are acknowledged and introduced as significant in the literature review, are not treated as central variables in this study. This focus allows for a more detailed examination of how structural commonalities and integration strategies contribute to value creation in the post-acquisition integration.

1.3 Structure of the Thesis

This master's thesis study consists of six main chapters. Each chapter has several sub-chapters to bring depth to the literature review, methodology, data analysis and further discussion. The structure is designed to guide the reader from the motivation for the study through the comprehensive literature review by introducing key definitions, further to the implications of the findings, ensuring transparency in reasoning and methodology.

Chapter one serves as the foundation for the entire research, familiarizes the reader with research problem and main research question. It introduces the aspects, scope and delimitations, and framework that the study will follow as well as the main topics that will be investigated in literature review. Chapter two focuses on bridging the literature together with definitions and types of synergies and what the concept of strategic alignment in M&A stands for offering cross-industry perspectives and different integration approaches.

Chapter three focuses on the methodological execution of the study. It begins by outlining the overall research strategy, rationale, and approach, before detailing the procedures used for data collection, data analysis and research ethics.

Chapter four continues to analyse the data in findings, which are separated to be different case studies on M&A integrations depending on the company and its interviewee. In this part, emphasis is placed on experiences in buy-side and sell-side. Yet, no bigger comparison is done between sell-side and buy-side, as the study rather focuses on a cross case comparison and pointing out similarities or differences in each M&A case that facilitated synergy realization. Through such exchanges, expectations can be aligned, critical insights shared, and the main considerations that guide the effective execution of synergies are identified in cross-case comparison.

The discussion in chapter five interprets the findings considering the theoretical framework developed in the literature review. It outlines the theoretical and practical contributions of the thesis, acknowledges its limitations, and suggests avenues for future research of strategic alignment and synergy realization.

The sixth and final chapter summarizes the key findings of the study and revisits the research question and sub-questions. It draws together the central arguments and answers them within the discourse on strategic alignment, synergy realization and integration strategies in M&A integration.

2 Literature Review

2.1 Motives for M&A

According to McKinsey's recent review, firms that maintain an active acquisition strategy and align deals with their core capabilities are better placed to exploit growth opportunities (McKinsey & Company, 2025). In strategic management, one primary motivation for M&A is resource reconfiguration. That means, firms aim to access, redeploy, and recombine complementary resources and capabilities to improve competitiveness. (Karim & Capron, 2016, 54–57.) Altogether, M&A is not just about financial gain but rather about combining and aligning resource bases to build sustainable advantage in the competitive field and expand. According to strategic management's reasoning for M&A, value is generated when both acquirer and target coordinate technical, marketing, and managerial resources. (Karim & Capron, 2016.) Fundamentally, it can be stated that the primary objective of a large investment is to generate greater benefits. The strategic rationale of an acquisition must also be reflected in the intended level of post-merger integration, as the structural relationship between the acquiring and the target firm shapes how value from the deal can actually be realized. Deciding the structural relationship between the acquirer and the target is a central integration planning decision, as it determines how two previously independent organizations will be designed into a new organizational arrangement. (Lees 2002, 116.)

The motives driving M&A are multidimensional, rooted in strategic management theory, financial–economic reasoning, and organizational-behavioral dynamics. Each perspective offers a unique lens to understand why firms pursue acquisitions, how they aim to create value, and under what conditions success or failure occurs. The motives for M&A are compelling, growth, capabilities, efficiency, and strategic renewal, but durable success requires alignment across the strategic *why*, the financial *how much*, and the organizational *how*. Firms that approach M&A as an integrated capability through these outlooks and questions, rather than individual transactions, are better positioned to capture sustainable competitive advantage and long-term growth.

A common cornerstone of M&A lies in the desire to unify shared vision inside an organization. Clayton (2015) found that when employees and managers in merged companies believe in the same clear and inspiring goal, they feel more motivated and perform better. Another positive motivation is emotional excitement among managers and employees. Klok et al. (2023, 593) explain that leaders in acquiring companies often feel strong enthusiasm and optimism about the growth and opportunities that M&A can bring. These positive emotions encourage energy, teamwork, and persistence during

the difficult integration phase (Klok et al., 2023, 593). In this way, emotions, and motivation and shared vision play an important role in the reasoning for M&A from an organizational perspective. Because each M&A integration implies different levels of organizational change, cultural interaction, and managerial control, the chosen integration model strongly influences how employees interpret the merger and how smoothly the post-acquisition integration process unfolds (Lees 2002, 116).

2.1.1 Common Challenges in Post-Acquisition Integration

The post-acquisition phase includes a number of challenges that must be taken into consideration prior to *day one*. As Schweiger and Goulet (2000, 123) emphasize, *day one* is “a symbolic and practical milestone that defines the beginning of the integration process when the two organizations begin to operate as a single entity” and plays a vital role in shaping employee perceptions of the acquisition’s legitimacy and direction. On *day one*, the acquiring company announces the completion of the deal internally and externally, creates new organizational structure, and implements immediate operational, financial, and administrative changes to enable joint functioning. Effective *day one* planning in prior and later execution reduces uncertainty, minimizes operational disruption, and builds confidence among employees and stakeholders. Conversely, poor *day one* prior planning and execution can lead to confusion and loss of trust, problems that are noted in other named challenge aspects that may hinder long-term integration success (Hassett et al., 2011).

Post-acquisition integration is not a single linear task, but rather a dynamic change process (van Oorschot et al., 2023). The post-acquisition results depend on how different factors, such as the business environment, organizational structures, leadership and communication interact with each other. These factors keep evolving as people involved in the integration process interpret situations differently and negotiate their roles. With everything being is connected and evolving, it becomes difficult to predict what impact a specific action will have and at what point in the process. Steigenberger (2017, 408) and van Oorschot et al., (2023) argue that this matter makes the integration phase the most important, but also the most complicated, part of M&A.

A commonly noted factor in the post-acquisition phase is the decided degree of integration or the redesign of roles that are hoped to result in later synergy realization or employee retention (Steigenberger 2017, 412). A closely related and widely acknowledged difficulty in post-acquisition management concerns how to determine the appropriate degree and pace of integration between the buy-side and sell-side, because integration decisions can be seen to directly shape both operational and employee outcomes. (Steigenberger 2017, 410-416.) A more intensive and rapid integration approach can facilitate faster realization of expected synergies by aligning systems, processes, and

structures across the combined organization. Such an approach can enhance efficiency, reduce redundancies, and deliver financial results in a shorter time frame. However, Steigenberger (2017, 410-416) state that deep and fast integration also tends to increase resistance among employees, particularly in the acquired firm, as it often disrupts established routines, challenges professional identities, and may be observed as an imposition of the acquirer's culture. Rapid integration can possibly strain relationships with stakeholders such as customers and suppliers, who may experience uncertainty during the transition. In addition, fast integration increases coordination costs and the likelihood of operational errors, especially when differences in organizational cultures, management styles, and information systems are substantial. (Steigenberger 2017.)

Adding to the degree and pace factor, managers may be challenged with deciding where to start the integration. Moving further first with tasks or with people can often become a practical flashpoint. Van Oorschot et al., (2023, 685) state that prior field experience shows split in managerial actions. According to the study, some argue that early product and process harmonization forces collaboration and strengthens employee interaction, while others report that front-loading socialization, fairness, and shared values prevents trust loss and avoidable turnover when tough operational calls arrive. What is important to highlight in this challenge that van Oorschot et al., (2023, 685-686) conclude is that both standpoints highlight a real risk. Emphasizing one side can stall the other, producing frustration, politicization, and inefficiencies in the company. (van Oorschot et al., 2023, 685-686.)

Another challenge related to starting is to adapt the most functionable integration model to the diverse operations within a single acquisition. According to the empirical evidence gathered by van Oorschot et al., (2023, 673-675) indicates that applying "one-size-fits-all" integration model across all business units, products, and geographic locations often produces suboptimal results, particularly when the sources of synergy and operations are different. Companies may combine business units that differ in how closely they are related. Highly similar units benefit from structural integration and standardization, while complementary units gain more from coordination and knowledge sharing. Likewise, co-located units can be managed through direct oversight, whereas geographically dispersed ones require flexible, locally adapted approaches. What can be derived from this is that integration challenges can be eliminated through careful planning and choosing an effective model for each part of the business, meanwhile leading the whole integration to determined synergy targets.

Operational overload and coordination are commonly noted as a comprehensive challenge in the post-acquisition phase. During integration, companies must manage many different workstreams, such as IT, finance, human resources, product development, and compliance. These may often spread across

multiple countries and time zones. Findings suggest that without effective coordination mechanisms, overlapping responsibilities and unclear decision-making frequently lead to inefficiencies and frustration among employees, further complicating the integration process. System harmonization and resource allocation are examples of procedural and physical integration tasks, and although these are well-defined, managerial, and sociocultural aspects often progress more slowly, leading to possible friction between integration teams and daily operations. (Steigenberger, 2017, 417.) Adding to these, van Oorschot et al., (2023, 676) state that large multinational firms face even greater challenges because of scale, as integration must be aligned between multiple local operations and regulatory aspects. Managing this complexity requires balancing the technical side of integration with the human and organizational dimensions.

Research shows that integration managers often struggle to harmonize structural and procedural changes with the social processes of trust-building and knowledge sharing that hinders the business continuity after an acquisition. This complexity can be seen not only as a logistical issue, but also as a central managerial challenge that influences whether the integrated companies can realize synergies while maintaining organizational coherence after *day one* of joint operations. (Shrivastava, 1986, 67.) By acknowledging and carefully planning the mentioned challenges in integration, firms can more effectively work together to create synergies.

2.2 Synergies in M&A

2.2.1 Definition of Synergy

The concept of synergy, derived from the Greek “*synergos*” meaning “*working together*,” captures the idea that the combined value and performance of two firms exceed the sum of their separate parts (Daum 2012, 9). Within the M&A context, synergy represents the core rationale for deal-making. Firms aim to exploit complementarities in operations, resources, technology, and organizational structures to achieve superior efficiency and competitiveness. (Partacz 2022, 18.) In strategic management literature, synergy is commonly defined as “the integration of two or more elements that produces a combined effect greater than the sum of their separate effects” (Daum 2012, 9). Synergies can emerge at multiple levels, typically parted to cost synergies and revenue synergies between business units, across functions, or throughout an international network (Daum 2012, 11). According to Partacz (2022, 19), value creation through synergies represents the essence of acquisition success, particularly when integration processes enable firms to exploit scale economies, technological overlap, or market entry that neither part could achieve independently. This statement by Partacz

(2022) proves the point that Daum (2012, 9) researched that the sum of two is greater than the sum of their separate effects when working together.

While the concept of synergy is intuitively appealing, it incorporates multiple dimensions, such as operational, organizational, financial, and managerial that interact in variously complex ways. Recent research emphasizes that synergies extend beyond traditional cost savings to include relational, network-based, and nonmarket gains (Andrade-Rojas et al., 2024, 1118). Synergies can be seen as “multilevel mechanisms” arising from i.e., information technology coordination and competitive brokerage, which together better operational integration and firm performance (Andrade-Rojas et al., 2024, 1119). This view reflects and extends the traditional definition by emphasizing how operational factors mediate synergetic effects across the business’ evolving nature of competitive advantage and in integrated business environments (Andrade-Rojas et al., 2024, 1118). Consequently, understanding how firms integrate their operations and organizational structures becomes central to explaining how synergies are created and captured in practice. For this reason, the following sections focus more closely on operational and organizational synergies, beginning with the operational dimension, which typically represents the most immediate and measurable source of value in mergers and acquisitions.

2.2.2 Operational and Organizational Synergies

Operational synergies are the most tangible and measurable form of synergy sought for in M&A deals. As Partacz (2022, 21) notes, operational synergy results when “the joined enterprises achieve a reduction in unit costs or enhancement in productivity through the combination of assets, resources, and competencies”. These synergies often manifest in three primary ways: economies of scale, economies of scope, and process optimization.

Economies of scale emerge as the firm expands production or distribution capacities, allowing fixed costs to be spread across larger output. Similarly, *economies of scope* arise from leveraging existing assets or technologies across multiple products or markets (Daum, 2012, 12). In manufacturing and other similar service industries, such synergies may include shared procurement systems, consolidated logistics networks, or unified IT infrastructures that support data-driven coordination and decision-making (Andrade-Rojas et al., 2024, 1128).

Operational synergies extend beyond cost efficiency to include performance enhancement through improved routines, standardization, and learning effects. Shafiq, Johnson, and Klassen (2022, 688) highlight that operational routines and strategic alignment between buy-side and sell-side foster efficiency in supplier and production networks by creating continuous actions that direct

organizational tasks in response to various incentives. Based on Shafiq, Johnson, and Klassen (2022) what can be derived from this is that the harmonization of operational routines reduces redundancy and increases responsiveness. It is a applicable principle to post-acquisition integrations where operational alignment is crucial for sustaining competitiveness and strategic actions. However, operational synergy requires a nuanced understanding of the acquired entities operational culture. Differences in production philosophies, sourcing practices, management or technology adoption can help to gain the anticipated efficiencies. Shafiq et al. (2022, 690) argue that the buy-side that proactively identifies dissimilarities between operations culture of its own and compares to those of sell-side, is more likely to overcome obstacles to integration and increase performance. Therefore, achieving operational synergy depends not only on combining physical systems but also on ensuring that the ways people think and work within those systems are culturally and cognitively aligned.

Organizational synergies refer to capabilities, structures and cultures that underpin long-term performance. Daum (2012, 17) state that these synergies stem from combining complementary human capital, managerial competencies, and knowledge networks to achieve innovation, coordination, and adaptability. Understanding from this, it can be said that organizational synergies represent a higher-order integration, in which companies develop shared communication, decision-making, and values that enable cooperation beyond prior structures. Daum (2012, 14) suggests that organizational synergies arise from cross-border or cross-unit collaboration, where the relationship between headquarters and subsidiaries holds potential that is often restricted by structural and communication barriers. Overcoming these obstacles through deliberate and strategic synergy management can unlock significant organizational value. Similarly, Andrade-Rojas et al. (2024, 1132) demonstrate that IT-driven integration enhances coordination across different functional areas and organizational levels, fostering collective learning and improving innovation efficiency. From a network-oriented perspective, *Beyond Traditional Synergies* (2024, 5) broadens the idea of organizational synergy to incorporate relational and nonmarket forms that emerge through wider stakeholder networks, better reputation, and greater policy influence. These types of synergies allow the new entity to gain access to new resources, strengthen legitimacy, and build relationships that reach beyond internal boundaries. In contemporary M&A practice, this broader understanding highlights a shift from simple structural integration toward the development of interconnected ecosystems of complementary capabilities (*Beyond Traditional Synergies* (2024)).

The realization of organizational synergies is complex, as it requires alignment of organizational and strategic identities, cultures, and leadership styles. When neglected, cultural conflicts and unclear governance structures can result in trust loss and delay the acquisition integration. As Shafiq et al.

(2022, 688) note, “relational mechanisms of trust, commitment, and embeddedness are expected to enhance dyadic performance, but they cannot be developed without a thorough understanding of organizational differences”. Altogether, organizational synergy depends on the company’s ability to manage integration as a process of mutual long-term learning rather than simple and quick absorption.

Operational and organizational synergies together illustrate that value creation in M&A depends not only on combining assets but also on effectively integrating people, processes, and cultures. As stated, operational synergies generate immediate efficiency gains, and their long-term success often relies on deeper organizational alignment. When supported by shared routines, communication, and trust, these efficiencies can evolve into broader capabilities such as innovation and adaptability. Therefore, synergy should be understood as an ongoing process through which the combined organization develops capabilities that exceed the sum of the individual firms capabilities.

2.2.3 Synergy Expectations versus Realization of Synergies

Despite synergies being a central motive for M&A, empirical evidence consistently reveals a gap between expectations and realization of the actual synergies (Daum 2012, 10). Studies have estimated that a significant proportion of M&A fail to achieve their projected synergetic benefits, particularly within the first three years post-acquisition. Daum (2012, 10) states that synergies are not realized by themselves, but they must be identified and actively developed within a professionally coordinated process. This said, it implies that synergy creation is not automatic but contingent upon strategic intent, managerial capability, and effective post-acquisition integration.

The inconsistency between expectations and realized synergies can be attributed to multiple factors. Overestimation frequently arises during the valuation and due diligence phases of M&A, when executives and analysts develop financial forecasts based on overly optimistic expectations of how quickly and smoothly the integration process will eventually unfold. At this stage, projected cost reductions and revenue enhancements are often calculated under the assumption that operational systems, management, and corporate cultures will align with minimal hiccups. Realistically, differences in organizational routines, communication, and decision-making structures can majorly slow integration, increase transition costs, and delay the realization of hoped synergies. Consequently, the early financial models tend to exaggerate the possible benefits while underestimating the practical and cultural challenges inherent in merging complex organizations. (Partacz 2022, 22.) Realization is hindered by execution challenges, that are for example conflicting priorities in management, poor delegation of work in the integration phase and limited sharing of information, by assuming that everyone knows the information already. Firms tend to overlook the role of information technology

as a mediator for achieving synergies, concluding that synergies arise from IT-enabled integration across the supply chain and within an organization's functional areas. (Andrade-Rojas et al., 2024, 1135.) Without such enabling mechanisms, anticipated gains remain theoretical.

Transactional and relational integration mechanisms reflect the balanced interplay between the expected and realized synergies. Shafiq et al. (2022, 691) have defined the meaning of transactional approaches to be for example, strict performance monitoring or centralized control which may yield short-term efficiency but hinder trust-building and innovation. The authors define relational approaches to be an action, when emphasizing cooperation and cultural understanding promote sustainability but may eventually result in delay of immediate cost savings. Therefore, it has been noted that using a hybrid model helps to maintain balance. According to Shafiq et al. (2022, 691-692) firms should deploy structured controls while cultivating organizational cohesion.

Time is another important observation concern between the formal completion of M&A and afterwards realization of its synergy potential. Unlike financial gains that may be immediately measurable, both organizational and operational synergies tend to materialize only gradually as the newly combined entity undergoes a process of structural alignment, adaptation of new procedures, and cultural integration (Shafiq 2022, 688). The harmonization of management systems, reporting, and employee behaviors often requires sustained effort, continuous communication, and long-time learning. Shafiq et al. (2022, 688) emphasize that the establishment of relational norms, such as trust, mutuality, and shared routines cannot be achieved through short-term interventions. They evolve through a long and well-planned approach. According to the authors, this dynamic process involves building mutual understanding, resolving conflicts, and embedding collaborative practices within the organizational culture. As a result, synergy realization frequently extends beyond initial post-merger timelines, meaning that early performance assessments may fail to capture the full potential of the integration. Therefore, evaluating acquisition integration outcomes too soon can produce misleading conclusions. Those easily led conclusions may underestimate the eventual benefits that emerge once relationships, processes, and systems have been stabilized.

Recent research (Beyond Traditional Synergies 2024, 4-5) emphasizes that contemporary M&A increasingly generates benefits beyond conventional cost savings and revenue enhancements. Instead, they often produce network-based and nonmarket synergies, which emerge through expanded stakeholders, strengthened reputational capital, and greater policy and regulatory influence. These forms of synergies can be seen as nontraditional in research, even though they reflect a more comprehensive view of post-acquisition value creation, where the new entity leverages its ecosystem

to secure valuable cooperation opportunities. By building legitimacy in external markets firms contribute continuously to their strategic positioning and growth potential in the market. (Beyond Traditional Synergies 2024, 6-7.) These benefits tend to accumulate progressively as the new corporate identity consolidates (Beyond Traditional Synergies 2024, 8). Over time, the integration will foster innovation, improve market access, and strengthen resilience to environmental and regulatory shocks. The study argues that a comprehensive assessment of M&A outcomes must incorporate both quantitative indicators and qualitative measures that capture the relational, reputational, and nonmarket dimensions of synergy realization (Beyond Traditional Synergies 2024, 9-10).

However, these synergy realization advantages do not arise automatically from combining two organizations. Their realization depends on how effectively the merging firms coordinate their strategies, practices, and operational capabilities. Without such alignment, the potential value embedded in expanded networks may remain unrealized, resulting in a failed deal where knowledge and skill fail to materialize. Therefore, examining strategic alignment prior to the deal and during it is essential for understanding how firms could translate the synergy benefits of M&A into value creation.

2.3 Strategic Alignment in M&A

2.3.1 Concept of Strategic Alignment

Strategic alignment in M&A refers to the degree to which the strategic objectives, business models and operational systems of the buy-side and sell-side are mutually supportive of each other and coherently integrated toward a unified competitive entity (Mehta & Hirschheim 2007, 146). It embodies the process of ensuring that the new entity's strategic goals in cost leadership or innovation are consistently reflected in organizational structures, systems, and decision-making practices (Mehta & Hirschheim 2007, 147). Strategic alignment represents a dynamic process of adaption between the corporate and business strategies of both parties and enables synergy realization and post-acquisition value creation (López-Manuel, Sartal, & Vázquez 2024, 704).

Strategic alignment builds on the premise that organizational performance improves when the company's strategy and its functional systems, such as information systems, culture and employees are harmonized (Mehta & Hirschheim 2007, 146). Within the context of M&A the concept of strategic alignment expands to encompass alignment not only within a single organization but also across previously independent firms that have merged after an acquisition (Mehta & Hirschheim 2007, 144).

Such alignment ensures that post-acquisition integration supports the overarching mission, reduces redundancy, and establishes a shared sense of purpose across all levels of the organization (Leibner, Maki, & O'Connell 2009, 17).

Strategic alignment has structural and behavioral dimension. Structurally, it involves the coordination of systems, resources, and processes to achieve the intended synergies that may have led to of the acquisition of another company. (Mehta & Hirschheim 2007, 148.) According to Leibner et al., (2009, 20-21) strategic alignment from a behavioral aspect requires shared commitment and understanding among stakeholders to pursue the common good. These dimensions collectively determine whether the integration is simply technical or truly a strategic move in the market. When the buy-side and sell-side share the same strategic outlook it creates alignment, where employees perceive a sense of accountability for organizational goals. This alignment thereby has the potential to transform compliance into genuine strategic commitment of the new entity.

From a theoretical standpoint, strategic alignment draws on the resource-based view (RBV) and the strategic alignment perspective. Both emphasize the compatibility and complementarity of resources between firms. (López-Manuel et al., 2024, 704.) According to the resource-based view (RBV), M&A function as strategic means of recombining organizational resources and capabilities to strengthen competitive position (López-Manuel et al., 2024, 704). The notion of strategic alignment highlights the importance of alignment between firms' strategies, competencies, and organizational cultures as key determinants of post-acquisition success (Mirc & Sele 2023, 1467). In this sense, strategic alignment can be viewed as the operational realization of strategic fit, achieved through integration processes that bridge the gap between strategic formulation and implementation. Therefore, this thesis also uses the word alignment to capture the similarity aspect when integrating companies. Adding to the definition of alignment that one formed earlier in this thesis, it is not a static condition but a continuous process of adaption in response to operational and organizational changes (Mehta & Hirschheim 2007, 146). Post-acquisition organizations must adjust their strategies and systems to ensure coherence as new challenges emerge (Mirc et al., 2023, 1468). This view aligns with the concept of "fitting," proposed by Mirc et al. (2023, 1467), which reconceptualizes alignment as an unfolding of design and rather than a fixed pre-acquisition condition. Under this lens, alignment evolves through cycles of integration and feedback that progressively stabilize the strategic direction. As stated priorly, alignment and fit can be used as synonyms in the context of this thesis.

Alignment can be easily interpreted as something similar between the companies and judging from that the most common view is for the companies to have similar interests strategically in the market.

López-Manuel et al., (2024, 705) argue that alignment needs active interplay across three interdependent levels: Macro, Meso and Micro. At the macro level, it requires similarity between the buy-side and sell-side company's strategies and market conditions. At the meso level, it concerns the integration of organizational structures, resources, and capabilities. Finally, at the micro level, alignment depends on managerial impact and leadership behavior. (López-Manuel et al., 2024, 705.) As Leibner et al. (2009, 129) emphasize, alignment cannot be sustained without trust between leaders and employees. Trust is a crucial common factor for using strategic alignment as a driver of integration success and synergy realization.

Achieving strategic alignment means aligning information systems, as effective technological integration is essential for realizing synergies (Mehta & Hirschheim 2007, 148). Information systems support strategic coherence by enabling data sharing, and coordination within the new organization, all of which create trust and share knowledge among stakeholders. When information system integration is successful, it marks both a technical and strategic achievement, by demonstrating that the goals are being put into practice (Mehta & Hirschheim, 2007, 149). Technological alignment can be seen as the pathway for creating trust, and trust to be the pathway to create a successful information system integration. This marks as a vital step in the post-acquisition phase where everything is connected somehow, and when one part is missing the other cannot be accomplished.

Altogether, strategic alignment serves as the link between strategy and execution. It transforms the acquisition's strategic vision into action by aligning structures, systems, and people around a common purpose (Leibner et al., 2009, 16). This alignment forms the foundation for synergy and effective performance. Without it, even well-designed M&A risk becoming loosely connected assets rather than unified, strategically focused organizations (Mirc & Sele 2023, 1466).

2.3.2 Strategic Alignment as a Driver of Integration Success

Strategic alignment serves as a practical driver of integration success because it connects strategic intent to operational execution, guiding how resources, systems, and people are integrated to create coherent value. (López-Manuel et al., 2024, 703). From a practical perspective, alignment acts as a translation mechanism between buy-side and sell-side. It provides a common language and purpose that help managers and teams interpret integration tasks consistently. This mutual understanding speeds up integration, reduces duplication, and increases the quality of collaborative problem-solving. (Mirc et al., 2023, 1467.) Despite the importance of financial analyses and due diligence procedures, empirical evidence consistently shows that more than half of M&A transactions fail to create value

(López-Manuel et al., 2024, 703). The underlying cause often lies in the inability of firms to align their strategies and operational systems after the transaction (Leibner et al., 2009, 16).

When buy-side and sell-side pursue incompatible strategies, such as one emphasizing cost leadership and the other differentiation, post-acquisition integration becomes riddled with inefficiencies, and cultural discord that can undermine performance (López-Manuel et al., 2024, 705). Mirc et al. (2023, 1466) highlight in their study of a consultancy acquisition, the envisioned synergies failed initially because the two firms' strategic alignment was off. This revealed incompatibilities only when employees began to work together. In such acquisitions characterized by strategic complexity, alignment acts as a buffer against uncertainty. As shown by Mirc et al. (2023, 1468), successful synergy realization requires continuous interaction between design and action. This is described as a "design–action loop." This process enables organizations to identify and correct emerging incompatibilities before they escalate into performance failures. Therefore, the authors argue that strategic alignment should not be viewed as a one-time milestone achieved at the close of the deal but as an evolving organizational capability that sustains integration over time. (Mirc et al., 2023, 1468.)

Alignment strengthens the long-term competitiveness of the new entity. López-Manuel et al. (2024, 703) demonstrates that acquisitions with high strategic compatibility outperform their peers in innovation output, profitability, and market share. On the other hand, misaligned integrations dissipate managerial attention, reduce operational focus, and often lead to divestitures. The most successful acquirers treat alignment as a strategic discipline by embedding it into their due diligence, leadership development, and integration management practices in each phase.

Strategic alignment drives integration success because it provides a roadmap that facilitates knowledge transfer, enables synergy realization, and sustains learning. When alignment is actively managed across strategic dimensions, post-acquisition integration becomes a source of agility and renewal rather than disruption in the company. Alignment is therefore treated as the mechanism that turns the idea of synergy into measurable performance. (Leibner et al., 2009, 16.)

2.3.3 Cross-Industry Perspectives

Strategic alignment is not confined to a specific sectoral logic, because it is a suitable term to represent M&A success universally. In manufacturing, healthcare and financial services evidence demonstrates that the alignment of strategic intent, capabilities and routines is the central mechanism that delivers deal value (Mirc et al. 2023, 1466). The cross-industry examination of alignment reveals both theoretical strength and contextual variability. The cross-industry perspective is a part of this

literature review to ease the conception of strategic alignment in post-acquisition integration across different case studies introduced in the empirical part of this thesis, which all are M&A integrations in different industries. This chapter serves as a guidance to help understand the differences in each sector of business and highlights that the strategic alignment is applicable in its own way as the integration focuses rely on the same, such as information systems and other strategic priorities that must be embraced collectively.

In the manufacturing industry strategic alignment revolves around the coordination of operational systems, production technologies, and competitive strategies (López-Manuel et al. 2024, 704) According to Mehta and Hirschheim (2007, 144) study of three major oil and gas acquisition integrations, information systems integration decisions reflected the degree of alignment between business strategies and technological infrastructures between the companies. In early post-acquisition stages, firms often suffered from misalignment, focusing on cost reduction rather than long-term strategic synergy (Mehta & Hirschheim, 2007, 146). After several years the firms revisited their information systems architectures to achieve full alignment between technology and evolving business needs which resulted in deal value. In this case industry where regulatorily complexity is in big examination, it needs progressive adjustment to align strategically.

The pharmaceutical and healthcare sector is an example of when alignments are extremely complex to handle. These industries pursue acquisitions to access specialized knowledge, research capabilities, market channels and new medicine products. However, cultural and procedural misalignment often weakens the integration of research and development (R&D) pipelines (Mirc et al. 2023, 1467) This is important to note that poor or partial implementation of integration in only some units will distance the newly formed entity from the original purpose for which the acquisition was undertaken. Consequently, the development of new products, pharmaceuticals may not progress as expected in the market. Based on Leibner et al. (2009, 129) it can be stated that the success of post-acquisition R&D integration in healthcare industry hinges less on formal governance structures and more on the intersubjective alignment of scientists' and managers' goals.

Leibner et al., (2009, 108-110) introduce a case in the financial services industry when Capital One, an American Bank, undertook one of the most ambitious IT modernization programs in its history and fell behind of its competitors. Capital One's executives "planted a stake in the ground" by articulating a strategic vision "building the infrastructure to power innovation", which became the guiding theme for the entire organization (Leibner et al. 2009, 109). This vision served as a strategic anchor, translating the goal of system modernization into a shared mission linked directly to the

company's growth strategy. It created what Leibner et al. (2009, 109) call cognitive alignment: a shared understanding of why the project mattered and how it contributed to future competitiveness. In the case of Capital One, it meant *how* alignment functions as a cognitive and emotional construct, where employees must internalize it as a shared identity. Recognizing this, management understood that the success of the initiative depended on strategic alignment: Ensuring that every individual using the new IT systems in the transformation understood and embraced its purpose.

One must remember not everything is visible in the day-to-day working life of an organization that has undergone a massive transformation. Capital One's management began using behavioral alignment mechanisms to support their strategic move. Employees were introduced to quarterly "pulse surveys" designed to track employee confidence, commitment, and willingness to raise challenges (Leibner et al., 2009, 110). The surveys enabled leaders to detect emerging misalignments early and intervene constructively, reinforcing trust and transparency. The management's decision to switch technology vendors mid-project was communicated openly, demonstrating that leadership actions remained aligned with the shared vision of the employees. The results were hoped, as the project finished ahead of schedule, within budget, and immediately improved organizational efficiency. Pulse surveys are a commonly used meter to track synergy realization and accomplished deal value along employees, i.e. information system transformation. Synergy tracking and its methods will be more thoroughly covered in chapter 2.5.

2.4 Integration Strategies and Practices

Research literature highlights that post-acquisition integration requires strategy and disciplined execution across all domains, systems and operational structures (Bodner & Capron 2018, 18). Classical perspectives emphasize that integration must align with strategic objectives and logic behind value-creation, such as consolidation, extension, and exploration of capabilities. Integration design balances two key dimensions: the need for strategic interdependence between firms and the need to preserve autonomy to maintain value-creating solutions. (Bodner & Capron 2018, 2.) This logic recognizes four integration approaches that are holding, preservation, symbiosis and absorption, that each reflect different levels of structural integration and control (Graebner et al. 2017, 5).

Literature by scholars in this field state that integration is rarely binary, but instead firms combine elements of multiple approaches and apply them rather unevenly across business functions, units and geographies (Bodner & Capron 2018, 7). Integration decisions typically unfold over time, which supports the multistage and path-dependent view of post-acquisition integration that Graebner et al. (2017, 5) propose. Empirical evidence show that integration decisions mediate the relations between

synergy potential and performance outcomes, which means that integration strategy must align with both of these contexts (Weber 2013, 171). Where integration is misaligned, firms risk value destruction either by integrating too aggressively and dismantling critical capabilities or by integrating too slowly and failing to realize expected synergies (Bodner & Capron 2018, 3). Integration speed is therefore a strategic choice, because while slow integration risks losing momentum, rapid integration can overwhelm employees and increase error risk.

2.4.1 Integration Approaches: Full and Partial

Selection of the integration approach forms a foundational strategic direction after the transaction. Post-acquisition structural design has been described as the central question in integration: “How best to design one new organisation out of two different organisations to achieve acquisition goals?” (Lees 2002, 114). Integration models vary along a spectrum from full consolidation to selective or minimal integration (Haspeslagh & Jemison, 1991, 3.) Integration structures typically exist along a continuum of possible structures ranging from keeping the two firms separate and autonomous through to complete assimilation (Lees 2002, 115).

The most intervention-intensive form, full absorption, aims to maximize synergy by fully integrating the acquired entity into the buy-side’s existing corporate structure and systems (Weber 2013, 171). However, full absorption involves a high degree of autonomy removal from the acquired management, often triggering power shifts, cultural friction, and resistance. Empirical studies note that substantial integration pressure increases the risk of talent loss and cultural clashes, particularly in acquisition cases characterised by notable pre-deal differences in national or corporate cultures. (Weber 2013, 172.) Cultural tensions intensify as integration deepens, since the more two firms are drawn together, the greater is the likelihood of culture clash and destructive conflict (Lees 2002, 120). While full absorption may unlock the largest financial synergies, it can also endanger the acquired firm’s innovative capacity if integration interrupts core routines or knowledge flows (Graebner et al. 2017, 6). Full structural merging represents a massive programme of change that is time- and effort-intensive and raises enormous opportunity cost questions (Lees 2002, 128). To mitigate these risks, some acquirers pursue partial absorption, integrating only the most synergy-critical areas while maintaining partial autonomy in functions where disruption would weaken value. Partial absorption provides flexibility by concentrating integration selectively, allowing firms to balance synergy capture against the risk of performance decline. (Weber 2013, 173.)

In contrast the preservation approach emphasizes maintaining the acquired organization’s independence when its capabilities are specialized or context dependent (Bodner & Capron 2018, 3).

Under full preservation, acquirers refrain from impressive structural change and instead focus on knowledge transfer and limited administrative alignment. This approach is relevant when the the acquired firm's value lies in creativity, specialized expertise, or entrepreneurial autonomy. In such cases the acquired firm may remain a wholly independent subsidiary of the parent, with near-total autonomy, ensuring minimal disruption to existing structures and routines. This is based on the assumption that the value of the deal lies in the capabilities the target already possesses rather than in structural change imposed by the acquirer. (Lees 2002, 115.) However, extreme preservation may result in unrealized synergies and duplicated activities in the new entity (Haspeslagh & Jemison, 1991, 3.) Partial preservation introduces an integration mechanism to provide coordination without fully constraining the acquired business. This approach helps reduce uncertainty for the buy-side firm while avoiding cultural disruption, thereby offering a compromise between stand-alone autonomy and systematic consolidation. (Weber 2013, 173.) According to Bodner & Capron (2018, 3) managers may also choose partial preservation to avoid paying a premium for resources that remain unused due to excessive caution in integration speed or integration scope in the acquisition.

The symbiotic model introduced by Graebner et al. (2017, 5) represents a collaborative form of integration based on mutual resource exchange, knowledge sharing, and evolution of joint processes. Weber (2013, 173) further state that full symbiosis within an acquisition integration involves considerable coordination to unlock complementarities while maintaining autonomy needed for innovation. Full symbiosis requires relational management and a long-term perspective as it is a gradual process. On the other hand, firms may use the symbiosis partially, meaning that firms who expect significant strategic and capability friction in business areas during integration, focus on high-value synergies only. This shows importantly, how case-specific integration after acquisition is. Managers often rely on previous integration templates used in acquisitions due to due-diligence limitations, which may lead to overly inflexible integration strategies. Gathered from the literature by Graebner et al. (2017) it is suggested that new entities employ dynamic integration strategies. This means adjusting the degree of integration across the deal lifecycle as operational realities evolve. The integration palette can therefore be a selection of different strategies along the way, some business areas might need full symbiosis, while others hold and accomplish the synergy potential in a preservation model. Integration managers must decide what has to be brought together, what has to be kept apart, and how to regulate the boundaries between the two sides. (Lees 2002, 116.) The level of integration depends on technical systems consolidation and operational capacity constraints, as migration often occurs rapidly to achieve synergies and reduce dual-system complexity. Firms frequently target day-one operational alignment where a superior system exists to support scalable

integration, although accelerated system linking can overload IT infrastructure if not planned carefully. (McGrath 2011, 4.)

When choosing a hybrid integration strategy firms must combine structural planning with agile operational execution. This reflects the reality that post-acquisition integration environments cannot be fully predicted at the outset. It requires mechanisms that allow continuous adjustment as new information emerges. Miller (2022) framework demonstrates how agile principles can be applied in M&A to support delivery, cross-functional collaboration, and rapid problem-solving, replacing inflexible checklists with routines that respond to evolving integration needs. (Miller 2022, 67.) Central to this approach is the use of sprint cycles, and visible planning boards, which collectively create transparency, and shared accountability across integration teams. By emphasizing rapid feedback, reflection, and learning, hybrid integration supports both operational coordination and cultural adjustment, enabling firms to balance stability with adaptability during transition periods (Miller 2022, 68-70.)

Rather than seeking immediate and full alignment, this approach acknowledges that post-acquisition integration unfolds as a social, operational and organizational process, where success depends on maintaining open communication, and adjusting priorities as synergies become clearer. In this context hybrid-integration accelerates early integration wins, fosters development and resilience to navigate and capture long-term value in each individual business area during the integration process. (Miller 2022, 72.) Overall, selecting an integration structure is a strategic decision because the structural relationship chosen determines whether acquisition strategy can be successfully realized or whether value is unintentionally destroyed (Lees 2002, 115).

2.4.2 Operational Challenges in Post-Acquisition Integration

Operational integration represents one of the most resource-intensive and risk-sensitive dimensions of post-acquisition integration. Post-acquisition integration has long been recognized as one of the primary determinants of merger success, with the integration stage often determining whether anticipated strategic and operational benefits are ultimately realized. (Steigenberger 2017, 408.) While strategic alignment often receives early emphasis, it is at the operational level that many failures materialize as firms attempt to combine processes, systems, and capacity under time pressure. In practice, integration is a multidimensional process involving structural, operational, and sociocultural changes that must be coordinated simultaneously across the combining firms (van Oorschot et al. 2023, 676). McGrath (2011, 4) highlights through prior research in the field that the operational environment must remain stable and responsive while accommodating increased loads

arising from the integration. If the new entity fails to manage this, it can cause service disruptions, delays, and erosion of customer value, which directly undermine synergy goals.

A central challenge in post-acquisition integration is the capacity of core IT systems. Operational integration frequently involves aligning key procedural infrastructures such as accounting systems, information systems, and organizational processes to enable the combined firm to function as a unified entity (Steigenberger 2017, 417). After a deal closes, the buy-side company often wants to move the sell-side firm's data, customers, and processes onto the buyer's main system as quickly as possible. Firms do this because it possibly saves costs, simplifies operations, and starts synergy capture sooner (McGrath 2011, 4). However, while fast integration seems attractive, it immediately increases technical pressure on the chosen system. Integration managers typically oversee these operational tasks through cross-functional teams that translate strategic synergy objectives into concrete operational actions. (Steigenberger 2017, 417.) Suddenly, the platform must handle more data, users, new transaction flows, and additional customer interactions, all without slowing down or breaking (McGrath 2011, 4). McGrath (2011, 4) uses an example in the study what system disruption would eventually look like in a post-acquisition integration. By the example, even what appears to be a small increase, such as adding 100,000 new customer records, can cause unexpected system errors, slower processing, or temporary outages if the system was not designed or prepared for that extra load in prior. Judging from this, one can say that when the numbers get even bigger, 200,000 or a million customers, the risk of failure rises sharply. McGrath (2011) further argues that in an M&A context, this risk is particularly damaging because customers, employees, and investors expect operations to continue smoothly after the deal. A system failure during integration could harm customer experience, weaken trust, and delay the realization of the synergy value goals. Leaders must weigh the desire for fast integration benefits against the real operational risks of moving too quickly. Successful acquirers recognize that IT readiness and capacity planning are core drivers of integration success, not afterthoughts.

Beyond core IT systems, overall operational capacity becomes a challenge during post-acquisition integration. When two firms combine fully, they often consolidate facilities, service centers, digital platforms, and teams to reduce duplication and achieve cost synergies. (van Oorschot et al. 2023, 676.) This logic makes financial sense but can also put a sudden strain on the receiving operations if the consolidation is not carefully phased. (McGrath 2011, 4.) What looks efficient on a planning spreadsheet can overwhelm the business units that must now handle a larger workload, new processes, unfamiliar customers, often without additional time or resources to absorb the change. Rapid rationalization creates risks of bottlenecks, slower processing times, and reduced service quality,

particularly in customer-facing areas where delays or errors can be highly damaging. Research suggests that operational integration may involve the harmonization of product lines, production technologies, and organizational procedures in order to ensure the effective functioning of combined operations. (van Oorschot et al. 2023, 676.) For example, if a company closes one distribution site or call center and routes all activity to another location too quickly, the remaining site may not have enough staff or processing capacity to maintain needed service levels. As McGrath (2011, 4) further notes, leadership must realistically assess whether the operational infrastructure can absorb both the normal volume of work and the additional load that comes with integration, including a “reasonable unforeseen uplift in demand” .

A capacity that might pose a challenge in the post-acquisition integration phase is the workforce capacity. Integration requires employees to run the existing business while also carrying out the additional tasks created by the integration, such as process mapping, system migration and training. Because integration requires employees from both firms to collaborate in reorganizing resources and capabilities, coordination demand and workload pressure frequently intensify during this phase. (van Oorschot et al. 2023, 676.) As McGrath (2011, 5) explains, firms need the essential effort to perform the integration, while still having sufficient capacity to maintain business-as-usual activities. This dual workload makes integration particularly demanding because employees are asked to deliver change and stability at the same time. The dynamic nature of integration means that organizations must address multiple interdependent activities simultaneously, often under significant time pressure (van Oorschot et al. 2023, 676). Coordinating work allocation, identifying critical roles, and ensuring that employees have the time and support to contribute meaningfully can significantly reduce operational risk. Workforce planning can fall behind in a transaction because deal negotiations are confidential, information is limited, and staffing decisions cannot always be communicated until close. As a result, organizations can enter the integration phase without a fully clear view of available skills, time, or resource gaps. (McGrath 2011, 5-6.)

An important challenge in the operational integration concerns project governance and task prioritization. The integration process itself is highly complex, requiring managers to coordinate numerous interdependent activities while balancing competing operational and organizational priorities. (van Oorschot et al. 2023, 677.) When same teams are responsible for both change-of-control activities and ongoing post-acquisition integration work, regulatory and compliance tasks often take priority, which can push long-term integration goals into the background (McGrath 2011, 11). This imbalance can slow synergy realization and reduce the firm’s ability to make operational decisions, because energy is consumed by urgent short-term demands rather than building the systems

and processes needed for sustainable performance. To avoid this from happening, firms benefit from establishing a dedicated structure, by naming appointed integration leaders who focus solely on the monitoring of integration tasks. Integration managers are often assigned responsibility for coordinating workstreams and translating strategic integration goals into concrete operational initiatives. (Steigenberger 2017, 417.) According to McGrath (2011, 11) this approach creates clarity around responsibilities and allows operational teams to continue running the business without being overwhelmed by competing priorities. A dedicated structure also ensures consistent standards for budgeting, reporting, and risk management, which helps avoid duplication of effort during a period when information flows and decision rights are shifting in the firm. This approach supports alignment across multiple workstreams that depend on one another for successful delivery. By coordinating planning cycles, escalation routines, and cross-functional reviews, the dedicated structure enables problems to surface early and ensures that integration decisions remain connected to broader strategic goals. This synchronization is particularly valuable in acquisition integrations where technology and operations changes must move in lockstep to avoid unintended consequences. (McGrath 2011, 11-12.)

Due to the inherent complexity of post-acquisition integration processes, organizing and managing these initiatives remains a significant challenge for most organizations (van Oorschot et al. 2023, 673). In sum, facing the challenges in operational integration successfully depends on multidimensional capacity management, robust project infrastructure and data-driven stress testing. Firms that fail to secure these operational foundations risk not only lower synergy realization but also severe operational disruption at a moment of heightened stakeholder examination. Effective integration therefore requires firms to coordinate structural, operational, and human dimensions simultaneously rather than relying on a single integration approach across the organization. (van Oorschot et al. 2023, 675.)

2.5 Measuring Synergy Realization

Synergy realization is best treated across process, transaction, and firm levels rather than a single figure on the dashboard. Decades of research show that acquisition performance does not reduce to one hidden factor, so a valid measurement architecture for synergy realization must reflect distinct, yet related performance lenses. In an integration process, measures cluster by time horizon (short- vs. long-term) and by level of analysis (integration process, transaction outcomes, and firm performance), which implies that any serious synergy tracking system should link indicators across these layers. (Zollo & Meier 2008, 55.) A practical implication is to combine metrics like integration tasks,

customer retention that answer the question of *how* it was executed. Long-term process outcomes, such as customer retention, mediate how well integration work converts into realized synergies and later firm performance, so they deserve a central measurement approach. (Zollo & Meier 2008, 61.) Because different measures capture different theoretical content, researchers and managers consistently obtain conflicting findings when they mismatch measures and causal arguments. The remedy is to map indicators to the temporal and informational logic of the theory of synergy at hand (Cording et al. 2010, 29).

Putting synergy realization into practice means mapping the expected sources of excess value onto measurable features of the combined business model, economies of scale and scope, market power, and other financial effects, so that indicators can verify whether those sources emerged. Related acquisitions should primarily show operating-decision synergies in cost and revenue footprints, whereas unrelated deals with a value-creating focus, more often reflect financial mechanisms such as coinsurance and leverage optimization. (Seth 1990, 434-435.) For example, market coverage growth, cross-selling, and innovation outputs are canonical revenue-based traces of synergy, while unit-cost reductions across production and logistics evidence scale/scope benefits. According to Capron (1999, 990) both should be tracked, and often co-occur. Measuring only one side risks misreading performance swings, so strong synergy tracking pairs action metrics, such as what was divested or moved with outcome metrics like costs, margins, and revenues (Capron 1999, 1009).

2.5.1 Operationalizing Synergy Realization

Once the relevant mechanisms and indicators of synergy have been defined, the next challenge is ensuring that they are systematically tracked and managed during the integration process. Synergy realization must be embedded in an explicit tracking cycle, where the realization is identified, quantified, planned, monitored, and reported. This is done so that the organization can detect variance early and course correct. Early planning during due diligence should spell out the specific mechanisms that will create synergies, rather than reporting only aggregate totals. Being explicit about the drivers allows the acquiring firm to test cause and effect later and to see which levers produced value. This planning step should also look for potential non-synergies and integration costs alongside upside potential because anticipating frictions and expenses improves the accuracy of forecasts and the realism of the integration plan. (Schade 2013, 21-22.) Quantification is the foundation of control. If a team cannot measure an effect, it cannot steer it. Rigorous sizing and tracking make it possible to prioritize the highest-return opportunities, stage work sensibly, and deliver early wins that build momentum. At the same time, disciplined measurement helps capacity

and capital for the more complex, longer-dated synergies that require sustained effort before they pay off. Teams should run variance analyses that compare the action-plan forecast with actual results and identify targeted corrective actions. This discipline ensures that managers learn quickly from execution, reallocate resources to the best initiatives, and keep the integration on a path to meet or exceed the original business case. (Schade 2013, 24-26.) Acquisition premiums are in effect prepaid against the synergies that management expects to realize in the future. For this reason, the measurement system must always keep the break-even threshold in clear view. At a minimum, net synergies after all costs must exceed the premium paid, otherwise the transaction destroys value. This aligns day-to-day integration choices with the core of the deal (Schade 2013, 18).

One must remember that synergy realization is not automatic, it depends on integration capability and learning mechanisms that cover prior experience into repeatable routines. (Barkema & Schijven, 2008, 594). Because acquisitions are causally ambiguous, experience alone rarely improves results unless firms articulate and codify knowledge through playbooks and integration manuals and train teams to use them, which in turn improves post-acquisition operating metrics such as retention (Barkema & Schijven 2008, 609).

Macro level evidence from acquisitions show that M&A action do not lift acquirers' financial performance, and unidentified moderators likely drive variance. This makes synergy measurement and contextualization even more vital (King et al. 2004, 188). In practice, this means tracking factors such as how wide the integration scope is (e.g. how many functions and geographies are actually combined), because deeper integrations tend to unlock more synergy and create more execution risk that dampens it. Industry dynamics matters a lot. When an industry is moving quickly prices swing, customers switch suppliers often, and technologies keep changing. These forces can easily overwhelm even well-designed synergy plans. What looked like a cost saving or a cross-sell win on paper can disappear in practice if input costs spike, a key account fails, or a new product standard makes part of the plan outdated. In other words, the background noise of a fast market can be louder than the acquisition integration's signal. (King et al. 2004, 196-197.) The author further notes that paying attention to cultural distance between the firms is important. Differences in norms, decision styles, and incentives are matters that can slow knowledge transfer, raise coordination costs, and lower the share of planned synergies that is ultimately realized (King et al. 2004, 197). Altogether, based on the macro level evidence and the company's capacity a credible measure of synergy realization is theory-driven, spans multiple levels, evolves over time, anchors each metric to a mechanism, and is governed by an operating cadence that reconciles forecasts with realized gains.

2.5.2 Performance Indicators

Performance indicators are the backbone of post-acquisition integration because they turn broad value into observable evidence. What is interesting to note is that old research is still surprisingly up to date, as the metrics of performance success are relatively same due to the acknowledged cost- and revenue synergies. Zollo and Meier (2008) argue that M&A outcomes are inherently multidimensional, so indicators must be chosen to reflect various times and levels of analysis rather than relying on a single success metric. This layered design recognizes that quick wins signal execution quality but do not, by themselves, verify durable value creation. (Zollo & Meier 2008, 61). To avoid “phantom synergies,” the tracking system must separate business-as-usual effects from M&A-caused effects, for example, distinguishing secular demand from cross-sell wins attributable to the combination. A structured “Synergy Scorecard” links financial KPIs to action execution, maintaining the line of sight between tasks, intermediate effects, and financial outcomes. (Schade 2013, 26.)

Good performance indicators start with theory. If the acquisition aims to unlock economies of scale, one should expect measurable declines in unit costs in the activities being consolidated. If the acquisition centers on scope or capability transfer, one should observe revenue footprints such as higher cross-sell, expanded coverage, or faster product launches as performance metrics. (Seth 1990, 434.) Making the focus and link clear avoids the common trap of tracking attractive but irrelevant numbers. It also supports causal interpretation, because when a KPI moves, management can point to the underlying mechanism, not just the symptom to change the course (Cording et al. 2010, 29).

The cost synergy performance indicators need to show exactly where efficiency is coming from, rather than reporting only a single overall saving. The synergy performance can be tracked and measured through a four-step plan according to Capron (1999). Firstly, the process involves tracking unit costs at the level of specific activities, such as individual manufacturing lines and logistics routes, after the warehouses and delivery networks are consolidated (Capron 1999, 989). Secondly, it is crucial to track the selling, general, and administrative (SG&A) expense ratio over time. This means removing back-office overlaps, such as in finance, human resources, and information technology. After this the SG&A ratio should decline steadily and stay lower. Next move for the cost synergy tracking is to measure changes in what the company pays suppliers and link those changes to supplier harmonization program. When the combined company signs larger contracts with a smaller number of suppliers, it should pay less for the same materials and services. Those lower prices need to be clearly connected to specific sourcing actions, such as a renegotiated master agreement, or a volume rebate that was activated after the acquisition during the integration. (Capron 1999, 989.) Fourth, the

company should keep a detailed record of asset divestitures, including when they happen and how large they are. Examples in this step include closing duplicate warehouses, selling overlapping business lines, or removing stock-keeping units that serve the same customer need. These moves cut redundancy and free up fixed costs. They are often the concrete steps that allow cost savings to show up in the financial statements, so documenting their timing and impact helps explain why unit costs and overhead go down after integration. (Capron 1999, 1009.)

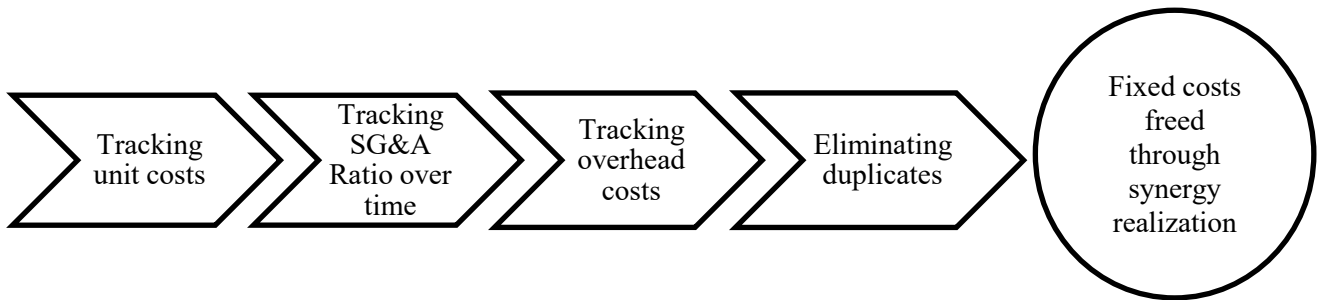


Figure 2 Graph on Capron (1999) four-step plan to track synergies

On the revenue side, indicators must capture the reorganization story. Because revenue synergies are vulnerable to market noise, the indicator design should pair outcome KPIs with action evidence to maintain line of sight from work to results. (Zollo & Meier 2008, 61.) To make sure these gains come from the integration and not from normal market growth, the management should set clean baselines before closing and compare against similar peers or segments after closing (Schade 2013, 26). Action–result traceability is essential in revenue movements. Indicators must be specified clearly enough to be unambiguously linked to clear integration interventions, for example, a new product launch, a unified price book, a joint marketing campaign, or an added distribution channel. Such traceability preserves a direct line of action from mechanism to outcome and enables managers to diagnose gaps and implement corrective actions quickly during integration if a metric is telling different. (Zollo & Meier 2008, 61.) The literature indicates that successful synergy realization depends on the alignment between strategic objectives, the types of synergies pursued, and the integration actions used to realize them. To structure these relationships and guide the empirical analysis of this study, the next chapter presents a conceptual framework.

2.6 Conceptual Framework

This chapter combines the findings from the literature review to develop a conceptual framework for the study to elaborate on, answer the set questions and bridge the gap in synergy realization literature.

The framework synthesizes the key concepts identified across prior research, them being: **Strategic Alignment**, **Synergies**, and **Integration Strategies**, and demonstrates how these dimensions interact to generate value through efficient integration. To answer the main research question, “*How does strategic alignment influence the realization of operational synergies during post-acquisition integration?*”, it is essential to build a holistic understanding of how the three categories acts as enabling mechanisms that direct integration activities and facilitate the translation of synergies into measurable and sustainable value outcomes.

In the context of this thesis, the initial framework highlights the interdependencies among strategic alignment, integration strategies, and synergy realization processes by identifying the critical factors, such as shared understanding of goals, hoped timing, and governance mechanisms. Companies must carefully consider these when seeking to transform strategic intent into realized deal value. Each category has named concepts that were acknowledged throughout the literature review. Strategic Alignment, Synergies and Integration Strategies are captured as the guiding and helping positioning to deliver deal value. They serve as factors required success, as well as integration outcomes. It is important to note, that the framework allows for a deeper understanding of deal value, but also for a different perspective on a single factor. The linkages between themes are multidirectional, indicating that each element both influences and is influenced by the others. Therefore, the figure 3 can be read both ways, from the outside in, and from the inside out. This highlights the importance of each category in the post-acquisition integration well.

At its foundation, placed on top is **Strategic Alignment**. It encompasses strategic compatibility, common customer segments, overlapping value propositions, compatible business models and shared vision. This alignment shapes the **Integration Strategy**, captured on the down right, which determines the degree of integration, i.e., phased, or modular integration to protect core value drivers and style (agile, structured) of post-acquisition integration. Effective integration with clear communication then operationalizes **Synergy Realization**, reflected in cost reductions, efficiency gains through cross-selling, and knowledge and innovation outcomes. The realized synergies feed back into **Deal Value Creation** in the middle as well as complete the strategic alignment, with new potential focus points noted after the integration. Transparent and clear communication, structured integration management office and shared vision of strategic goals moderate this cycle, which all amplify the translation of alignment into realized value.

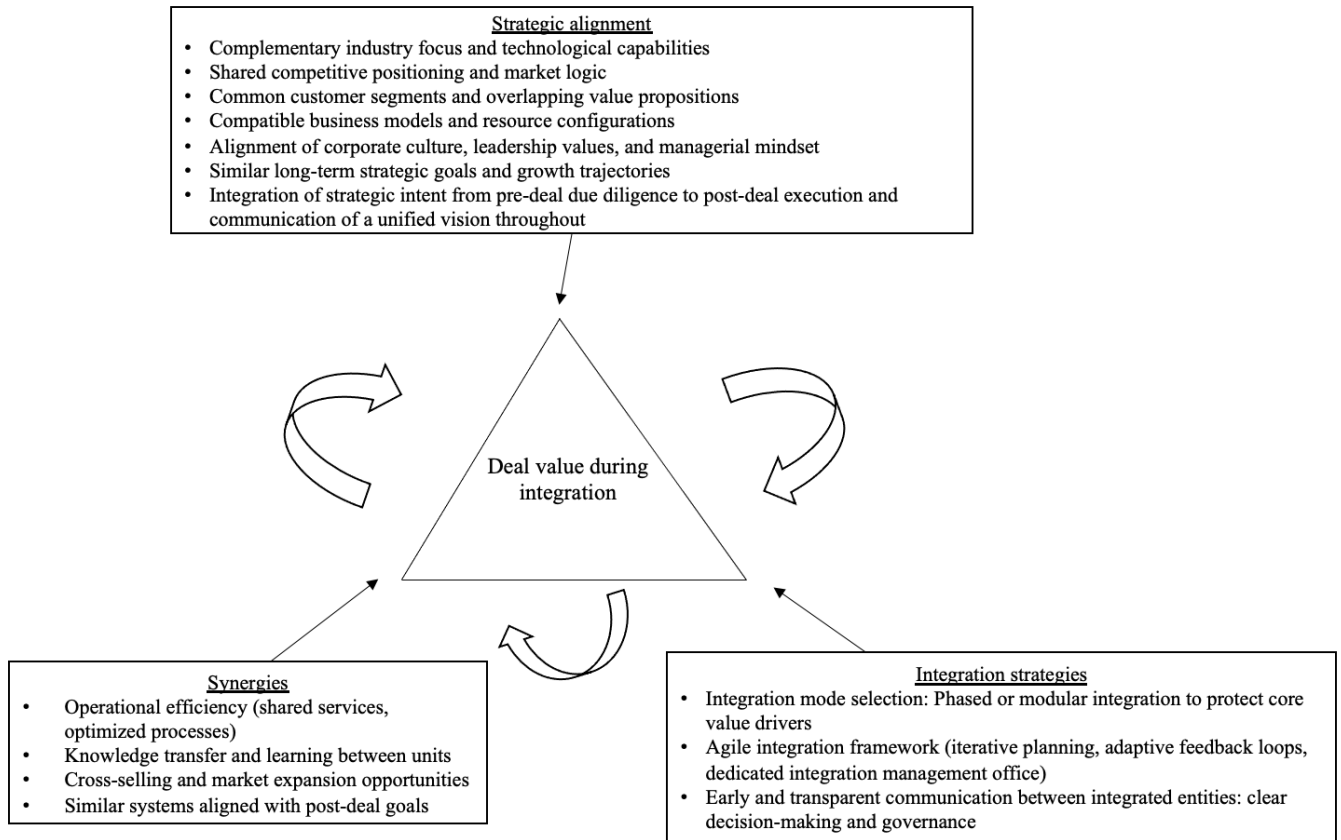


Figure 3 Framework of the Thesis

Based on the findings in the literature review, strategic alignment, synergy realization and integration strategy post-acquisition are inseparable pillars of acquisition success enablement, and therefore identified as the main concepts culminating the framework. Together, they shape how acquirers transform deal rationale into measurable performance gains that can be measured in various ways. The literature unites on the premise that alignment between the buy-side and sell-side strategies enables the effective configuration of integration approaches and thereby unlocks operational, financial, and strategic synergies. On the other hand, when challenges and misalignment persist, integration complexity escalates, synergy potential remains latent, and overall deal value erodes. (Lopez-Manuel et al. 2024, 705.)

The presence of strategic alignment and commonalities acts as the connective tissue that enables synergy realization. Complementary capabilities, shared customer bases, market logic and strategic goals together form a valuable platform for operational synergy realization as well as learning and working towards the shared vision in the decided timeframe. These commonalities help transform abstract deal rationales into concrete, value-generating interactions between the merged entities. As

Graebner et al. (2017, 3) argue, the alignment of social and strategic dimensions allows integration teams to move beyond simple combination of assets toward the creation of new value. In this sense, synergy realization becomes less about arithmetic addition and more about strategic recombination.

The way in which acknowledged synergies are strategized, determines whether potential value translates into realized benefits. A systematic approach that defines, quantifies, plans, implements, and monitors synergies ensures that the intended efficiencies and innovations remain central throughout integration (Daum 2012, 18). Strategizing synergies also involves setting realistic targets, assigning accountability, and establishing agile feedback mechanisms that adapt to evolving integration realities. To maintain this, the tracking of synergies through Capron (1999) four-step plan is crucial. The plan is captured in Figure 2. This process transforms synergy management from an abstract financial expectation into an operational discipline of continuous path of refinement and learning (Miller 2022, 59).

Integration strategies act as the operational vehicle through which alignment and synergies unite. The most successful integrations balance standardization with flexibility. They choose the strategy carefully between absorption, symbiosis, or preservation depending on the strategic interdependence of the firms (Steigenberger, 2017, 411). Agile integration approaches such as Miller's framework (2022, 66) show that iterative management, transparent communication, and decentralized decision-making enable companies to maintain strategic focus while remaining responsive to challenges. Thus, integration strategy determines not only how fast synergies are realized but also how sustainable they remain over time.

Strategic alignment shapes the logic of post-acquisition integration, guiding synergy realization by recombination and reducing uncertainty. Strategic alignment provides purpose, integration supplies the process, and synergy realization delivers valuable outcomes. As the literature review observed, corporate growth through acquisition becomes sustainable only when strategic alignment, capability to realize synergies, and integration strategy discipline intersect.

Building on this conceptual foundation, the following chapter outlines how this study empirically examines the relationship between strategic alignment, integration strategies, and synergy outcomes. It explains the research approach, case selection, data collection methods, and data analysis used to investigate how these elements interact in practice and how they influence post-acquisition performance in the interviewed companies.

3 Methodology

3.1 Research Approach

The selected research approach controls how data is collected, whereas the philosophical perspective of the study guides the way research is analysed. The chosen research method derives from the formed research questions and problems and of the potential answers to them (Eriksson & Kovalainen 2008.) A qualitative approach was chosen to explore the phenomenon comprehensively and to allow for the emergence of unforeseen insights. This research is specifically conducted as a qualitative case study. Case study research was particularly suitable for this study, because of its possibility for examining dynamic and processual phenomena within real-life international business settings, rather than separating it from the environment where it takes place (Fletcher & Plakoyiannaki 2011). A case study design helps to explore the experiences, perspectives, and interactions of the people involved in a way that numbers alone cannot capture. (Yin 2018, 17-19.) This approach was chosen because the matter investigated is complex, context-dependent, and best understood through detailed insights. A qualitative case study gives the flexibility to follow the story as it unfolds and to highlight the voices of participants (Yin 2018, 18). This provides a more authentic version of the phenomenon. The qualitative case study approach allows for theory-building and refinement by engaging empirical data with existing frameworks (Fletcher & Plakoyiannaki, 2011).

Through a series of semi-structured interviews with companies, this study seeks to deeply explore how key actors experience and apply strategic alignment and synergy realization during post-acquisition integration, using established M&A theories as a foundation. The research aims to add valuable insights to the M&A field by clarifying the connection between strategic alignment and successful integration, helping practitioners better understand the conditions under which synergies are achieved. In addition, the qualitative research done strives to create an impact on the business environment, encouraging companies to approach acquisitions and investments with greater confidence and less concern about the risks of synergy creation. Case studies allow researchers to capture interviewee's interpretations, meanings, and decision-making processes (Fletcher & Plakoyiannaki, 2011) Therefore, the findings aim to support more transparent and informed decision-making, foster sustainable growth, and promote responsible investment practices that benefit both organizations and the wider economy.

3.2 Case Selection

Fletcher and Plakoyiannaki (2011) state that case selection should be aligned with the study's theoretical objectives rather than driven by convenience. Therefore, to address the theoretical objectives of this study, the interviewed companies selected were part of M&A transactions where (a) the buyer ("buy-side") or seller ("sell-side") parties can be accessed, enabling positioning of perspectives; (b) the transaction has progressed sufficiently post-integration so that synergy realization efforts and outcomes can be meaningfully discussed; and (c) there is evidence of strategic alignment or misalignment in purpose, or strategic intent, as described in the theoretical literature part. Case selection was driven by theoretical relevance rather than statistical representativeness, prioritizing cases that illuminate, extend, or challenge existing theory (Fletcher & Plakoyiannaki, 2011).

The selection of a case can be justified when it offers critical, unique, or revelatory insights into the phenomenon under investigation (Fletcher & Plakoyiannaki, 2011). The cases in this study are the M&A integrations in the companies A-D. The companies represent a wide range of different actors and roles in M&A, markets, and situations in which mergers and acquisitions take place. Their purpose is to create breadth in the study, whereas the cases, meaning the integration processes of the acquisitions, are intended to provide depth. These criteria allow the companies to serve as critical and typical instances for testing the framework. Injection of buy-side and sell-side voices provides depth in understanding both intent and integration execution. Careful case selection mitigates risks of bias and strengthens the explanatory depth of qualitative inquiry (Fletcher & Plakoyiannaki, 2011).

Because the study adopts a qualitative case study approach, using established M&A synergy theory as its ground, the case selection must allow the assumptions of the theory to be tested in real organizational settings. In other words, the cases serve as empirical referents to test the propositions rather than purely explore unknown phenomena. This decision was made by Fletcher & Plakoyiannaki's (2011) statement that case research contributes to theory refinement by challenging assumptions and uncovering contextual possibilities. In this study forming a clear research approach and following it systematically strengthens its trustworthiness and transparency.

3.3 Data Collection

The data for this research was collected by using qualitative methods through guided semi-structured interviews, which enabled participants to respond freely to open-ended questions and express their experiences in prior integration tasks. Semi-structured interviews allow flexibility and follow-up

probes which suits the research approach design of this thesis. This method was chosen because it enables in-depth exploration of theoretical framework in practice, and the existing qualitative data from M&A professionals. By gathering data through interviews, observations, one could develop a deeper understanding of the case and the factors that influence it the “how” questions that drive the in-depth qualitative inquiry (Yin 2018, 19). The perk of qualitative research is that it aims to discover how the matter is (Gillham 2000). It strives to create an understanding that cannot be attained through quantitative methods alone. The purpose was to capture each participant’s unique understanding of the integration situation and how this shaped their actions and decisions to move further, and that is why interviews were the chosen method. As interviews were selected as a key data-collection method, the following section provides the detailed building of interview process, recognizing that interview-based data gathering is a central component of qualitative research. (Miles & Huberman, 1994.)

The data collection began by developing an operationalization table (Table 1). The research question was operationalized with great effort to ensure that all subjects in the study are addressed throughout the interview and to maintain structure. The interview questions (Appendix 2) were successively created using the operationalization table (Table 1). Interview themes were determined based on the literature review and theoretical framework, and they were as follows: 1) Strategic alignment, 2) Synergies and 3) Integration strategies. These themes were discussed and questioned in the context of the M&A cases. The guide was formed using Kvale & Brinkmann’s (2009, 87) framework of “thematizing, designing, interviewing, transcribing, analyzing, verifying, reporting”. Logical progression from theory to data ensure precision, consistency, and continuity in the interview process.

Table 1 Operationalization table

Master’s thesis topic	The research question	The Sub Research questions	Themes and subjects	Interview questions
Synergy Realization in Post-Acquisition Integration: Importance of Strategic Alignment	How does strategic alignment influence the realization of operational synergies during the post-acquisition integration phase?	What types of strategic commonalities facilitate the realization of synergies during post-acquisition integration?	Strategic commonalities, Strategic Alignment	1,2,3,4
		How are the acknowledged synergies strategized?	Synergy, Synergy strategizing, Strategy formation	5,6,7,8
		Which integration strategies most effectively drive the realization of synergies in post-acquisition integration?	Integration strategy, Post-Acquisition Integration	9,10,11

Interviewees for this research were decided by profile and suitable expertise to discuss and answer M&A integration related topics and questions. The criteria also included that the interviewee's represented either buy-side or sell-side in the case M&A process. As each case study was a broad process, I decided on four cases all from different industries. Interviewees were contacted through email and LinkedIn outreach, and received the interview questions, and research information sheet in prior. The interviews done for this research lasted between 40 minutes and over an hour and were done remotely through teams, zoom and phone call. All interviews were done in Finnish, but later translated into English for the study.

The use of qualitative interviews with both buy-side and sell-side participants is particularly appropriate for this study's theoretical purpose. M&A theory emphasizes that synergy realization is not merely a financial outcome but the result of managerial sense-making, communication, and coordination across organizational boundaries (Larsson & Finkelstein, 1999, 10). Capturing these processes requires access to narratives and perceptions, which is something that quantitative datasets cannot provide. Interviewing both transaction sides, the research achieves data that strengthens the validity of interpretations and eases one-sided bias (Yin, 2018, 127). The number of cases was considered sufficient in relation to the objectives of the study, as the research approach enabled the examination from two perspectives. The cases created an analytically rich comparative setting in which both differences and similarities between the parties could be identified. Two cases from each category enabled cross-case comparison. Recurrent themes began to emerge in the data, indicating that additional cases would likely not have generated new insights about the research questions.

Table 2 Details of the conducted interviews

Interviewee	Expertise/role	Role in acquisition	Interview date	Interview language	Duration of the interview
Interviewee introducing Company A's M&A case	M&A Manager	Buy-side	11.11.2025	Finnish	1h 12min
Interviewee introducing Company B's M&A case	Analyst	Sell-side	3.12.2025	Finnish	47min
Interviewee introducing Company C's M&A case	Integration Lead	Buy-side	16.1.2026	Finnish	52min
Interviewee introducing Company D's M&A case	Prior CEO & Board Member	Buy-side and sell-side	22.1.2026	Finnish	1h 20min

3.4 Data Analysis

Data analysis is the process where the gathered raw data is formed, cleaned, and even visualized to find relevant arguments to answer the research questions. The data gathered for this study was analyzed twice. First, the initial phase of the analysis involves a within-case examination. During this, each case is analyzed independently and regarded as a distinct and comprehensive entity in Chapter 4. This enables a thorough understanding of the internal context, and unique characteristics of each case. Secondly, a cross-case analysis is conducted, during which the cases are systematically compared to identify patterns of similarity and difference to look at strategic alignment in each integration. This comparative stage highlights recurring themes and findings across the cases. It also allows for reflection on how these observations align with or challenge existing theoretical perspectives. (Merriam & Tisdell 2016.)

The data analysis of this study is based on a theoretical framework, that explains the main phases of how qualitative research unfolds. According to Tuomi and Sarajärvi (2002), qualitative analysis proceeds through three main phases: (1) data reduction, (2) data categorization, and (3) abstraction. In accordance with these stages, the interview recordings were first transcribed, after which the transcripts were carefully read multiple times to develop a comprehensive understanding of the material. Key excerpts from the interviews were compiled in a separate document to use in this thesis as quotes. At the same irrelevant information was removed from the dataset. To facilitate further data analysis, a simplified description of each key segment or thematic word was added alongside the original expressions to maintain clarity.

Secondly, the highlighted data from interviews was carefully examined to determine which themes of the theoretical framework and research question each interview expression corresponded to. I organized and coded the data with key themes that were categorized to **Strategic Alignment**, **Synergies**, and **Integration Strategies**. All transcribed text was marked with color in this phase, blue being Strategic Alignment, yellow being Synergies, and green representing Integration Strategies. This process was straightforward, as the main categories had already been defined by the theoretical framework, and the interview questions were organized according to these same categories in the operationalization table (Table 1). It eased the process to write findings in a sequenced way.

After highlighting the key aspects of the semi-structured interviews, abstraction represents the final and most interpretive stage. According to Tuomi and Sarajärvi (2002) it involved developing higher-level concepts, categories, or theoretical constructs that capture the essence of the phenomenon under study. Generally during abstraction, the researcher examines the categorized data to identify

underlying patterns, relationships, and connections among the categories. This was done in this study as well by moving from concrete statements and observations toward more general and conceptual view. This process required reflection and comparison, as I evaluated how the findings of strategic alignment in post-acquisition integration relate to the theoretical literature. Through abstraction, raw empirical observations were transformed into a more coherent and theoretically informed understanding of the research phenomenon. In this thesis, abstraction was achieved with the data of each company's M&A integration actions and aligning them with the theoretical framework and literature that guides the research. Through this process, broader themes in post-acquisition integration and conclusions were formulated to represent the insights derived from the data. As a result, abstraction served as a means of summarizing the findings and as a process of conceptual integration, by linking empirical observations to theoretical themes.

3.5 Evaluation of the Study

The aim of this research is to provide information that the reader can rely on. To achieve this, the chapter examines the scientific merit of the study by addressing its trustworthiness as well as the ethical considerations involved in the process. Including this section is important because it shows the research has been conducted carefully and according to academic standards. I as the researcher demonstrate that the findings are credible and responsibly produced. This also reassures readers that they can rely on the results and understand how they were obtained. It explains the purpose of the methodological chapter as a whole and guides the reader through the reasoning.

3.5.1 Trustworthiness

The trustworthiness of qualitative studies, according to Lincoln and Guba (1985) is based on their *credibility, transferability, dependability, confirmability, and authenticity*. This is one of the most popular criteria for trustworthiness of qualitative studies, and it will be utilized to conduct the assessment of the empirical part, where it is important to address the trustworthiness of interviews (Cope 2014, 90).

Credibility can be seen as the first component of trustworthiness. As a definition it concerns how accurately a study captures the reality and subject matter being examined (Cope 2014, 89). Strengthening credibility requires the researcher to ensure that their interpretations and analytical choices genuinely reflect the perspectives and knowledge shared by participants (Eskola & Suoranta, 1998). In this study, gaining access to interview experienced specialists in the M&A deal setting reinforced the credibility of the findings. The interview contributors were senior professionals, part

of management or in other ways highly involved in an integration setting, who were intentionally selected (see Chapter 3.2), to ensure a vast perspective of the buy-side and sell-side integration phase.

Transferability concerns whether insights generated in one case study can be meaningfully applied in other contexts or cases (Merriam & Tisdell 2016, 253). To support this, the research first outlines the motivation and background of the study in Chapter 1, offering readers a clear understanding of the circumstances under which the findings were produced. Chapter 2 fills in on the literature review and presents the accurate themes, topics, and definitions of this research. Chapter 3 then provides a detailed account of the research approach and the selection of participants, following Cope's (2014, 89) recommendation that transparent reporting enables readers to judge the relevance of the results to their own situations. Chapter 4 presents an in-depth description of the data with straight citations to ensure trustworthiness and represent the interviewees voice. The resulting interpretations are covered in a cross-case examination (Chapter 4.6), which is essential for enabling others to determine how the knowledge might be transferred to comparable post-acquisition integrations.

Dependability assesses how much the researcher, and the circumstances of the study impacted the results, i.e. according to Cope (2014, 89) the data reported stays consistent in similar conditions. This criteria is great for the M&A integration study, because even if integrations differ from scale, field of business, they all have similar hoped outcomes in terms of growth, knowledge transfer and operational efficiencies and how strategic alignment in each deal eases the integration process. The research and methodological choices, including the overall research approach, the procedures for collection of data, and the steps taken during data analysis, were described comprehensively in Chapter 3 to increase transparency. In addition, applying positioning of the study in the theoretical framework and bridging that to the methodological framework through interview themes strengthened the study's dependability by contributing to the credibility of the findings under each named theme.

Lastly, *confirmability* concerns the extent to which the data is accurate and relevant, meaning that the researcher must be able to show that the results genuinely represent participants' perspectives rather than the researcher's own assumptions (Cope, 2014, 89). Evaluating the studies confirmability aims to ensure that interpretations are grounded in empirical evidence instead of personal bias (Eskola & Suoranta, 1998). In this study, theoretical insights were compared with empirical material to strengthen the confirmability of the conclusions and to further do a cross-case comparison matrix with the evidence. To enhance transparency, Chapter 4 (Findings) is based on direct quotations from the interviews, following Cope's (2014, 89) recommendations on *authentic* interview data leverage

in a qualitative study. At the end of this thesis writing process, each Company involved got to review and provide feedback on the findings before publication and see that the level of anonymity that the study was written in was accepted.

3.5.2 Research Ethics

I formed and chose the researcher's role in the beginning of the research. The forming of the role impacted the choice of interview style, which is semi-structured in this study. The researcher's role in this study is to interpret rather than to participate. Guided by existing acquisition integration theories, the main goal of the researcher is to understand and further explain how strategic alignment affects the achievement of synergies after an acquisition. By interviewing both buy-side and sell-side participants, the study gains a harmonized view of the integration process, since these two groups often see value creation and alignment in different ways (Haspeslagh & Jemison, 1991, 106). The researcher's task was to listen, analyze, and reflect on different viewpoints without taking part in or changing the organizations' own processes. The researcher's role included to avoid asking leading or suggestive questions, following Yin's (2003) advice to keep interviews neutral. As the researcher, I have used reflexivity when completing this study. Reflexivity means that I continuously thought about how my own background, opinions, and position could affect the interviews. This method helped to reduce personal bias and supports focusing on what participants truly want to share, rather than letting my own assumptions control the results.

As for research ethics, all interview data were anonymized immediately after transcription to protect confidentiality, and each participant was assigned a code letter (A, B, C and D) that does not reveal personal or company identity. Confidentiality was a very important ethical consideration throughout the process. Li et al. (2025, 18) explain that confidentiality can be difficult in qualitative studies because participants often work in specific roles and could be recognized. To protect confidentiality in this study, I used pseudonyms, and all identifiable information was removed from interview transcripts before analysis. This was done by replacing the company name with a code letter, i.e., Company A, Interviewee.

Participants received an information sheet outlining the study's purpose, anonymized data usage, and their right to withdraw at any time. In alignment with Li et al. (2025, 18), informed consent was treated as an ongoing, dialogic process rather than a one-time formality, ensuring participants' autonomy throughout the study. Transcripts, and related materials were stored securely on hard drives accessible only to the researcher. The gathered data was handled according to the same ethical standards, with full citation of publicly available sources and anonymization of sensitive internal

material where required. As Li et al. (2025, 29) highlight, procedural ethics must be complemented by everyday ethics. In this study it means situated decision-making that adapts to the nuances of real-world research settings.

The ethical guidelines being accountability, reliability, respect and honesty were evaluated based on All European Academies that are described as fundamental principles of research truthfulness (ALLEA 2017). When it comes to ethically correct use of data, the data collected for this research has been used purely for this research. The data will be only available for the researcher and destroyed immediately upon completion of the study by the end of year 2026. Transcriptions were used via secure Utu Transcribe for each of the four semi-structured interviews. These and other ethical policies are explained thoroughly in Research Information Sheet for Participants (Appendix 4) and Data Management plan (Appendix 5). For ethical use of artificial intelligence (AI), it is disclosed in Appendix 3 that AI was used for checking grammatical errors, improve language and brainstorm ideas around the topic and interview questions.

4 Findings

4.1 Introduction to Results

This section introduces the qualitative case study's results that are gathered from the analysis of the interview. The results are presented under each case. In the case they are categorized in three sections: Strategic Alignment, Synergies, and Integration Strategies. This mirrors the positioning and operationalization table created for the research. A comparison of the results and of the theory is provided in the chapter 4.6 where the cross-case comparison takes place and elaborates on overarching insights from case integration examples. Companies remain anonymous due to the confidentiality of M&A as an inorganic growth strategy that involves sensitive knowledge and secrecy. The examined case in this study are the transactions, more specifically integrations processes that the company has been involved in.

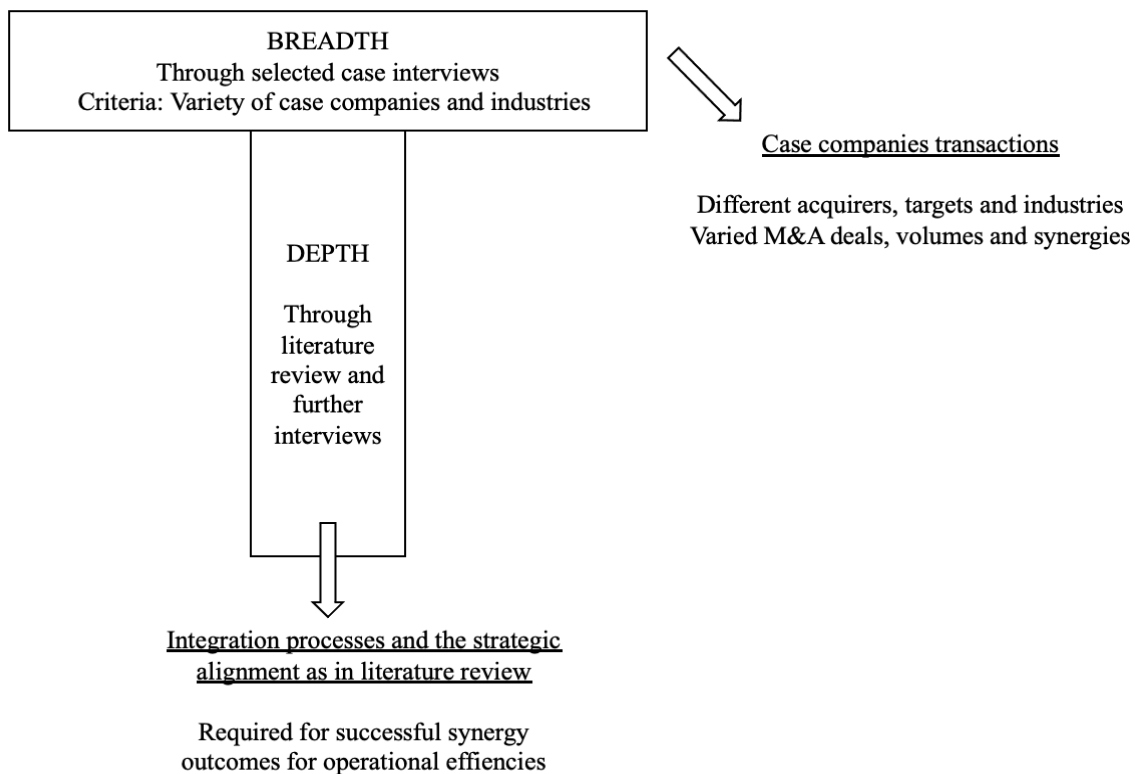


Figure 4 Links in Case Diversity and Integration Depth to Synergy Outcomes

4.2 Case Study 1

Company A operates within a product lifecycle business model consisting of manufacturing, installation, maintenance, and modernization. The profitability profile shifts strongly toward long-term maintenance, which produces recurring revenue throughout an asset's lifespan. The interviewee emphasized that the global installation market is consolidated, but maintenance markets are highly fragmented with thousands of local players that sometimes consist of a family business that services single towns. Company A's M&A context can be overviewed as products age, lifetime revenue is captured through service contracts, making acquisitions a strategic tool for rapid growth and maintenance portfolio expansion. Company A pursues a highly structured and long-term M&A strategy. The objective of acquisitions is to accelerate market growth by expanding the company's maintenance portfolio and strengthening its geographical presence. The interviewee described that the strategy is deeply connected to lifecycle business model.

"M&A is part of our growth toolkit. We mainly do buy-side deals and buy many companies in the same industry, because part of our growth strategy is to grow inorganically and the service market is very fragmented, so acquisitions make sense, and you get years of organic growth with one acquisition. It is a step change, for example by entering a new city by buying a local elevator company." (Interviewee, Company A)

Interviewee from Company A has a strong blend of advisory and corporate buy-side experience and has worked in the M&A unit for three years in a global manager position. Interviewee has been working primarily on the buy-side of M&A and focusing on acquiring companies within the same industry as part of company A's growth strategy. He emphasized that deals at Company A are more strategically focused but occur globally. Interviewee collaborates closely with regional and local M&A resources across company A's four operating areas: Americas, Europe, Asia-Pacific/Middle East, and China.

"Globally we guide Company A's whole M&A strategy. Where and on what principles we do M&A. We are the last checkpoint to make sure the deals make sense, there should be a strong strategic link between the country strategy and the M&A strategy, and on that basis we do around 25–30 acquisitions per year, mostly small bolt-ons." (Interviewee, Company A)

4.2.1 Strategic Alignment

Strategic alignment enables the ideal situation for Company A, where integration aims for full absorption. Systems, processes, staff, and customers transferred into Company A's operating model to maximize synergies, especially cost synergies. The interviewee stated:

“There must be a clear strategic link between the country strategy and the acquisition. If not aligned, the risk of a poor deal increases significantly. Strategic alignment thus functions as screening logic to prevent acquisitions that do not support local expansion goals. Strategic clarity also reduces uncertainty, helping employees and customers understand the transformation. Conversely, poor alignment delays synergy realization and damages value.” (Interviewee, Company A)

Unconventionalities occur when customer segments or business configurations are atypical.

“Sometimes integrating into Company A would break the business. In niche customer segments, we keep a standalone setup to protect revenue. If integration breaks the business model, we keep the company separate with more flexible and lean processes.” (Interviewee, Company A)

This is a great demonstration of what the literature review captured earlier that alignment requires contextual adaptation, not a one-size-fits-all approach. Clear strategic alignment accelerates synergy capture because governance, accountability, and objectives are transparent from day one. Conversely, lack of alignment leads to delayed or unrealized synergies.

“If the vision isn't crystal clear if one should integrate or keep the bought entity standalone, uncertainty causes customer churn and slower synergy capture.” (Interviewee, Company A)

Interviewee from Company A shared examples of alignment accelerating and decelerating. The interview findings provide a compelling example of how strategic alignment directly influences the timing and scale of synergy realization. When the integration strategy is clear already during the deal phase, Company A can rapidly execute cost efficiencies and operational synergies. As the interviewee explained, *“when the vision is clear, synergies start flowing very early”*. In contrast, one of the largest recent M&A cases demonstrated how strategic drift during execution can significantly delay synergy capture. *“Initially, a clear business plan existed, but when we started integration, the plan was changed mid-process across 10–20 legal entities in a single country”*. According to the interviewee, this shift *“affected what synergies could be achieved... we did not reach the targets in the timeframe we originally thought”*. Although recovery actions were later taken, the lapse in alignment resulted

in being “*a couple of years late*” on planned benefits. This case illustrates that losing clarity on strategic priorities even temporarily directly harms operational synergy realization.

4.2.2 Synergies

Operational synergies are the primary financial driver behind Company A’s acquisition activity, to capture improvements by combining the operational activities of merging firms, such as processes, systems and resources to increase efficiency, reduce costs, or enhance productivity. As the company focuses on acquiring firms in the same industry, synergy realization is both predictable and central to the business case for every transaction done. This chapter examines how synergies are identified, what strategic and operational commonalities enable their capture, and how successfully synergies are translated into business performance in the Company A. At Company A, potential synergies are assessed in two stages: pre-deal business plan development and post-acquisition operational refinement. The interviewee noted that synergies are always included in the business case plan and made to leave room for all synergies to develop during integration. This business plan establishes value capture expectations that later become performance obligations for the country leadership. The interviewee noted the evolution of stronger governance and tracking.

“We make a business plan during the deal which shows how the acquired business can develop under us when we get the hoped synergies. Then we track quarter by quarter... how we meet profit targets, margin, and synergy estimates. During integration, synergy assumptions are validated continuously through performance monitoring, customer retention evaluation, cost base evolution and operational process efficiency data. This iterative approach enables course corrections should assumptions prove inaccurate.” (Interviewee, Company A)

Interviewee parts the synergies in two known categories: cost synergies and revenue synergies. Cost synergies are typically estimated with high accuracy pre-acquisition because there is prior evidence that show the exact calculations and point out where the duplication might occur. Savings are derived mainly from reducing overlapping support roles (e.g., finance, administration) once operations are integrated.

“Those synergies are easy to calculate... one knows the salaries through systems as well as the number of staff needed to run the extended, acquired, and integrated business.” (Interviewee, Company A)

In contrast, revenue synergies, such as upselling Company A’s modernization and digital services are more difficult to forecast reliably because each deal includes differing volumes of cross selling that

are not realized until later. In this case, the cost synergies play a vital role, since they evaluate the deal based on pure math.

“It is much harder to estimate how much revenue synergies we will get... one says this much, another says that much. It is very much case dependent, therefore, revenue synergies become validated during integration, with continuous re-assessment and updated forecasting. It can be subjective. We at Company A prioritize cost and operational benefits when evaluating deals.” (Interviewee, Company A)

Since Company A routinely acquires service companies operating in the same business, there is a high degree of operational similarity in the strategic business model, which strongly supports synergy realization. Full integration into Company A’s system architecture enhances workforce productivity even through labor capacity reallocation, in other words talent acquisition.

“We get operational efficiency when customers and technicians are in our systems. This enables centralized route optimization, fewer service visits, improved uptime all rapidly accretive improvements. Through full integration and having these people in our systems we can reallocate the talent from acquired businesses inside our company.” (Interviewee, Company A)

Commonalities were named by the Interviewee in Company A, and they are leading the familiarization and realization of synergies. Commonalities represent things in the businesses that are compatible. Each can be clearly noticed in the business acquisition plan made prior to the acquisition as well as during integration process that Company A follows through with a manual. Underneath is a table summarizing key strategic commonalities facilitating synergy realization. These are the cornerstones of Company A’s hoped compatible themes that deliver deal value through synergies in the integration phase.

Table 3 Key Strategic Commonalities Facilitating Synergy Realization

Commonality	Resulting Synergy
Same industry & service model	Predictable cost benchmarking
Similar technician roles	Labor reallocation & Talent acquisition
Installed base with recurring revenue	Immediate service margin contribution
Compatible customer segments	Low risk of customer churn

When asked about an example of a synergy that was clearly identified and successfully strategized into action Interviewee from Company A shared that the clearest synergy category at Company A is fixed-cost reduction. By leveraging its existing organizational structure, Company A often reduces administrative headcount and frees resources while operational staff, such as technicians are typically retained due to scarcity. This is a way to realize synergies in the cost section fast and with low risk. This is also an applicable way because of it is measurable. With full integration the acquired business gains access to digital products that come to use after integration and helps the whole Company to streamline their operations effectively.

“Integrating allows us to offer digital solutions the customers did not have before. This is important to note to ensure synergy success that we monitor and report to the management.” (Interviewee, Company A)

The Interviewee further shares that accountability and tracking strengthen the realization process. Company A now monitors and measures the performance more thoroughly than before.

“Nowadays we track how we meet profit targets, margin, and estimated synergies quarterly. Reporting goes to the executive team... visibility and accountability are much stronger. Because we do high volumes of deals yearly, continuous learning from integration outcomes further improves synergy planning for the future transactions.” (Interviewee, Company A)

On the opposite side, when asked about an example of a synergy that was overlooked or failed during integration execution Interviewee from Company A shared that the most common source of synergy underperformance is customer churn driven by mismanaged integration timing. Incomplete understanding of the acquired company’s customer portfolio also leads to overoptimistic assumptions made in the business plan. The timing aspect was covered in the literature review, where companies either integrate with too much speed or another failure mode was noted to be the delay of integration. It is important to highlight that potential revenue synergies can quickly turn negative when integration is misaligned or mistimed with customer needs.

“We integrated too fast, and we lost customers. We did not understand the customer risks well enough... we lost customers we did not estimate in the business plan and had calculated them to be with our revenue stream. This was too fast, but we have had some cases where the integrated was not done for years... then we get no synergies at all, and the deal lost the potentiality it held in the plan.” (Interviewee, Company A)

4.2.3 Integration Strategies

At Company A, the integration playbook has evolved from a historically reorganized approach toward a more structured and strategically governed model. The interviewee from Company A emphasized that integration strategy is always deal-specific, balancing synergy capture against risk of customer disruption.

“It is a balance how we get synergies realized, but in a way that customers and employees do not see too much change in operations. Full integration, for example, is strongly aligned with strategic priorities of efficiency and scalability in recurring service operations.” (Interviewee, Company A)

Company A’s choices directly influence both the speed and scale of synergy realization. Four primary integration strategies emerged from the interviewee’s perspective. They are the following:

(1) Full integration into Company A’s systems and operations

Full integration is the preferred approach, especially for typical single-country bolt-on acquisitions that normally occur. In this model, the acquired business is migrated into Company A’s core platforms, such as ERP systems, field service systems, and routing tools. The intent is to rapidly capture fixed-cost reduction and operational productivity synergies.

(2) A standalone “light-integration” approach

In cases where customer relationships or branding have high sensitivity, typically small players, Company A preserves the acquired entity’s operational independence. This strategy helps to protect customer loyalty in markets where Company A is less known, local sales relationships and premium service segments offered. However, it trades off short-term efficiency gains in favor of revenue-synergy upside and churn mitigation. The interviewee recognized that evaluating this is subjective.

“Strategic alignment with local conditions becomes critical to avoid destroying value through premature integration. We sometimes keep them standalone to preserve the business plan made... we might get less cost synergies but retain a bigger part of the revenue. Revenue synergies are always more difficult to estimate so we have to make sure that there is a side of them... it depends on how many customers we can retain after the acquisition.” (Interviewee, Company A)

(3) A dedicated PMO and structured integration organization

Given Company A’s high annual acquisition volume, integration is treated as a professionalized discipline rather than a secondary managerial duty. A project management office (PMO) model

assigns clear accountability through a structure that includes, standardized processes and templates, functional workstreams in every unit, defined roles and responsibilities for the integration and milestone driven execution with timelines.

“Integration is almost a full-day job... we have a dedicated PMO responsible for managing the project that directly supports synergy realization by ensuring faster decision-making and minimized execution risk. Clear governance prevents integration drift. When roles and responsibilities are unclear it will not go well.” (Interviewee, Company A)

(4) Formal synergy tracking reaching executive leadership

Integration strategy is the mechanism through which strategic alignment becomes financial performance. When alignment is strong, synergies accelerate; when unclear, timelines slip, and value erodes. In some cases, acquired businesses underperformed because they were *“integrated and forgotten.”* To counteract this, Company A has strengthened financial monitoring in recent years. This shift reflects a maturity step in governance, ensuring strategic intent is consistently translated into operational outcomes.

“Performance visibility motivates responsible teams through bonus impacts, reinforcing accountability. Clear roles, dedicated resources, and alignment with the country project owner...that’s when we succeed.” (Interviewee, Company A)

The evidence from Case Study 1 conclude that Company A has developed a repeatable and effective approach to capturing operational synergies in its high-volume acquisition environment. Synergy realization is enabled by an alignment process that connects strategic intent, integration approach, and operational execution at every stage. Acquisitions are linked to both corporate and local business strategies, ensuring top-down and bottom-up strategic alignment that drives decision-making through the integration lifecycle. Company A adapts its integration model to reflect the customer context, whether pursuing full system integration for rapid cost efficiencies or applying a lighter, standalone approach when customer relationships require stability. This with strong governance contributes to successful outcomes. A dedicated PMO structure, and regular synergy tracking at the executive level secure accountability and allow for course-correction in strategy if needed. Company A prioritizes cost and operational efficiencies to unlock fixed-cost reductions and productivity gains. These are mainly predictable because the company acquires similar businesses. Because M&A volumes are large, the risk management is continuously done by reassessing revenue, monitoring churns, and modifying integration tactics when needed to protect business continuity. According to the Company

A findings, strategic alignment and compatible businesses are the foundational driver of operational synergy realization in post-acquisition integration.

4.3 Case Study 2

The second case study delves into the experience of Company B, a renewable energy private equity investor. The interviewee, a member of Company B's investment and transaction team, provided extensive insights into how the firm approaches projects, later transactions, identifies synergies, and manages integration processes associated with asset sales, carve-outs, and restructuring activities. Interviewee from Company B has been working primarily on the sell-side aspect and focusing on due diligence and restructuring projects that compliment Company B's growth strategy in the renewable energy private equity sector. He emphasized that deals at Company B occur globally and are usually time-consuming projects that involve third parties for legal advisory.

Company B's transactions primarily involve project-level acquisitions and exits, rather than full corporate takeovers, the structure of these deals contains comparable integration, synergy, and strategic alignment dynamics that this thesis overlooks. The insights therefore offer valuable contributions to understanding how strategic alignment affects synergy realization in post-acquisition contexts more broadly.

Company B's transaction strategy is a clear and rigid fund-level investment strategy. This exit-driven strategy functions as the central "playbook," guiding all decisions and determining which deals align with Company B's objectives which are all mainly pointing towards growth. Successful exits depend less on long-term operational integration and more on meeting value-creation and return expectations, such as maintaining target internal rates of return (IRR) or money-multiple levels.

"Assets are acquired, developed, operated, and eventually exited at the end of a fund's lifecycle. The company's "core strategy" is to generate value through project development and fund raising and then exit the assets toward the end of the fund term which varies in time, but an example is 10 years. The company's main priority is to make successful and profitable exits, since poor exit performance would damage fundraising ability for future funds." (Interviewee, Company B)

4.3.1 Strategic Alignment

Because Company B sells energy assets rather than entire operating firms, strategic alignment emerges primarily in how the asset fits the buyer's portfolio. The interviewee noted that many buyers, such as utilities or specialized renewable energy investors, pursue clear strategic motives. This means

growing their domestic renewable portfolios or obtaining project-level cash flows. In such cases, alignment is naturally high, lowering uncertainty and accelerating transactions.

In Company B's case, strategic alignment influences synergies mainly through resource allocation. When Company B successfully exits an asset, operational synergies emerge internally. This means that operationally teams can redirect time and expertise toward higher-value activities and funds. The interviewee stressed that divesting underperforming assets freed time for other things that perform well and enabled the fund to improve the overall performance of its remaining portfolio. From Company B's standpoint as seller, alignment focuses on whether the sale advances fund-level goals, frees resources in the company, and removes underperforming assets. For example, the interviewee described situations where a problematic asset consumed disproportionate internal resources and selling it even at only a "one-to-one money multiple" was fully aligned with strategic objectives because it freed capacity to focus on better-performing projects.

A *one-to-one multiple* describes a situation in which the amount received from the sale of an asset is equal to the amount originally invested in it. In practical terms, this means the investor breaks even, and no financial gain is generated, but no financial loss is incurred either. For example, if a fund invests €100 million in a project and later sells it for exactly €100 million, the outcome represents a one-to-one multiple. In the context of the interview, the concept was used to illustrate that, for Company B, divesting a poorly performing asset at a one-to-one multiple can still be strategically desirable.

"When an asset becomes problematic and begins consuming an inconsistent amount of our time, divesting it can free resources for activities that genuinely perform well and result in growth. In some cases, you simply want to exit a poorly performing asset even at a one-to-one multiple, because at that point the priority is ensuring that our track record does not decline unnecessarily. When there has been a strategic mismatch or poor decision-making around valuation, the entire process can slow down significantly, and destroy value rather than preserve it." (Interviewee, Company B)

Therefore, one can say that the mismatches in valuations of the assets and strategic expectations between seller and buyer can slow or prevent synergy realization. The interviewee described cases where buyers demanded unrealistic valuations or delayed decisions, leading to postponed exits and lost opportunities in synergy realization and strategic alignment. The following is an example on how strategic alignment decelerated synergies from happening as a deal result.

“One example I would like to share was a deal that involved a buyer who refused a reasonable indicative offer, hoping for a significantly higher valuation. This ultimately resulted in months of delay and a lower achievable price later-on, thus decelerating the transaction and worsening the synergy outcome and the deal drags on forever.” (Interviewee, Company B)

Another strong deceleration example was the sale of an asset to a foreign investor over 7 years ago. Company B remained responsible for technical and commercial management (TCM) after the sale of the asset. This arrangement was intended to generate ongoing service revenue for Company B as a synergy, but the buyer’s differing time zone created substantial resource burdens and has through years hindered the alignment and integration as the technical management is still on Company B’s desk. The interviewee shared that the synergy planning process should have been clearer and more timed in efficient ways to reach the milestones.

“This is a challenge that has created synergies but not to its fullest thought potential. Today alone, a many hour-long call with the foreign buyer team consumed multiple Company B’s senior employees’ time from other projects. This illustrates how misaligned expectations and strategies can reduce operational efficiency and delay synergy realization even after nearly 10 years of the deal. Better planning and synergy mapping should have been done.” (Interviewee, Company B)

4.3.2 Synergies

The interviewee emphasized that potential synergies in Company B’s deals are typically recognized already during the due diligence process, particularly when assessing whether Company B should continue providing technical and commercial management (TCM) services after the sale. According to the interviewee, ongoing involvement has often been viewed as mutually beneficial, which means that Company B can support the asset operationally while securing supplementary service revenue. This arrangement effectively transforms what would otherwise be a straightforward divestment into a long-term cooperation with the acquiring party, thereby creating a form of post-transaction operational synergy that needs throughout planning and clear communication.

In addition to service provision, Company B evaluates how different contractual structures, such as power purchase agreements (PPAs) or financing arrangements may restrict, enable, or complicate synergy realization. As these factors affect operational performance, they are routinely examined at early transaction stages. The interviewee noted that such considerations may significantly influence buyer interest, valuation outcomes, and the general feasibility of integration.

“One synergy we often identify is that we can stay on as the TCM provider. We have the expertise, and it is valuable for both sides.” (Interviewee, Company B)

When asked about operational similarities that facilitated synergies, the interviewee shared that a key mechanism supporting the realization of synergies is the alignment of operational capabilities between Company B, hereby the sell-side and the acquiring party. For example, when the buyer has its own TCM resources, the operational transition is considerably smoother, as expertise becomes “centralized in-house”, and the handover process is more efficient. Shared operational models reduce the need for Company B to remain heavily involved in day-to-day operations, and thus promote faster realization of the intended efficiencies following the asset transfer. The interviewee stated that most of the deal activity regarding Company B happens worldwide, and that geographical familiarity also affects synergy realization.

“When both buyer and seller are active within the same markets, the existence of established networks, such as local service providers, financial institutions, or specialist consultants, can facilitate operational continuity. If we know the good service providers, the banks, the existing TCM teams in a country where the deal is directed it is a huge efficiency.” (Interviewee, Company B)

These pre-existing relationships create clear synergies by reducing the learning curve and uncertainty associated with operational transfer. This implies that synergy realization is not only a product of strategic intention but also embedded in the practical availability of compatible operational infrastructures.

The interviewee further shared an example of successfully strategized and realized synergy. The continuation of TCM services after exit was identified as a concrete synergy that Company B has been able to plan and execute effectively across several transactions. The arrangement benefits both parties. The buyer receives operational expertise that may not be readily available internally, whereas Company B generates continuous service income in revenue synergy while safeguarding the performance of the asset during its early post-sale phase.

“This synergy is not merely opportunistic, but systematically planned as part of the transaction process. It gives us revenue after the deal as well as the valuation of the asset that was bought from us. What can be complicated to know prior is to what extent the service needs to be given, but we evaluate it in the pre-deal phase well. If we outsource things too fast and do not consider the resources, we might make a mistake that no one will benefit from.” (Interviewee, Company B)

On the other hand, synergies that were not identified, realized and later failed in the process were not materialized as intended. One example discussed by the interviewee involved the adoption of Base Load Power Purchase Agreements (PPAs) in earlier projects. These contractual structures obliged the project to deliver fixed electricity volumes irrespective of actual production capacity, thereby exposing the asset to significant financial risk and ultimately undermining valuation. The interviewee noted that this structure later proved problematic and required Company B to compensate the PPA counterparty, reducing the final equity value received and negatively affecting the overall transaction outcome. In this instance, the failure to anticipate the long-term implications of the PPA design resulted directly in synergy erosion. A Base Load PPA is a specific type of electricity offtake contract in which the seller agrees to deliver a fixed and predetermined amount of electricity to the buyer during a given period, regardless of the actual production of the generation asset. The project commits to selling and delivering a constant “base load” volume of electricity, even if the wind or solar plant does not actually produce that volume during the contract period.

“The Base Load PPA has been a clear failure because renewable energy projects produce variable output depending on weather conditions, this fixed-delivery obligation can create financial risk, especially during low-production periods, forcing the project owner to buy expensive electricity to meet the contracted volume. It exposes us to huge risks if production is low, and buyers really do not like it. In one exit we realized the Base Load PPA lowered the value because we had to pay the break fee at closing. It directly cut the equity value we received.” (Interviewee, Company B)

Another failed synergy was linked to outsourcing TCM to local providers in a global deal. Although such outsourcing was initially considered beneficial due to local expertise, the interviewee explained that the expertise could not fully be responsible, forcing Company B to intervene considerably more than originally planned. Rather than relieving internal resources, the arrangement increased operational burden and weakened the intended synergy gains. These examples illustrate the risks associated with optimistic assumptions regarding external partners or contract structures that may appear strategically reasonable at the due diligence and planning stage but prove misaligned synergy realization when executed and integrated in practice.

“In a global deal we outsourced TCM to another team overseas because we thought it would benefit from the local help more and realize the awaited synergies quicker. This was sadly not the case, and we ended up needing to step in much more than expected, undermining expected efficiency gains of the asset deal.” (Interviewee, Company B)

4.3.3 Integration Strategies

In Company B' transactions, integration strategies are primarily designed to ensure operational continuity, preserve the asset value, and support the realization of synergies identified both during due diligence and integration phase of the asset deal. As Company B operates within the renewable energy investment domain and typically sells project-level entities rather than entire corporations, integration is more about designing functional arrangements that maintain performance once ownership shifts. This context makes the post-acquisition integration phase highly dependent on effective division of responsibilities and the presence of operational expertise on sell-side and buy-side of the transaction.

A central integration mechanism highlighted by the interviewee multiple times was the continuation of Company B's involvement through technical and commercial management (TCM) agreements, that could also be seen as a synergy. As a recapture of the agreement in this context it means, that instead of withdrawing from the asset after sale, Company B frequently remains responsible for day-to-day operational supervision and acts as an operator while the new owner assumes the role of capital provider. This approach minimizes operational disruptions during ownership transfer and supports the buy-side's ability to run the asset effectively from the outset.

“Continuing as the TCM provider after selling the asset is a big part of our integration strategy. It keeps operations stable and brings us recurring revenue.” (Interviewee, Company B)

In addition to TCM support, Company B employs a series of standardized processes. These include structured data rooms, comprehensive due diligence reporting, and established project finance models that facilitate transparent and efficient handovers in the later deal phase. By ensuring that the buy-side receives reliable and standardized documentation on technical, financial, and regulatory aspects of the asset, Company B minimizes post-transaction uncertainty and supports a smoother integration phase. Although such measures are not conventionally labelled “integration strategies,” they are clearly embedded within Company B's transactional logic and serve integration-related functions that can be interpreted in the context of this thesis.

With TCM being one of the main integration strategies on the operational and revenue side, the interviewee emphasized that continued TCM involvement has been particularly effective in facilitating the intended synergies between the parties. As he explained, remaining operationally involved provides Company B with opportunities to secure additional income and simultaneously ensures that the project continues to function according to technical expectations. This dual benefit

suggests that the strategy operates as a service provision arrangement and as a practical method of safeguarding the operational performance of the asset during the transition.

Integration processes have been supported by Company B's centralized expertise across project financing and development procedures. Because such capabilities are embedded at the organizational level rather than tied to individual projects, they enhance consistency across transactions and contribute to the reduction of post-acquisition risk for buy-side. These internal competencies can be viewed as an organizational resource that underpins the company's ability to execute integration tasks efficiently and with a cohesive playbook that delivers the main strategy, where transactions primarily involve project acquisitions and exits, rather than full corporate takeovers.

"It's basically technical and commercial management so we handle the practical operation even though we no longer own the asset. In many cases, having us continue the operational side is actually valuable for the buy-side, because they don't necessarily have the local expertise to run the project immediately after closing and require the help of us. This has many similarities to a carve-out project." (Interviewee, Company B)

Despite the effectiveness of some strategies, several integration strategies that did not deliver the expected synergies. The interviewee pointed out that, although TCM continuation is profitable, it can simultaneously become a resource burden. Specifically, the foreign transaction talked about in this case study illustrates how ongoing obligations to the buyer may require extensive managerial involvement even years after the sale, consuming time that could otherwise be directed toward activities offering greater value to the fund. In these instances, the integration effectively preserved asset performance, but at the expense of internal resource allocation and strategic focus.

"Even though some of these assets were sold years ago, we continue to deal with operational questions and technical issues because of the TCM agreement. At times we spend so much effort in follow-up calls and addressing day-to-day operational concerns that we are not focusing on activities which could create more value elsewhere in the fund. At that point, we really must question whether it makes sense for us to remain so deeply involved, even if the arrangement generates revenue." (Interviewee, Company B)

A second integration strategy that proved less successful was the outsourcing of TCM responsibilities to local providers in foreign markets. Outsourcing was based on the assumption that local operators would possess superior on-the-ground knowledge. The interviewee noted that in practice it led to

increased intervention from Company B and undermining the intended efficiency gains. The strategy failed because of executional limitations and insufficient partner capabilities.

“On paper the integration strategy can look entirely logical, especially when we assume that an external partner will provide the necessary technical capabilities. However, if that partner is not able to deliver the operational side as expected, we end up taking responsibility anyway. In those cases, we realize only during implementation that the strategy which seemed sensible during planning does not actually work in practice in the way we imagined.” (Interviewee, Company B)

Company B operates mainly through asset and project-level transactions, but M&A dynamics emerge in the coordination of responsibilities and the management of post-transaction operations. Evidence show that synergies are most successfully realized when strategic objectives, operational capabilities, and contractual arrangements are aligned in a way that enables a smooth handover and leverages Company B’s technical expertise, through continued involvement in well-planned TCM activities. Integration strategies that are logical at the planning may fail if external partners lack the capabilities, or if ongoing obligations impose resource burdens. The findings highlight that synergy realization depends on how post-acquisition integration is structured, governed, and executed in practice within the specific strategic logic of renewable energy investment.

4.4 Case Study 3

The third case study examines the deal experience of Company C, a Nordic digital services and software company formed through a strategic merger. The interviewee, a member of Company C’s M&A and integration team, provided detailed insights into how the company approaches acquisitions, integration processes, and synergy realization from a buy-side perspective. The interviewee has been primarily involved in post-merger integration, focusing on governance, operational alignment, and the execution of synergy initiatives following large-scale strategic transactions in the Nordic IT services sector. Even though each M&A is an unique case, the interviewee highlighted that Company C’s M&A activities are typically complex, multi-stakeholder processes that require extensive coordination across business units, as well as involvement of external advisors in legal, financial, and operational matters to handle a risky merger.

This case study will focus on a specific Company C’s deal, that represented a full-scale corporate merger between two strategically similar firms operating in the same industry and geographic markets. The merger resulted from a joint decision and agreement by their respective Boards of Directors, rather than from a unilateral initiative by either party alone. Despite differences in

transaction structure, the integration challenges, synergy dynamics, and strategic alignment considerations present in this case offer meaningful insights into how alignment between merging firms influences post-acquisition performance and synergy realization more broadly.

Interviewee's experience with M&A is wide. Interviewee has prior experience with multiple M&A integrations, primarily within the IT services sector, where value creation typically derives from operational efficiency, standardization of delivery models, and consolidation of overlapping functions. However, the case deal differed in scale and complexity due to its nature as a cross-border statutory merger between two large, strategically similar firms with significant overlap in markets and public-sector customers. The interviewee highlighted that while the mechanics of integration were familiar, the breadth of integration and the need to balance efficiency with customer continuity made this case particularly complex and instructive. This involved establishing an integration management office, defining synergy workstreams, clarifying leadership decision rights, and monitoring the realization of planned synergies, longitudinally.

4.4.1 Strategic Alignment

The interviewee shared that the deal talked about, was between strategically compatible firms. Strategic alignment between Company C and other merging company emerged as a central factor shaping the integration process and the realization of post-merger synergies. From the outset, the transaction was framed not as a diversification move but as a consolidation within the digital services market, bringing together two firms with highly similar business models, customer segments, and geographic footprints. The interviewee emphasized that Company C's overarching M&A strategy focused on scaling in core digital services, strengthening delivery capabilities, and enhancing competitiveness in the Nordic region. Within this context, the merger between Company C and the other company was perceived as a natural strategic fit rather than an opportunistic acquisition, as both companies served public and private sector clients with comparable service portfolios, including IT and cloud solutions.

“We follow a clear vision with M&A actions. The merger with another company was very much in line with our broader strategy of building a stronger Nordic digital services platform. This was not a deal for the sake of growth, but a move to deepen our core capabilities and scale in markets where both companies were already strong.” (Interviewee, Company C)

As there were multiple strategic similarities, they needed to be well aligned and prioritized during the integration process. The interviewee shared, that during integration, strategic priorities were aligned

through a clearly defined target operating model and a shared set of guiding principles that prioritized customer continuity, operational standardization, and long-term competitiveness. Rather than allowing integration decisions to be driven purely by short-term cost considerations, leadership framed synergy initiatives as enablers of strategic positioning and future investment capacity to be fulfilled selectively and thoroughly to not miss out on value. The interviewee noted that this alignment reduced internal resistance and facilitated coordinated decision-making across business units, as both legacy organizations were working toward a common vision of becoming a leading Nordic digital services provider.

“We tried to anchor everything in a few shared principles. Some of that was around customer continuity, we wanted to have no surprises in delivery. Also building a roadmap on one common operating model and using synergies to fund future competitiveness. That helped both sides see integration not as a takeover, but as building something better together. This involved everyone and built shared trust.” (Interviewee, Company C)

When asked about how the strategic alignment affected the ability to realize operational synergies, the interviewee shared thoughts on how alignment accelerated and decelerated synergy creation. The level of strategic alignment between Company C and other company had a clear influence on how fast and how smoothly synergies could be realized. In areas where the two companies were strongly aligned the integration moved relatively quickly. Because both organizations largely operated in similar ways and shared the same strategic logic, it was easier to consolidate teams, standardize processes, and eliminate overlaps without major disruption. In these areas, alignment acted almost like a glue for integration, making it more efficient and less conflict driven. When asked about an example where alignment decelerated synergy realization, interviewee stated again that alignment did not mean that everything was integrated at the same speed. In situations with big strategic priority, such as protecting customer relationships or ensuring service stability, integration was intentionally slowed down.

“Because we broadly agreed on what the combined company should become, it was easier to make tough decisions about standardization and consolidation. People were more willing to accept changes when they clearly supported the overall strategy. this was particularly true in customer-critical systems and public-sector contracts, where any mistakes or rushed changes could have serious consequences. Instead of pushing for immediate cost savings, leadership chose to take a more cautious approach, even if it meant delaying certain synergies.” (Interviewee, Company C)

This shows that strategic alignment was not just about moving fast, but about making more thoughtful decisions regarding what to integrate, when, and in what order. The role of strategic alignment played a huge part in the M&A integration.

“The fact that Company C and the other company were so similar strategically was a major advantage for us. We were not trying to merge fundamentally different businesses, which reduced friction and made the whole integration more about execution than about redefining strategy. Even though integrations are never easy, this one was kind of straightforward, because the merging entities were already on the same path.” (Interviewee, Company C)

4.4.2 Synergies

The identified synergies between Company C’s and other company’s merger played a central role in the motivation for the merger, its execution and later integration phase. According to the Interviewee, potential synergies were mapped during the pre-deal phase using a structured approach that compared overlapping functions, delivery models, investment portfolios, and cost structures between the two companies. This early assessment focused primarily cutting costs through operational synergies, particularly in areas such as corporate functions, service delivery, procurement, and systems standardization. However, the interviewee emphasized that pre-deal estimates were only starting points, and that real validation of synergies required detailed, bottom-up analysis after the deal closed, involving business unit leaders and functional experts from both organizations available for negotiations on how to move further in the process.

“Before closing, we had a structured synergy model where we mapped overlaps in functions, delivery, and investments, so that they would not cannibalize the existing ones. But the real work started after close, when each business unit had to confirm what was actually possible and commit to concrete actions with own plan, timeline and goals to be measured through performance meters.” (Interviewee, Company C)

When asked about operational similarities between the companies, that facilitated the synergy realization phase, the interviewee shared that the high degree of operational similarity between Company C and other company significantly enhanced synergy realization. Both firms operated within the same IT services ecosystem, served similar customer segments, and followed comparable delivery and sales models. This made it easier to align existing processes, consolidate roles, and implement common ways of working across the combined entity. The companies already shared

common suppliers and other stakeholders, so instead of there being many, the merger was done to strengthen and strategize operations and grow in the Nordic market as a main objective.

“Such similarities reduced the complexity of integration, as we did not need to fundamentally redesign business models from scratch but rather optimize and scale existing ones for bigger, better and more resilient. The joint way of operating was already there, so we only had to implement it in practice.” (Interviewee, Company C)

The strategic commonalities were of great benefit in this deal case, and so the interviewee shared examples of successfully identified and realized synergies. A clear example of successfully identified and realized synergies was the consolidation of corporate functions and overhead costs in the deal. By streamlining governance structures, merging similar teams, and standardizing internal processes, nowadays Company C was able to capture significant SG&A efficiencies while maintaining operational stability. SG&A are the company’s operating expenses, also known as selling, general and administrative expenses, i.e., the costs of doing business. They include rent and utilities, marketing and advertising, sales and accounting, management, and administrative salaries. These savings were not viewed merely as cost-cutting measures, but to free up resources for new entity’s future investments in digital capabilities and talent development.

“One of the clearest wins was in corporate functions and overhead. By removing duplicate roles and harmonizing processes, we achieved real cost efficiencies that also allowed us to reinvest in our services, people, and development. Our operating expenses were smaller compared to the size of our new entity, therefore we knew the integration was going as supposed and we were getting the hoped synergies. With these types of successes, it is a big motivation for the new organization and one less puzzle piece to be worried about in terms of synergy realization goals.” (Interviewee, Company C)

In contrast, some anticipated synergies proved more difficult to achieve than initially expected, particularly around revenue synergies through cross-selling purposes. While the strategic rationale suggested that Company C and the other company could easily sell each other’s services to their compatible customer bases, the practical execution was more challenging. Even though the processes of selling services and software to customers were similar in both companies, differences in pricing structures, account management incentives, and portfolio packaging limited the effectiveness of early cross-selling efforts. This resulted as an acknowledged process to be fixed in the near future of a newly functioning entity to generate more revenue. This failed synergy realization example demonstrated that capturing revenue synergies through cross-selling requires strategic alignment and

deep operational integration of processes, pricing, and account management before they can be fully realized in the market.

“On paper the cross-selling logic appeared straightforward, as both companies had strong customer relationships in similar markets and complementary service offerings. However, in practice, revenue synergies proved more difficult to realize than anticipated. One key reason was that the commercial foundations were not yet fully aligned, sales incentives remained tied to legacy business units, limiting motivation to promote offerings originating from the other organization, while the service portfolio had not been fully harmonized, making it challenging for sales teams to present a clear and unified value proposition. Also, delivery readiness across legacy boundaries was complex, which made sales teams cautious in committing to cross-selling opportunities. These challenges became evident through slower-than-expected pipeline development.” (Interviewee, Company C)

Overall, the interviewee characterized the synergy realization process as an iterative and learning-driven effort that should be looked at longitudinally rather than a one-time execution of pre-defined targets. While cost and operational synergies were largely achievable due to strategic and operational similarity, revenue synergies required more time, coordination, and alignment across the organization.

4.4.3 Integration Strategies

Post-acquisition integrations in Company C’s deals as well as in the merger of Company C and the other company was approached as a structured and phased process with the main objective of growing in the Nordics, realizing synergies while safeguarding business continuity. According to the interviewee from Company C, integration was treated as a disciplined transformation program with clearly defined governance, responsibilities, and timelines. A formal Integration Management Office (IMO) was established to coordinate activities across business units and functions, ensure transparency in decision-making, and monitor progress against predefined synergy targets. This structure enabled the organization to manage the complexity of a large-scale, cross-border merger while maintaining control over execution and not getting lost in the process.

“We treated integration as a structured program, not just something that would happen organically. The scale of the merger required clear governance, ownership, and constant follow-up. The IMO was essential in keeping everything coordinated. It gave us visibility across workstreams and ensured that synergy targets were actually translated into actions.” (Interviewee, Company C)

The discussion of integration strategies, and especially what integration strategies were applied to capture synergies involved many interesting, even repetitive insights to synergy planning and operating integration with many strategic commonalities. A key integration strategy also involved defining a clear target operating model early in the process. This model clarified how the combined organization would be structured, how decision rights would be allocated, and how services would be delivered across countries and customer segments, just like in synergy realization, where everything is parted and phased. By anchoring integration decisions about the level of integration to the target operating model, leadership was able to reduce uncertainty and avoid extended debates between prior organizations. The interviewee shared that this approach helped shift discussions from “*whose way is better*” to “*what best supports the new future company,*” which proved essential in accelerating alignment, shared trust in operation and later execution as the result was a full merger.

Another important integration strategy after the merger was the deliberate sequencing of integration initiatives. Rather than attempting to integrate all areas simultaneously, the newly formed company prioritized high-confidence synergies with limited customer risk, such as corporate functions, procurement, and other internal processes. Complex or customer-critical areas, particularly systems, platforms, and public-sector contracts were integrated at a slower pace because of larger customer groups, and possible challenges with platform maintenance in different user environments. This timeline staged approach reflected a conscious decision between speed and risk, recognizing that aggressive integration could jeopardize service quality and customer trust if not carefully managed. In the worst-case this could result in customer churn, risked reputation, and other cyber security maintenance issues.

“Integration must be slow in customer-critical areas. We intentionally slowed down integration to reduce risks, even if it meant delaying some synergies. But after doing it safely and successfully the areas were up and running and generating us revenue. Better later than never would be a great phrase to add here to conclude.” (Interviewee, Company C)

Despite these structured strategies leading to a full merger between Company C and the other company, not all integration approaches delivered the expected results. The interviewee highlighted that certain initiatives assumed a higher level of organizational readiness than actually existed, particularly in areas requiring cross-unit collaboration and cultural change. Efforts to rapidly harmonize systems or encourage spontaneous collaboration across legacy boundaries occasionally encountered resistance. It indicated that integration capacity is limited. These experiences reinforced

the importance of balancing ambition with realism and adjusting integration strategies based on continuous feedback from the organization.

“Some of our integration strategies were built on the assumption that people and teams would be ready to collaborate immediately across legacy boundaries, but in reality, that readiness was overestimated. Even though strategic alignment existed at the leadership level, teams on the ground were still coping with uncertainty around changing priorities, which naturally made collaboration slower than expected. Over time, we noticed signs of integration fatigue, particularly in initiatives that required intensive cross-unit cooperation. This experience made it clear that integration capacity is inherently limited, as organizations can only absorb a certain amount of change at any given time, regardless of how well the integration plan is designed. We slowed down, re-prioritized, sequenced integration activities more carefully. After we ended up recognizing that actively managing integration capacity was just as critical as defining the overall integration strategy of the deal.”

(Interviewee, Company C)

The findings in Case Study 3, highlight that synergy realization depends on how integration is structured, maintained to meet the needs, and executed in practice between two firms that share same strategic logic. In addition, the interviewee emphasized that successful integration relied on clear prioritization, and the ability to adapt strategies as the integration progressed. The combination of formal governance, strategic sequencing, and flexibility allowed Company C to progress toward its deal objectives while maintaining operational stability and continuity.

4.5 Case Study 4

Company D is a toy importer and wholesaler operating primarily in the B2B market in the Nordics, with growing activities in direct-to-consumer channels. Prior to the acquisition examined in this case study, Company D was a family-owned firm with approximately 20 employees and strong financial performance, characterized by high EBITDA margins, a solid balance sheet, and a data-driven operating model. The interviewee, Company D’s prior CEO, now Member of Board emphasized that the acquisition formed part of Company D’s broader growth strategy, which aimed to expand geographically within the Nordic markets, diversify the product portfolio, reduce dependency on key principals and individuals, and achieve growth through both organic and inorganic means. The acquired company (hereafter “the target company”) operated in Finland, in a closely related product category with party and event-related products, employed approximately 50–60 people, and had a more internally managed operational structure.

According to the interviewee, Company D pursued a clearly articulated M&A strategy prior to the transaction. The strategy emphasized the M&A decisions to be centralized around companies that operated in adjacent product categories, served overlapping customer segments, and offered opportunities for both revenue growth and operational scale. The acquisition was explicitly aligned with Company D's long-term strategic objectives and M&A strategy, which in this case included market expansion to more Nordic countries, product portfolio diversification, and improved risk distribution across seasons and customer segments for possibility of cross-selling.

“Our business was mainly focused on Finland and wholesale operations, so international expansion, especially in the Nordics, was clearly on the agenda. The acquisition of the target company was not just about growth in numbers, but about building a more diversified and resilient business. By combining the businesses, we could spread risk better instead of being dependent on just a few high seasons.” (Interviewee, Company D)

As background and motivation for the acquisition, the interviewee highlighted that the acquisition was not opportunistic but embedded in a broader value creation plan that included quantified synergy targets, a strategic roadmap, and a detailed 100-day post-acquisition plan. Strategic alignment was therefore formally established at the planning stage with a comprehensive business plan.

4.5.1 Strategic Alignment

The interviewee described how strategic priorities were aligned between the acquiring and acquired companies during the integration process. Despite clear strategic fit at a high level, achieving alignment between the acquiring and acquired companies during the post-acquisition integration phase proved more challenging than anticipated.

Company D had, prior to the acquisition, structured its operations around a lean and scalable model, in which non-core functions such as logistics, information technology, and financial administration were outsourced. This approach enabled a focus on core commercial activities, including sales, sourcing, and marketing, while supporting data-driven decision-making and standardized reporting practices. In contrast, the acquired company followed a different operational logic. Most functions were managed internally, and processes relied on manual practices and informal routines. This consumed significant managerial and employee time. While this model reflected the company's family-business background and emphasis on flexibility and self-sufficiency, it was less compatible with Company D's more systemized and efficiency-driven way of working.

“Strategically, the fit was obvious, and these structural and operational differences were identified during the due diligence process. But in hindsight we underestimated how different the two operating models actually were. The focus during the transaction phase remained largely on strategic objectives, financial performance, and synergy potential, while less attention was paid to how deeply embedded operational routines and ways of working would affect day-to-day integration” (Interviewee, Company D)

As a consequence, Company D and the target company continued to operate as separate entities for an extended period following the acquisition. This prolonged separation led to fragmented execution, as processes, responsibilities, and decision-making remained only partially aligned. The lack of early and decisive operational integration contributed to the emergence of parallel practices and weakened the development of shared priorities and a common organizational identity.

When asked about how the situation affected the realization of synergies, the interviewee shared, that this delay in aligning operating models ultimately slowed the realization of planned synergies and highlighted the critical role of operational alignment in translating strategic intent into tangible post-acquisition outcomes. Where alignment was clear and actively managed, particularly in sales, customer targeting, and product portfolio expansion, synergies materialized relatively quickly. On the other hand, in areas where alignment weakened, such as leadership focus and operational execution, synergy realization slowed significantly. The interviewee added that during the integration phase they identified a critical period, during which strategic attention shifted toward further acquisitions in the competitive landscape instead of stabilizing and integrating the existing businesses. This deceleration in strategic alignment delayed the realization of planned synergies and negatively affected financial performance.

“From the beginning, the acquisition was part of a broader strategy. We had defined where we wanted to grow, both geographically and in terms of product categories, and this deal fitted that plan very clearly. Looking back, one critical mistake was that we shifted focus too early towards new inorganic growth opportunities instead of making sure that the existing integration was fully aligned and functioning. When strategic alignment weakened, synergy realization slowed down immediately. It became very clear that strategy only works if it is actively led and followed through.” (Interviewee, Company D)

4.5.2 Synergies

Potential synergies were identified both prior to and during the integration process through strategic planning, due diligence analyses, and the development of a value creation plan. Even though, the operational differences have been introduced in this case study, the commonalities in customers and sales logic enabled effective cross-selling and made Company D a more attractive and strategically important supplier to key customers. These synergies were linked to specific initiatives, particularly in sales expansion, cross-selling, centralized administrative functions, and shared systems between integrated companies.

The interviewee shared that one clearly identified and successfully realized synergy was product portfolio expansion through cross-selling. By combining the product ranges, Company D was able to offer a broader assortment to existing customers. The interviewee cited an example from the Swedish market, where Company D evolved from a marginal supplier into the primary supplier for a major retail chain's seasonal product category, something neither company could have achieved independently. Another successful synergy was the centralization and outsourcing of logistics operations. Transferring logistics personnel and operations to an external logistics partner reduced cost volatility, improved scalability, and allowed internal resources to focus on core commercial activities.

“The clearest synergy was product portfolio expansion. We were suddenly able to sell a much broader assortment to the same customers. In Sweden, for example, we went from being almost a supplier that was never heard of, to managing an entire seasonal category for a major retail chain. Neither company could have achieved that alone. It only became possible once the portfolios and customer relationships were combined. Adding to that more operative, administrative and IT synergies were also obvious, especially once ERP systems were integrated and reporting was centralized.” (Interviewee, Company D)

In addition to the successful synergies, a significant area in which anticipated synergies failed to fully materialize concerned the integration of organizational routines and managerial practices. While the acquisition plan included clear intentions to harmonize ways of working and decision-making processes, these changes were not enforced early enough. The interviewee described how both organizations continued to rely on legacy practices, which limited cross-organizational learning and prevented the emergence of shared operational standards. As a result, employees tended to prioritize familiar internal processes over newly defined group-level practices, weakening the intended

efficiency gains. Although physical co-location, new CEO and functional integration were planned early on, their delayed execution hindered collaboration and slowed synergy capture.

A further unrealized synergy related to the reduction of key-person dependency. One of the strategic objectives of the acquisition was to build a more resilient organization that would rely less on individual expertise and knowledge. This dependency was not systematically addressed during integration. According to the interviewee, responsibility and authority remained concentrated around a small number of individuals, which contradicted the original strategic intent. This misalignment organizational behavior delayed the realization of structural synergies.

4.5.3 Integration Strategies

Company D adopted a phased integration strategy, combining elements of preservation and absorption. Operational continuity was prioritized to avoid disruption, while selected functions such as finance, IT, and reporting were gradually integrated. However, the interviewee later reflected that this approach may have been overly cautious given the level of interdependence required to realize synergies.

“Initially, we chose a relatively cautious integration approach to avoid disrupting daily operations. But that was good to safeguard where value was already established. But this could have been done without allowing the two companies to remain separate for too long, both culturally and operationally.” (Interviewee, Company D)

The interviewee emphasized that the integration strategies that proved most effective were those that established clarity in roles and decision-making, while simultaneously enforcing accountability and shared operating principles across the combined organization. Although several integration initiatives had been planned early in the acquisition process, their impact only became visible once they were implemented decisively and consistently across both companies. A key enabling factor for effective integration was the centralization of financial reporting and performance monitoring. By introducing unified reporting structures and financial metrics, Company D gained improved transparency over operational performance across the combined entity. According to the interviewee, this enhanced visibility made it possible to identify deviations, inefficiencies, and prioritize actions more effectively. Centralized reporting also reduced information asymmetries between management and the board, strengthening governance and facilitating more informed decision-making.

“Some things are very concrete: different email addresses, separate offices, separate ways of working even small things slow down integration if they last too long. Once we centralized finance, reporting,

and systems, and physically brought people together, things started to move much faster. Outsourcing logistics was a major step. It reduced operational risk and allowed us to focus on what we actually do best.” (Interviewee, Company D)

Examining the integration strategies that did not deliver expected results, the interviewee noted that reliance on leadership continuity without sufficient monitoring was a critical misstep. The assumption that integration would progress naturally without strong operational leadership proved incorrect. Strategic alignment deteriorated when leadership failed to execute agreed plans, demonstrating that even well-designed strategies require active governance and enforcement.

“This was our first larger integration of this kind, so a lot of learning happened during the process. A big issue was leadership. Even with good plans, nothing happens if execution is not actively followed and required. In the end, it became clear that one individual in a key leadership role can significantly accelerate or delay the realization of synergies.” (Interviewee, Company D)

Taken together, these integration strategies created a foundation of alignment that enabled the organization to move from fragmented execution toward coordinated action. Once clarity, accountability, and shared operating principles were established, the realization of planned synergies accelerated markedly, demonstrating the critical role of decisive integration execution in post-acquisition value creation.

4.6 Cross-Case Comparison

This section compares and summarizes the findings of qualitative research study, where Finnish multinational companies were interviewed about their post-acquisition integration and synergy realization process. This chapter focuses on a comprehensive outlook on both sell-side and buy-side actors and compares the situation from both viewpoints. The comparison is done with the research questions that this whole study aims to answer, by using knowledge from the interviews done for the empirical research.

Underneath is a table that summarizes this study’s findings and compares them across companies. The objective of this table is to highlight similarities and summarize the empirical findings to an applicable form. The table insights are gathered through color and number coding, by words and by their suitability as an answer for the research question. The table is presented first, after which the synthesis from table continues in chapter 4.6.1, drawing together similarities and differences in text.

Table 4 Cross-Case Comparison Table

Research questions	Company A	Company B	Company C	Company D
How does strategic alignment influence the realization of operational synergies during the post-acquisition integration phase?	Strong alignment between acquisition targets and country strategy enables faster integration into systems, processes, and service models, which drives cost and process efficiencies. Poor alignment leads to unclear integration direction.	Where alignment is clear, workflows standardize smoothly. Limited strategic alignment creates operational friction, in system integration and decision-making, slowing efficiency.	Alignment around becoming a leading Nordic digital services provider enabled consolidation of delivery, support, and admin functions, supporting large-scale operational synergies.	Operational synergies depended on aligning management and processes between two culturally and structurally different firms. Misalignment in leadership slowed efficiency gains.
What strategic commonalities facilitate synergies?	Shared lifecycle service logic, focus on maintenance base growth, similar customer models, and cross-selling.	Similar business logic, market focus reduced uncertainty and helped employees and customers adapt.	Complementary service portfolios, shared Nordic focus, and digital transformation strategy, common platform	Overlapping customer segments, complementary product ranges, and growth ambitions.
How are synergies strategized?	Synergies are planned early via integration models (full integration vs. standalone), with cost and revenue synergies estimated and tracked post-deal through structured governance.	Synergies were less structured; more emphasis was placed on financial outcomes than detailed post-integration planning, leading to reactive realization	Synergies were quantified pre-merger, with defined cost-saving areas and integration investments, forming a formal synergy realization roadmap.	Synergies were strategized through growth plans, cross-selling strategies, ERP/system harmonization, and consolidation of support functions.
Which integration strategies most effectively drive the realization of synergies in post-acquisition integration?	Choice of full vs. selective integration based on the synergy goal. Strong PMO governance, workstreams, and local accountability ensured synergies were tracked and delivered. Systems integration drove scalable efficiency gains.	Capabilities were centralized to the party best able to scale them. Hybrid setups slowed value capture by consuming management capacity, highlighting the importance of clear integration boundaries.	A formal integration aligned operating model, and cost-synergy targets enabled execution. Consolidating delivery, and admin functions under one structure drove scalable operational efficiencies.	A phased integration, 100-day plan followed by other changes. Consolidation (co-location, resources, outsourcing) and leadership follow-through reduced duplication and supported cross-selling.

4.6.1 Summary of Cross-Case Key Findings

To synthesize the cross-case comparison table, and the main research question, “*how does strategic alignment influence the realization of operational synergies during the post-acquisition integration?*” strategic alignment clearly functioned as an enabler of operational integration, but the depth and formality of alignment differ significantly across all four cases.

A common pattern is that when the acquiring firm had an idea of the target firm’s operational alignment, whether through full integration (Company A), structured consolidation (Company C), or shared support functions (Company D), operational synergies such as process efficiencies and cost savings, were more successfully realized. In these cases, alignment clarified what the end-state should look like, allowing integration teams to make consistent decisions regarding structures and workflows that could be led through changes.

Differences emerged in how this alignment was established. In Company A and Company C, alignment was defined at a strategic and structural level early in the process, guiding integration choices from the outset. In Company D, alignment developed more gradually as organizational differences became visible during integration. In Company B, where strategic alignment was weaker or less formalized, operational integration was slower and more reactive, and efficiency improvements emerged later and less systematically. This mainly happened because of the requirements and regulations in the field of the energy sector that occur differently globally.

Overall, the synthesis suggested that strategic alignment reduced operational uncertainty. Without it, integration teams face uncertainty about which systems to adopt, which processes to standardize, and how to allocate responsibilities, which weakens and post-pones operational synergy realization.

The second question on the table synthesizes strategic commonalities that facilitate synergy realization. Despite operating in different industries and contexts, all four cases show that strategic commonalities between the buy-side and sell-side firms support synergy realization. All companies stated during interviews that strategic commonalities facilitate synergies when they create a logical, understandable reason for integration that can be translated into operational cooperation. The strongest common facilitator across cases was complementarity rather than similarity alone. In each case, synergies were enabled when the firms’ offerings, customer bases, or capabilities could support each other. This included service models (Company A), compatible operational or market focus (Company B), complementary digital and geographic strengths (Company C), and overlapping customer segments with expanded product ranges (Company D). Another shared factor is a common

forward-looking objective. Where both sides recognized a shared future direction, employees and managers could align their decisions around that goal, easing integration and synergy capture.

Differences arise in the degree of pre-existing structural similarity. Company A and Company C benefited from compatible models and processes, which eased integration because they deal target was a similar business. Company D faced greater structural and cultural differences, requiring adjustment before synergies could be realized. Company B fell in between, with strategic logic present but less deeply embedded in organizational structures.

All four cases show that synergies are deliberately planned, though the level of formalization varies, answering the third sub-research question: “How are synergies strategized?” A shared pattern is that synergies were strategized around both cost and revenue dimensions, even if emphasis differed. Companies A and C approached this systematically, defining integration pathways, estimating synergy potential, and linking these to governance structures and tracking mechanisms. Company D also strategized synergies, particularly around cross-selling, system harmonization, and shared functions, but the process was more adaptive and evolved during integration. Company B demonstrated a less structured approach, where financial logic dominated, and post-integration synergy planning was reactive. Differences lie in how early and how precisely these were defined. Companies with earlier and clearer synergy planning due to high M&A volumes and sizes of the company (A and C) appear to have had a more predictable path to realization, while Companies B and D had to refine their synergy strategies during integration. Companies A and C have proven record of earlier M&A activity, and therefore the processes in these big companies had been standardized and done with existing internal M&A guidelines.

Overall, the synthesis shows that the more explicitly synergies are linked to strategy, integration structure, and measurable targets, the more likely they are to move from expectations to realized outcomes.

The last part of the table answers to: “*Which integration strategies most effectively drive synergy realization?*” in more detail. Across the four cases, effective synergy capture depended less on the transaction itself and more on how deliberately integration was designed and managed. A key similarity is that successful cases combined early clarity on the integration model with structured execution mechanisms. In Companies A and C, clearly defined integration approaches, supported by formal programs and governance structures, enabled systematic realization of cost and operational synergies. These guidelines and definitions have been formed through earlier M&A’s in these big companies. In Company D, a smaller company, a phased integration model, linking short-term

operational actions with longer-term transformation supported efficiency gains, revenue synergies and cross-selling. It is important to note that in a smaller company, such as Company D, the focus must be kept on the existing value and selectively integrating further parts. In Company B, synergy realization depended on where capabilities were placed after the deal; when expertise was centralized, synergies improved, but hybrid arrangements often slowed progress. In Company B there was also many stakeholder groups, which both supported but also slowed down the initial synergy realization, because management's attention was so widespread.

The main difference lies in what business the integration was done in, the size of the company that vary in this study and how structured and scalable the integration approach was, as well as the side that the company represented in the integration. Big companies on the buy-side, Companies A and C relied on formal integration governance, systems harmonization, and measurable synergy targets. A smaller buy-side Company D achieved synergies through more incremental operational consolidation and leadership-driven follow-through, mainly because of the smaller size and leadership-driven and delegated workstreams. On the sell-side, a mid-sized Company B showed that when post-deal structures remain mixed or unclear, management attention can be diverted, reducing the extent of synergy realization.

5 Discussion

5.1 Theoretical Implications

To further discuss the role of strategic alignment in post-acquisition integration and its importance in a coherent synergy realization through integration, this chapter integrates the empirical findings of the study with the existing theoretical knowledge, outlining relevant literature and demonstrating how the results align with, extend, or challenge current understanding. This part addresses the three sub-research questions of this study.

To answer the first sub-research question, this study examined, what types of strategic commonalities facilitate the realization of synergies during post-acquisition integration. Out of many statements, one that was highlighted and constantly supported widely in studies and theory was what King et al. (2004) stated about the importance of strategic alignment. When strategic logics between firms align, managers interpret integration priorities similarly, which reduces friction in consolidating operational processes and accelerates efficiency gains. The later studies in the field have supported this and made it applicable for the M&A scene today, as López-Manuel et al. (2024) concluded that firms pursuing similar strategic orientations, such as differentiation through innovation or cost leadership through efficiency demonstrate great ability to integrate production, logistics, and marketing activities efficiently and therefore realize operational synergies for its value. Based on these statements, compatibility in market and competitive strategy is a fundamental driver of operational synergy realization. This was further proven by this study, as it turned out to be a significant enabler of synergy realization and therefore has a value creating role for the interviewed companies A, B, C and D.

To carry on in the commonalities, a shared value-creation logic has long been identified as a central facilitator of synergy realization. Capron (1999) was among the first to demonstrate that acquisitions characterized by overlapping operational footprints achieve superior performance when interpretations of where operational value is generated is shared on the firm level. This insight was later reinforced by Karim and Capron (2016), who confirmed that this shared logic remains the cornerstone of effective operational recombination, as it clarifies which must be preserved to avoid the erosion of post-acquisition operational performance.

Commonalities in performance priorities, operational success metrics, and synergy prioritization logic are a critical enabler of synergy execution. Cording et al. (2010) argued that operational synergies remain unrealized when buy-side and sell-side interpret these through incompatible lenses. This insight was later supported by McGrath (2011), who demonstrated that when firms share

common definitions of efficiency, quality, and integration, teams are able to convert synergy targets into operational initiatives such as capacity optimization, and process redesign, allowing synergies to become embedded in daily operational routines rather than remaining abstract financial expectations.

Building on this foundation, Daum (2012) emphasized that agreement on prioritizing operational synergies matter for effective integration. Firms that systematically identify and rank synergy priorities early in the integration process achieve faster and more sustainable performance improvements.

The theoretical implication in this question is that operational synergies are most effectively realized when buy-side and sell-side share a common strategic understanding of how operational value is created, measured, and prioritized. Among the case integrations, strategic commonalities function as interpretive mechanisms that align integration actions with performance objectives, enabling the systematic translation of strategic intent into concrete efficiency gains, competitive advantage, and productivity improvements.

To address the second sub-question of the study, the scope delves into how the acknowledged synergies are strategized in the post-acquisition integration phase. The synergy management literature conceptualizes this as a multi-stage process including definition, quantification, planning, execution, and control, all of which need to have a strategy to be leveraged. (Graebner et al. 2017.) A cornerstone insight in the M&A literature is that synergy realization depends on managerial action and on synergy potential, meaning that firms must actively design mechanisms that connect strategic intent to operational implementation. This statement by Finkelstein and Larsson (1999) has been supported ever since in theory and in empirical findings, especially in Company D's M&A integration case as well as by Andrade-Rojas et al. (2024, 1135) that realization can be hindered by execution challenges, for example conflicting priorities in management or poor delegation of work in the integration phase.

All the companies interviewed in this study parted synergies into the mentioned two categories: cost synergies and revenue synergies. Where synergies are primarily cost-driven, rapid joining of procurement, production, and IT workloads is emphasized (Andrade-Rojas et al., 2024). All case M&A demonstrated that a gradual integration of customer-facing processes is required when revenue-driven synergies dominate the synergy realization process to mitigate churn and negative outlook. They all also share the aspect of need to translate the synergy intent into an operational value-creation logic. As Capron (1999) stated the first element of synergy strategizing is the articulation of a clear value-creation logic specifying where synergies are expected to arise. This arose in the interviews as an empirical finding when interviewees shared cost reductions and knowledge sharing based on

synergies they accomplished after an integration. To support this sub-question of synergy strategizing, the interviewees shared a successful experience as well as an example of a synergy that was not identified and failed when strategized into action.

The empirical findings further confirm the literature that early identification in due diligence phase and prioritization of synergies is critical for successful execution. The interviews demonstrated that companies that ranked synergy initiatives at the beginning of integration were better able to allocate integration capacity and avoid fragmentation of effort. This is in line with Daum's (2012) statement, that synergy strategizing is described as an iterative process in which synergy targets are continuously reassessed, refined, and realigned with operational realities rather than being treated as static post-deal objectives. This arose especially at Company A's and C's case, where synergies are strategized in two stages: pre-deal business plan development and post-acquisition operational refinement. The interviewees noted that synergies are included in the business case plan and made to leave room for all synergies to develop during integration. This business plan establishes value capture expectations that later become performance obligations that can be refined and realigned based on Daum (2012).

A comparison of the acquisition rationale with the operational realities of the deal quickly revealed that the intended synergies were not always aligned with existing processes, making it necessary to redesign integration priorities in order for the synergy logic to support the strategic goals of the deal.

A good example of this is the Company B's failed synergy realization by outsourcing TCM to local providers in a global deal. Although such outsourcing was initially considered beneficial in the business plan and due diligence, the interviewee explained that the expertise could not fully be responsible, forcing Company B to intervene considerably more than originally planned. This arrangement weakened the intended synergy gains. These examples illustrate, what may appear strategically reasonable at the due diligence and planning stage can be proven misaligned synergy realization when executed and integrated in practice if not continuously reassessed, refined and realigned according to Daum (2012). Because post-acquisition integration unfolds over time, a detailed synergy strategizing roadmap is required to embed synergy initiatives into operational routines. Synergies are realized through the actions of multiple stakeholders across organizational boundaries, therefore, coordination and reassessment of workloads, timelines, and performance metrics is essential. (Mirc et al. 2023)

The case evidence and theory illustrate that successful synergy strategizing is not achieved through a single integration plan, but through continuous adjustment of priorities and execution mechanisms as integration progresses (McGrath 2011, 11). This also supports the process perspective of post-

acquisition integration, that synergy realization emerges through iterative managerial action, rather than only through predefined financial synergy estimates formulated at the time of the deal.

To address the third sub-question concerning which integration strategies most effectively drive the realization of synergies during post-acquisition integration, the empirical findings verify and extend existing theoretical perspectives on integration design and execution. The literature consistently demonstrates that synergy realization depends not on the degree of integration alone, but on the strategic alignment of integration choices with the value-creation logic of the deal and timing. Integration strategies function as the mechanism through which strategic intent is translated into operational outcomes through full or partial integration. (Steigenberger 2017.)

According to all companies interviewed, the identified operational processes that already generate value should be used as the foundation for the integration strategies (Lees 2002). This existing base of effective operational practices should then be complemented by integration mechanisms that create additional sources of synergies, such as prioritized process harmonization initiatives. In this way, synergy strategizing builds on established value drivers while systematically expanding the firm's operational capabilities with right timing. (Capron 1999; Larsson & Finkelstein 1999; Karim & Capron 2016.) The more radical the integration interventions are, the greater the risk of disrupting established routines and undermining the operational capabilities that generate value (Mirc et al. 2023). This implies that while synergy creation requires thoughtful change, excessive or poorly sequenced integration can destroy existing sources of operational performance, making the careful adjustment of integration intensity a cornerstone of successful synergy realization.

Another central integration strategy adding to timing concerns the integration depth. Early studies emphasized absorption, preservation, or symbiosis as modes, contemporary research suggests that effective synergy realization requires selective integration. In this context it means deep integration in high-interdependence operational domains and differentiation where operational autonomy preserves value. (van Oorschot et al. 2023; Steigenberger 2017.) This approach enables firms to standardize impactful operational routines such as procurement, production planning, and stakeholder monitoring while protecting local process knowledge that contributes to competitive advantage. (Shafiq et al. 2022.)

The empirical findings strongly support the contemporary notion of selective and phased integration, according to which firms choose one operational domain to integrate first and subsequently extend integration to other areas once value has been stabilized. All interviewed companies favored this incremental approach, as it was perceived to protect existing value while enabling the realization of

both cost- and revenue-based synergies. Rather than pursuing immediate full-scale integration, the firms emphasized the importance of preserving operational continuity and customer relationships before introducing deeper structural changes. This confirms that integration strategies must be designed around value preservation first and value creation as a good second (Schade 2013, 18). In interviewed companies synergy realization emerges as an achievement rooted in contingency-based integration strategy, agile execution, aligned information systems and leadership-mediated behavioral commitment.

This selective integration logic was illustrated in all companies interviewed. Company C and D both acquired and integrated with similar businesses to capture market share in the Nordics, strengthen product portfolios and diversify knowledge. Company B's continued involvement through technical and commercial management (TCM) agreements. This arrangement was repeatedly described as a core integration mechanism that stabilizes operations during ownership transfer and generates recurring revenue for the sell-side, thereby simultaneously supporting both cost efficiency and revenue continuity. Company A has institutionalized this selective logic through a dedicated PMO and structured integration organization, ensuring that integration is treated as a professional discipline rather than an ad hoc managerial activity. The PMO model, with its standardized templates, defined responsibilities, and milestone-driven execution, was described as essential for preventing integration drift and safeguarding synergy realization through selecting a strategic part to integrate while expanding the firm's operational capabilities with right timing.

In conclusion, this study both validates and extends the existing theoretical framework on post-acquisition integration by providing deeper insight into the integration process through which strategic alignment enables the efficient realization of synergies. The theoretical implications from this research are synthesized in the framework of the thesis presented in Figure 3. The findings demonstrate that synergy realization is not an automatic outcome of acquisitions but a deliberate, strategically guided process in which alignment, integration strategies, and operational commonalities and capabilities interact dynamically. Rather than only viewing synergies as predefined financial targets, this study shows that they emerge through the continuous reconfiguration of resources and structures during the post-acquisition phase. By aligning strategic intent with selective integration execution, organizations can ensure that both existing and newly created synergies are translated into realized operational and financial value, thereby transforming the acquisition from a transactional event into a sustained source of competitive advantage.

5.2 Practical Implications

Building on the theoretical discussion and empirical findings presented in the previous chapters, this chapter integrates these insights into a set of practical implications for managers involved in post-acquisition integration. The objective is to provide actionable guidance for organizations seeking to realize operational synergies while preserving existing value through strategic alignment. As acquisitions represent a significant investment of managerial attention, financial resources, and organizational effort, the ability to convert strategic intent into realized operational performance is a decisive source of competitive advantage. This study demonstrates that synergy realization is not an automatic outcome of deal completion but a strategically governed, operationally embedded process that unfolds over time.

The findings underline that integration strategies must stem from a thorough understanding of the strategic rationale of the acquisition. Managers should begin by articulating the value-creation logic of the deal, identifying which operational processes, customer relationships, and capabilities currently generate value and which ones hold the highest synergy potential. Without this strategic baseline, integration efforts risk becoming fragmented and misdirected. In practice, this means that executives must ensure that all integration initiatives are explicitly linked to the acquisition's strategic objectives and that this logic is consistently communicated across the organization.

As priorly stated, strategic alignment should be treated as a managerial discipline rather than abstraction. Basing the acquisition objective on alignment between two or more merging companies requires reflection on whether integration activities truly support the intended cost efficiencies, productivity improvements, and revenue synergies. When this alignment is absent, organizations may invest heavily in integration without generating proportional performance improvements.

This study demonstrated that synergy realization is most effective when integration builds on existing operational synergies rather than replacing them prematurely. For managers, this means that safeguarding the operations that strategically work as a whole. Additionally, safeguarding the operations of the sell-side company being acquired that strategically influenced the acquisition decision in the first place. This existing base of operational practices can then be complemented by integration mechanisms that create additional sources of synergies, such as prioritized process harmonization initiatives. In this way, synergy strategizing builds on established value drivers while systematically expanding the firm's operational capabilities with the right timing and value does not go unnoticed.

Managers shall pay attention to this study's empirical findings that strongly support the contemporary notion of selective and phased integration. All companies favored an incremental approach in which one operational domain is integrated first, followed by step-by-step expansion into other areas once stability has been achieved throughout the pre-acquisition business plan. This method was perceived as essential for preserving value and ensuring the realization of both cost- and revenue-based synergies. Rather than pursuing immediate full-scale integration, managers emphasized the importance of stabilizing operations and customer relationships before introducing deeper structural changes, even though in some companies, i.e., Company A, full integration usually is the final stage of the acquisition. Typical bolt-on acquisitions were fully integrated into core platforms such as ERP and field service systems to rapidly capture fixed-cost and productivity synergies first. Other acquisitions involving sensitive customer relationships were initially kept standalone to protect revenue streams, even if this delayed cost synergies. This illustrates that integration intensity must be aligned with operational risk and strategic context selectively rather than applied uniformly.

This study further suggests of treating post-acquisition integration as a professionalized management discipline through PMO and stream-like structures. These account for functional workstreams, defined roles, and milestone-driven execution. They illustrate how formal governance can prevent integration drift and accelerate synergy realization. Managers should recognize that integration is not a full-scale operational program requiring clear accountability, dedicated resources, and continuous monitoring and metering. Synergies must be translated into operational metrics and milestones that can be reviewed regularly and communicated across the organization to maintain transparency. Without explicit tracking, synergy initiatives risk becoming abstract financial expectations rather than embedded operational routines that are hard to lead to success.

Another practical suggestion for managers in the field concerns the human dimension of operational synergies. This study reframes synergy realization as not only a structural or technical challenge but also as a social process in which people and competences must synergize to create value. Loss of key personnel during integration leads to knowledge leakage and undermines the very capabilities acquisitions aim to strengthen. Practitioners should place emphasis on engaging and retaining employees during integration to prevent the loss of critical expertise and implicit knowledge. In this context, it involves transparent communication of integration goals, involvement of key personnel in synergy projects, conducting inquiries of satisfaction with the new organization, and recognition of employees as central contributors to operational success. In practice, this means designing incentive

systems, leadership behaviors, and integration communication plans that foster trust and sustained engagement through fair change management.

Integration should be looked at as a longitudinal process that is well documented. Documentation and data collection from measuring synergy realization are enormously important parts of integration that shift the focus to needed direction. Leading the new organization further with numbers and other data collected enhances transparency in M&A integration processes. Systematically documenting both successes and failures enables organizations to learn from experience and build institutional knowledge. Such openness safeguards collective learning and gives the opportunity to spot the flaws in time before it may not be possible to fix anymore. This allows firms to continuously improve their integration capabilities across acquisitions also in the future. When these elements are implemented in a coherent and disciplined manner, post-acquisition integration transforms from a risky transitional phase into a structured process of sustainable value creation where the new organization is full of growth potential, motivated employees, shared trust, and strategic competitiveness in the market.

Practical implications are highly important due to the nature of M&A where a lot of decisions are made within the management, and then coordinated to other parts of the organization and stakeholders. It is therefore important to keep in mind that operations function and deliver value due to the people in the organization responsible for them, as well as stakeholders outside of the company. Paying attention to real time communication and involvement, keeps the new entity as a coherent whole where decisions are motivated reasonably. With these suggestions being covered, the study now moves onto limitations and implications for future research, where many of the practical implications are suggested to be investigated in the future of M&A integration research.

5.3 Limitations and Implications for Future Research

This study provides insight into the researched topic of operational synergy realization in post-acquisition integration, and the importance and role of strategic alignment in streamlining the process into a value creating whole. It is essential to acknowledge the limitations that may be impacting the findings of this study.

This was a case study on Finnish companies that operate in Finland and globally. The case study part involved outlooks from four different companies and their M&A actions, more specifically integrations in the company after M&A. Certain limitations of this study arise from its scope being restricted to four companies. The examination of these cases enabled an in-depth understanding of post-acquisition integration and synergy realization within their specific operational contexts, the

findings cannot be generalized to all acquisitions. While the identified integration practices and strategic mechanisms and synergy realization may be applicable and adaptable to other settings, each acquisition represents a unique configuration of strategic intent, organizational conditions, and market dynamics. Despite these contextual differences, clear similarities in integration approaches and synergy realization practices were observed across the cases, which this thesis highlighted and theorized.

Secondly, the main delimitation of the study arises from the nature of M&A information itself. Many details regarding synergy targets and hoped financial outcomes are not for the public's eye. Organizations regard such information as strategically sensitive, given its direct impact on both shareholder value and competitive advantage. This thesis prioritizes a conceptual and process-oriented analysis that can inform both scholars and practitioners about the conditions under which operational synergies are most likely to be looked for and created. This focus ensures that the research remains relevant, accessible, and transferable while respecting the inherent confidentiality of M&A transactions.

Thirdly, the focus of this thesis was intentionally placed on the post-acquisition integration phase. As a result, pre-acquisition processes such as due diligence quality, valuation practices, and deal structuring were only examined insofar as they were mentioned in interviews, affected integration and synergy realization. This restricts the ability to draw conclusions about how early-stage strategic decisions condition post-acquisition integration outcomes and leaves the main focus of action to integration and value creating after careful planning.

In conclusion, although this study was conducted in line with established principles of qualitative research, it is essential to acknowledge the inherent limitations of the research design. Recognizing these restrictions clarifies boundaries of the present findings and point to opportunities for future research, encouraging scholars to extend and further develop the insights generated in this thesis.

This study's scope was operational synergies and how the strategic alignment between M&A parties support the realized synergies. This study focused on the topic on a relatively technical perspective. Future research could integrate pre-acquisition and post-acquisition perspectives more explicitly by examining how due diligence practices, synergy estimation methods, and business plan assumptions interact with integration execution, i.e., what needs to be changed in the process and what remains untouched from pre- to post-acquisition. This would contribute to a holistic theory of acquisition value creation and serve M&A practitioners with a check-list on milestones and their challenges. This approach would function as a precautionary mechanism and enhance transparency in M&A processes

by encouraging openness about both successes and failures longitudinally. By systematically documenting outcomes, this approach would safeguard collective learning and enable other organizations to benefit from shared experiences.

As of implications for future research, synergy realization involves many gaps to be filled. By explicitly integrating the human dimension into the study of synergies, future research can move beyond narrow efficiency-based interpretations of value creation and develop a holistic understanding of how people, knowledge, and routines interact to produce lasting post-acquisition success. This along other perspectives could be looked at with longitudinal research design, which would provide deeper insights into how synergy realization evolves over time as integration phases tend to extend according to the knowledge of this study. Tracking integration processes and performance metrics across multiple post-acquisition phases would make it possible to observe how early integration choices shape long-term operational outcomes. This is a style of research that is applicable in various ways, and after the longitudinal outlook taken to deeper studying through action points recognized over time.

A particularly important avenue for future research concerns the human dimension of realization synergies. Future studies should examine how employees can be effectively engaged and retained during integration to prevent the loss of critical expertise and tacit knowledge. This perspective reframes synergy realization as not only a structural or technical challenge but also as a social process in which people and competences must synergize to create value. Future research could explore how integration strategies, communication practices, incentive systems, and leadership behaviors jointly influence employees' willingness to contribute discretionary effort to post-acquisition transformation. Longitudinal studies tracking employee retention, skill transfer, and learning outcomes alongside operational performance would offer valuable insights into how human capital sustains realized operational synergies.

6 Summary

Synergy realization in post-acquisition integration has attracted increasing attention as companies continue to rely on M&A as a strategic, inorganic tool for growth, capability development and market expansion. As competition intensifies and business environments become more complex, companies seek to create value through effective integration of acquired entities. Synergies represent the central promise of most acquisitions, however, realizing the hoped synergies is far from automatic procedure. This thesis has investigated the matter through the following: *How does strategic alignment influence the realization of operational synergies during the post-acquisition integration phase?* The main research question was addressed by analyzing 1) *what type of strategic commonalities facilitate synergy realization*, 2) *how they are strategized* and 3) *what type of integration strategies drive the realization of synergies during post-acquisition phase*. To examine these questions, a comprehensive literature review, as well as case study research was conducted.

The empirical study was conducted as qualitative research in a form of a case study, that included four Finnish multinational companies that have acted as the sell-side or buy-side in M&A, and their experiences in synergy realization during integration. Adding to the existing knowledge identified through a comprehensive literature review, the companies delivered empirical evidence from the selected post-acquisition integration phases using the positioning of this study and research approach, with this study's main themes: *Strategic alignment*, *synergies*, and *integration strategies*. The empirical findings were then organized around the research questions and systematically linked to the theoretical framework, enabling the study to generate both theoretical insights and practical implications regarding synergy realization in post-acquisition integration.

This study has demonstrated both theoretically and empirically, and across all research questions, that strategic alignment acts as the bridge between acquisition rationale and operational reality. Where alignment is strong, it guides integration direction, shapes realistic synergy expectations, and reduces organizational resistance. Where alignment is weak or delayed, synergy realization becomes slower, less predictable, and more dependent on managerial effort.

The findings also underscore the importance of selective integration and right timing. Rather than fully integrating all functions at once, successful firms prioritize specific operational areas where synergies can be realized with minimal disruption. This incremental logic allows organizations to preserve existing value while gradually expanding integration. It supports both cost and revenue synergies and reduces the risk of destroying capabilities that originally motivated the acquisition.

A key insight from this study is the dynamic and positioned relationship between the three elements of the initial framework for this study: Strategic alignment, synergies and integration strategies. Strategic alignment shapes integration strategy, integration strategy enables synergy realization, and realized synergies reinforce the strategic alignment of the combined organization. This loop demonstrates that post-acquisition value creation is not a linear process but an evolving system in which alignment, execution, and outcomes continuously influence one another. In conclusion, this thesis shows that organizations capable of maintaining strong strategic alignment, applying adaptive integration strategies, and systematically enabling operational synergies are best positioned to transform acquisitions into sustained competitive advantage.

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Appendices

Appendix 1 Semi-structured Interview Questions

Background

Could you briefly introduce yourself and describe your perspective (sell-side / buy-side) in M&A field?

What was your role in the acquisition?

Do you have prior experience in M&A? If yes, what kind of M&A deals? Similar/different?

Strategic Alignment

- 1) Does the company pursue a defined M&A strategy, and if so, how does this deal align with it?
- 2) Can you describe how strategic priorities were aligned between the acquiring and acquired companies during the integration process?
- 3) In your view, how did this alignment affect the ability to realize operational synergies?
- 4) Looking back, were there moments when strategic alignment directly accelerated or decelerated the realization of synergies? Could you give an example?

Synergies

- 5) How were potential synergies identified before and during integration?
- 6) In your experience, which operational similarities (e.g., processes, systems, resources) made it easier to realize synergies?
- 7) Could you give an example of a synergy that was clearly identified and successfully strategized into action?
- 8) Could you give an example of a synergy that was not identified and failed when strategized into action?

Integration strategies

- 9) What integration strategies were applied to capture synergies?
- 10) Which ones helped you to meet the objectives? Why?
- 11) Were there strategies that you expected to work but did not yield the desired synergies? Why?

Appendix 2 Operationalization Table

Master's thesis topic	The research question	The Sub Research questions	Themes and subjects	Interview questions
Synergy Realization in Post-Acquisition Integration: Importance of Strategic Alignment	How does strategic alignment influence the realization of operational synergies during the post-acquisition integration phase?	What types of strategic commonalities facilitate the realization of synergies during post-acquisition integration?	Strategic commonalities, Strategic Alignment	1,2,3,4
		How are the acknowledged synergies strategized?	Synergy, Synergy strategizing, Strategy formation	5,6,7,8
		Which integration strategies most effectively drive the realization of synergies in post-acquisition integration?	Integration strategy, Post-Acquisition Integration	9,10,11

Appendix 3 Explanation of the Use of AI

Artificial intelligence was used during the forming of the study topic as well as during qualitative research to brainstorm interview questions to ask M&A professionals to develop a concise whole that could answer the main research question, as *“How does strategic alignment influence the realization of operational synergies during the post-acquisition integration phase?”*

ChatGPT was used at the start of the thesis work to brainstorm potential topic ideas to narrow the scope of the thesis around post-acquisition integration themes. AI was used to compare potential topics to find gaps that could be filled through research, and to recognize why some topics need further research. As the aim was to create a comprehensive study on post-acquisition integration and its cornerstones, AI was used to justify the topic’s impact on broader themes such as society and economic growth in Finland. AI was used to then brainstorm ideas around the scope of which the study can get to. Potential interview questions and themes that should be highlighted without risking confidential information in the specific case M&A activity from sell-side/buy-side professionals.

To produce text, AI was used through Utu Transcribe, as the interviews were transcribed with this secure software. AI was also used in some parts to translate findings from Finnish to English and help with correct English language for this thesis in some parts. Example prompts included:

1. *” Please suggest topic ideas for a master’s thesis in international business (Strategy and Growth), related to post-acquisition and specifically integration phase. Consider how my interest of understanding the role and possible importance of strategic alignment could be linked to the research, and in terms of an enabler of an efficient integration of companies after an acquisition to create valuable synergies. “*
2. *“Examine my topic “Synergy realization in post-acquisition integration” and list me with 5 points, why is it important and what impact the study has and what does it mainly impact”*
3. *“I want to make a case study of companies that have acquired or sold a company in the last 5 years. Companies must be Finnish companies, operating in Finland and abroad. List me relevant M&A activity in acquisitions where strategic alignment played a big role.”*
4. *M&A is a confidential topic and research in this field for a master’s thesis can be limited. What should I pay extra attention to, and what information can I await to get through my research, form three example interview questions that could be asked in an interview setting.”*
5. *“Correct my language in this part and translate this section into formal English for a thesis.”.*

Appendix 4 Research Information Sheet for Participants



Tutkimustiedote

1 (2)

2022

DESCRIPTION OF THE STUDY

Master's Thesis – Synergy Realization in Post-Acquisition Integration: Role of Strategic Alignment

Invitation to participate in the research

You are invited to participate in a research study as part of a Master's Thesis at Turku School of Economics. The purpose of this study is to explore synergy realization in post-acquisition integration and the role that strategic alignment plays during integration.

Research will be completed anonymously, and interviews will be conducted with selected M&A professionals in different roles, all of which that have participated in an integration of companies in the last five years.

Voluntary consent

Participation in this research is voluntary. One can decline participation or withdraw any time. One may also refuse to answer any interview questions or answer broadly if possible. Please read the full consent form and if there are any questions, please contact the researcher. Contact information will be listed at the end of this document.

Responsible researcher

The responsible researcher of this study is Heidi Marttila as a Master's student with International Business major at the Turku School of Economics at the University of Turku.

Heidi Marttila operates as the keeper of the register, and thereof is responsible of the lawful processing of the personal information gathered within the research. In scientific research the processing of personal data is based on the societal task of universities defined in the university law and it progresses public good.

The research method

This research will be a case study research, where one company and its M&A activity represent a case. Each interview will take around 45 to 60 minutes and are conducted virtually via Teams. The researcher will make notes during interview, in addition to Teams transcribe system. The interview will discuss themes related to the topic and ask questions about integration phase, specifically, 1. Strategic Alignment, 2. Synergies and 3. Integration Strategies. The interviewee can answer to questions with open-ended answers and decline to answer specific questions if wanted.

The possible harm and discomfort related to the research

No possible harm or discomfort. All data collected will be stored securely and addressed anonymously through research.

Confidentiality and data privacy

In this study, your identity will be known only to the researcher, who is bound by confidentiality as the author of a Master's thesis. All information collected about you will be treated confidentially, and you cannot be identified in any research results, reports, or publications.

Only data necessary for the purpose of the study will be recorded. The researcher will not disclose your name or contact details to third parties. In research results and related documents, you will be referred to only by a code (Interviewee, Company x). Research data will be stored separately, or on the researcher's password-protected computer's hard drive until the study is completed.

Costs of research and funding

Participation is free of charge and each interview is conducted virtually via Microsoft Teams.

Further information

If you have any questions about the study, you may contact the researcher. You can discuss with them any questions that arise during the research, as well as any other concerns you may have.

Contact information:

Heidi Marttila

heidi.l.marttila@utu.fi

Appendix 5 Data Management Plan



Research data management plan for students

This document will help you plan how to manage your research data. More detailed instructions for each section are available online in the [Research Data Management Guide for Students](#).

1. Research data

Research data refers to all the material with which the analysis and results of the research can be verified and reproduced. It may be, for example, various measurement results, data from surveys or interviews, recordings or videos, notes, software, source codes, biological samples, text samples, or collection data.

In the table below, list all the research data you use in your research. Note that the data may consist of several different types of data, so please remember to list all the different data types. List both digital and physical research data.

Research data type	Contains personal details/information*	I will gather/produce the data myself	Someone else has gathered/produced the data	Other notes
Data type 1: <i>Semi-Structured Interviews</i>	x	x		
Data type 2: <i>Document Analysis</i>		x		

* Personal details/information are all information based on which a person can be identified directly or indirectly, for example by connecting a specific piece of data to another, which makes identification possible. For more information about what data is considered personal go to the [Office of the Finnish Data Protection Ombudsman's website](#)

2. Processing personal data in research

If your data contains personal details/information, you are obliged to comply with the EU's General Data Protection Regulation (GDPR) and the Finnish Data Protection Act. For data that contains personal details, you must prepare a Data Protection Notice for your research participants and determine who is the controller for the research data.

I will prepare a Data Protection Notice** and give it to the research participants before collecting data

The controller** for the personal details is the student myself the university

My data does not contain any personal data

** More information at the university's intranet page, [Data Protection Guideline for Thesis Research](#)



3. Permissions and rights related to the use of data

Find out what permissions and rights are involved in the use of the data. Consult your thesis supervisor, if necessary. Describe the use permissions and rights for each data type. You can add more data types to the list, if necessary.

3.1. Self-collected data

You may need separate permissions to use the data you collect or produce, both in research and in publishing the results. If you are archiving your data, remember to ask the research participants for the necessary permissions for archiving and further use of the data. Also, find out if the repository/archive you have selected requires written permissions from the participants.

Necessary permissions and how they are acquired

Data type 1: Permission acquired by asking personally (by email, LinkedIn message) from case company interviewees. Agreed on an interview via teams.

Data type 2: Personal meeting notes, analysed anonymously. No need for additional permission. Everyone taking part was informed of this and has been able to read notes and data after interview.

3.2 Data collected by someone else

Do you have the necessary permissions to use the data in your research and to publish the results? Are there copyright or licencing issues involved in the use of the data? Note, for example, that you may need permission to use the images or graphs you have found in publications.

Rights and licences related to the data

Data type 1: N/A

Data type 2: N/A

4. Storing the data during the research process

Where will you store your data during the research process?

Stored on personal computer's hard drive with passwords.

In the university's network drive

In the university provided Seafile Cloud Service

Other location, please specify:

The university's data storage services will take care of data security and backup files automatically. If you choose to store your data somewhere other than in the services provided by the university, please specify how you will ensure data security and file backups. Remember to make sure you know every time where you are saving the edited/modified data.

If you are using a smartphone to record anything, please check in advance where the audio or video will be saved. If you are using commercial cloud services (iCloud, Dropbox, Google Drive, etc.) and your data



contains personal data, make sure the information you provide in the Data Protection Notice about data migration matches your device settings. The use of commercial cloud services means the data will be transferred to third countries outside the EU.

5. Documenting the data and metadata

How would you describe your research data so that even an outsider or a person unfamiliar with it will understand what the data is? How would you help yourself recall years later what your data consists of?

5.1 Data documentation

Can you describe what has happened to your research data during the research process? Data documentation is essential when you try to track any changes made to the data.

To document the data, I will use:

A field/research journal

A separate document where I will record the main points of the data, such as changes made, phases of analysis, and significance of variables

A readme file linked to the data that describes the main points of the data

Other, please specify:

5.2 Data arrangement and integrity

How will you keep your data in order and intact, as well as prevent any accidental changes to it?

I will keep the original data files separate from the data I am using in the research process, so that I can always revert back to the original, if need be.

Version control: I will plan before starting the research how I will name the different data versions and I will adhere to the plan consistently.

I recognise the life span of the data from the beginning of the research and am already prepared for situations, where the data can alter unnoticed, for example while recording, transcribing, downloading, or in data conversions from one file format to another, etc.

5.3 Metadata

Metadata is a description of your research data. Based on metadata someone unfamiliar with your data will understand what it consists of. Metadata should include, among others, the file name, location, file size, and information about the producer of the data. Will you require metadata?

I will save my data into an archive or a repository that will take care of the metadata for me.

I will have to create the metadata myself, because the archive/repository where I am uploading the data requires it.

I will not store my data into a public archive/repository, and therefore I will not need to create any metadata.



6. Data after completing the research

You are responsible for the data even after the research process has ended. Make sure you will handle the data according to the agreements you have made. The university recommends a general retention period of five (5) years, with an exception for medical research data, where the retention period is 15 years. Personal data can only be stored as long as it is necessary. If you have agreed to destroy the data after a set time period, you are responsible for destroying the data, even if you no longer are a student at the university. Likewise, when using the university's online storage services, destroying the data is your responsibility.

What happens to your research data, when the research is completed?

I will store all data until 31.12.2026.

Remember to keep the data management plan updated throughout the research project.