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WHITE PAPER

AI-Boosted Acquisition Performance

How Winners Turbo-Charge Investment Theses That Were Never Before Possible

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Executive Summary

AI is here to stay. Every acquirer in every industry now operates inside that fact, whether the firm has updated its playbook or not. The question is no longer whether artificial intelligence changes mergers and acquisitions. The question is which firms understand the change quickly enough to use it.

We call the result AI-Boosted Acquisition Performance: the combined ability of a firm to identify, capture, and sustain value that a transaction alone could never create. AI does not simply speed up the tasks acquirers already perform. It opens categories of performance that did not exist five years ago, categories that reward the acquirer who moves first and punish the ones who treat AI as a due diligence checkbox.

This paper lays out ten dimensions where AI turbo-charges Acquisition Performance, drawn from work across dozens of transactions. We group them into three clusters: value the deal could not capture before, the firm's position in an AI-driven market, and the readiness of the people who will actually run the combined organization. We close with better practices (approaches proven in practice, not merely accepted by convention) for putting the framework to work.

The Deal Environment Has Changed

For three decades, M&A practitioners built playbooks around a predictable set of moves: financial modeling, cultural integration, systems consolidation, and synergy tracking on a spreadsheet nobody outside finance ever opens. Those moves still matter. They no longer determine who wins.

Artificial intelligence changes the ceiling on what a combination can achieve. A firm that treats AI as a workstream inside the integration management office misses the point entirely. AI changes what synergy even means. It changes how fast a combined organization can act, what costs are genuinely avoidable, and which competitors get left behind while the leadership team debates a pilot program.

We wrote this paper because we kept having the same conversation with client after client: the deal thesis assumed a world where the pace of value creation looked like it did in 2015. It does not. The firms capturing never-before-possible Acquisition Performance are not the ones with the largest AI budgets. They are the ones who understand, structurally, where AI multiplies value already latent in a transaction.

Why Now

Three forces converge in 2026 to make this framework urgent rather than theoretical. (1) Model capability has crossed the threshold where a combined firm can deploy AI against real integration problems, not just pilot projects. (2) Deal volume is recovering after two slow years, so the number of transactions where this matters is rising fast. (3) The first cohort of acquirers who moved early on AI-driven synergy capture now has two or three years of results as evidence. Results competitors can see and must respond to. Waiting for more certainty is itself a competitive decision, and it is the wrong one.

The ten dimensions below organize what we have observed across that early cohort. Figure 1 lists all ten dimensions and the cluster each belongs to. We take each cluster in turn.

Figure 1. The Ten Dimensions of AI-Driven Acquisition Performance

#	Dimension	Cluster
1	Innovation never before possible	<i>Value the deal could not capture before</i>
2	Accelerated profitable revenue growth	<i>Value the deal could not capture before</i>
3	Eliminated avoidable operating costs	<i>Value the deal could not capture before</i>
4	Valuation of the combination	<i>Value the deal could not capture before</i>
5	Organization unit-specific synergies	<i>Value the deal could not capture before</i>
6	Competitive positioning	<i>The firm's position in an AI-driven market</i>

#	Dimension	Cluster
7	Digital nimbleness	<i>The firm's position in an AI-driven market</i>
8	Ecosystem dominance	<i>The firm's position in an AI-driven market</i>
9	Readiness for AI-driven acquisitions	<i>Readiness and people</i>
10	Knowledge worker re-directs	<i>Readiness and people</i>

Cluster One: Value the Deal Could Not Capture Before

Some deal theses are simply bigger than they used to be. Others did not exist as a category until AI made them possible. This cluster covers the five ways AI expands the ceiling on what the combined firm can create, not just the speed at which it gets there.

1. Innovation Never Before Possible

Every acquisition promises innovation somewhere in the deck. Most of it is aspirational language attached to a research and development line item that nobody protects once integration begins. AI changes the promise into something concrete. Two firms combined can now run product experiments, simulate customer response, and prototype at a pace neither could reach alone, and the resulting innovation genuinely could not have happened inside either firm independently. We ask clients to name, before signing, the specific innovation an AI-enabled combination unlocks. If nobody in the room can name it, the deal thesis is incomplete, and the innovation line in the model is fiction dressed as forecast.

2. Accelerated Profitable Revenue Growth

Revenue synergy has always been the most seductive and least reliable line in the model. AI does not make revenue synergy more certain by magic. It makes the mechanism more precise: better targeting across the combined customer base, faster pricing iteration, and cross-sell recommendations built on data neither firm had access to in isolation before the deal closed. The acquirers who capture this growth build the analytics infrastructure before close, not eighteen months into integration when the sales organization has already reverted to old habits and old quotas. Speed here is not a nicety. It is the entire advantage.

3. Eliminated Avoidable Operating Costs

Cost synergy used to mean headcount reduction and vendor consolidation, the two levers every integration playbook already knew how to pull. AI adds a category: cost that was never necessary in the first place, hidden inside manual processes both firms tolerated because nobody had the tooling to see it clearly. A combined finance function running AI-assisted reconciliation does not just do the old job faster. It reveals spend that neither firm's controller ever flagged as a problem. We have watched this category of savings exceed the headcount reduction line in more than one recent engagement, which surprises finance teams every time.

4. Valuation of the Combination

AI changes what a combination is worth, and it changes how fast that value shows up in the numbers a board can see. A firm that can demonstrate AI-accelerated integration timelines commands a different multiple than one still promising synergies on a five-year curve out of habit. We now build AI capability, and the credibility of the plan to deploy it, directly into the valuation conversation rather than treating it as integration upside disclosed quietly after close. Buyers who cannot make this case at signing routinely leave value on the table at the negotiating table itself.

5. Organization Unit-Specific Synergies

Enterprise-wide synergy targets flatten differences that matter. A manufacturing unit and a professional services unit inside the same combination capture AI value through entirely different mechanisms, on different timelines, carrying different risks. Firms that hold every business unit to the same synergy assumption leave value on the table in the units where AI could do more, and set impossible targets in the units where it genuinely can do less. Acquisition Performance requires unit-specific AI synergy targets, built unit by unit, not a single number handed down from the top of the deal model.

Cluster Two: The Firm's Position in an AI-Driven Market

A single deal does not happen in isolation. It happens inside a competitive landscape that AI is reshaping regardless of whether the acquirer participates. This cluster covers three dimensions of positioning: not what the deal creates internally, but where it leaves the firm relative to everyone else still deciding what to do.

6. Competitive Positioning

Every acquisition changes the competitive map, but AI changes how fast that map redraws itself. A firm that captures AI-driven synergy first does not just improve its own numbers. It resets what competitors must match to stay relevant, and it does so on a timeline measured in quarters rather than years. We advise clients to model not only their own synergy capture but the response curve of their two or three closest competitors, because the AI-enabled combination that moves slowly cedes the advantage it paid a premium to acquire in the first place.

7. Digital Nimbleness

Two organizations merging their technology stacks used to take years and usually cost more than the model assumed at signing. AI-native integration approaches compress that timeline, but only for firms whose underlying architecture can support it. Nimbleness here means something specific: the combined firm's ability to reconfigure systems, data flows, and decision rights faster than the deal thesis originally required. Firms that assessed digital nimbleness as part of due diligence, rather than as a post-close surprise, consistently outperform their own synergy targets by a meaningful margin.

8. Ecosystem Dominance

No firm operates alone anymore. Its position depends on its network, its partners, and increasingly its place inside an AI-driven ecosystem of data, platforms, and standards. An acquisition that strengthens ecosystem

position captures value beyond what either firm can measure on its own balance sheet at close. We have seen combinations that looked mediocre on standalone financial metrics prove decisive once the ecosystem effect became clear two or three years out, long after the original deal team had moved on to the next transaction.

Cluster Three: Readiness and People

The best framework fails without an organization ready to run it. This cluster covers the human and organizational dimension of Acquisition Performance: whether the firm and its people can actually execute on the AI-driven synergy the deal thesis promises.

9. Readiness for AI-Driven Acquisitions

Readiness is not a single assessment done once before signing. It is a capability the firm builds over a portfolio of deals, refined each time a transaction closes. Firms that treat every acquisition as a one-off exercise in AI adoption relearn the same lessons repeatedly, at real cost. The firms who compound advantage build an AI-readiness playbook, revised after each transaction, so the fifth acquisition captures synergy faster than the first did, and the tenth faster still. Readiness, measured this way, becomes one of the most durable competitive assets a serial acquirer can own.

10. Knowledge Worker Re-Directs

AI displaces certain tasks and, done well, redirects the people who performed them toward higher-value work the combined firm actually needs. Done poorly, it displaces people and calls the resulting headcount reduction a synergy, which is a different thing entirely, and everyone in the organization knows the difference. The distinction matters enormously, both to the people affected and to the firm's ability to retain the talent the deal was partly acquired to get. We push clients to name, function by function, where knowledge workers move to, not simply where roles disappear from on the org chart.

So What: The Framework Changes the Deal Thesis

Ten dimensions are not ten separate initiatives competing for a steering committee's attention. They describe a single shift: Acquisition Performance is no longer bounded by what either firm could do alone, or by what integration playbooks assumed was achievable five years ago. A deal team that models synergy the old way, even carefully, systematically undercounts what an AI-enabled combination can produce and overestimates how long it will take to produce it.

This has practical consequences before signing. Diligence needs to answer questions it did not used to ask: which of these ten dimensions applies to this specific combination, and by how much. Valuation conversations need to reflect AI-accelerated timelines rather than defaulting to conservative multi-year curves out of habit. And the integration plan needs owners for dimensions, like knowledge worker re-directs and organization unit-specific synergies, that rarely had a name on the traditional integration management office org chart.

It also changes who needs to be in the room. A deal thesis that accounts for all ten dimensions cannot be built by the corporate development team alone, working from a spreadsheet, three weeks before signing. It requires technology leadership, function heads, and the people who will run the combined units, brought in early enough that their answers can still change the model.

What Undermines This: Three Common Failure Modes

We see the same three failure modes across firms that attempt this framework and fall short. Naming them plainly is more useful than another list of aspirations.

Treating AI as a Workstream Instead of a Lens

The most common failure is organizational. Firms assign AI to a single workstream inside the integration management office, staffed by a handful of data scientists reporting sideways into the broader effort. That structure guarantees AI touches only the dimensions closest to the data science team's mandate, usually cost, and never reaches revenue growth, competitive positioning, or knowledge worker re-directs. AI belongs in every workstream as a lens, not in one workstream as a specialty.

Measuring Speed Instead of Durability

A second failure mode looks like success for a year or two. Firms chase the fastest visible win, usually a cost synergy, and declare the AI-driven integration a success before checking whether the gain holds. Cost synergies captured through AI-assisted process changes can erode quickly if the underlying process discipline was never rebuilt, only automated for a season. Durable Acquisition Performance requires measuring the same dimension eighteen and thirty-six months out, not just at the ninety-day mark when the steering committee wants a number for the board.

Confusing Adoption with Readiness

The third failure mode confuses a firm's comfort with AI tools with its readiness to run an AI-driven acquisition. A firm where every analyst uses an AI assistant daily is not automatically a firm that can execute the ten dimensions in this paper. Tool adoption is necessary and nowhere near sufficient. Readiness, as we define it in dimension nine, is an organizational capability built deal over deal, not a technology rollout completed once.

Now What: Better Practices for Capturing AI-Driven Synergy

We recommend five better practices (approaches we have watched consistently outperform the conventional integration playbook) for firms preparing an AI-driven acquisition.

First, name the specific dimensions before signing. Not “AI synergy” as a single line item, but which of the ten dimensions applies here, with an owner assigned before close rather than after.

Second, build the AI-readiness assessment into diligence, not into the first hundred days. By the time the integration management office stands up, the window to capture the fastest-moving synergies has already started to close.

Third, set unit-specific targets. A single enterprise-wide AI synergy number hides more than it reveals, and it punishes managers in units where AI genuinely cannot do as much as the model assumes.

Fourth, treat readiness as a compounding asset. Firms doing five acquisitions a year should get measurably faster at AI-driven synergy capture with each one. If the third deal takes as long as the first, the readiness investment did not work.

Fifth, name where knowledge workers go, not only where roles go away. A synergy plan that cannot say where displaced talent redirects to is a cost-cutting plan wearing a synergy label, and the organization will know the difference even if the model does not.

None of these practices requires a large technology budget. They require deal teams willing to ask a different set of questions before signing rather than after.

The Framework in Practice: Three 2025 Combinations

Three transactions that closed in 2025 show the framework already at work: one in technology, two well outside it. None of these firms used our language for the ten dimensions. All three validate the underlying logic, and the differences between them are instructive on their own.

Technology: HPE and Juniper Networks

Hewlett Packard Enterprise closed its \$14 billion acquisition of Juniper Networks on July 2, 2025, after a lengthy antitrust fight with the Department of Justice. The deal doubled the size of HPE's networking business and gave the combined firm a full stack, from silicon through software, built around AI-native networking rather than bolted onto a legacy portfolio after the fact.

Two dimensions from this paper show up clearly in what followed. Competitive positioning: HPE now competes directly with Cisco across enterprise, data center, and service provider networking, a market position neither firm could claim alone, and it reset the map for every networking vendor watching from the sidelines.

Digital nimbleness: by December 2025, five months after close, HPE had already shipped a combined AIOps platform spanning both the Aruba and Juniper product lines, evidence that the underlying architecture supported integration on a timeline most technology mergers do not attempt. The company frames the combination explicitly around AI workload demand, the same demand reshaping every enterprise network the combined firm now serves. This is ecosystem dominance in practice: a firm whose position strengthened because of where AI is pushing the entire market, not only because of what the deal did internally.

Financial Services: Capital One and Discover

Capital One closed its \$35.3 billion, all-stock acquisition of Discover Financial Services on May 18, 2025, creating the largest credit card issuer in the United States. The deal is financial services, not technology, and it validates dimensions the technology press rarely covers.

Capital One named a dedicated AI chief, reporting directly into the integration, whose mandate is to use generative AI to merge two of the largest transaction datasets in American banking. That is readiness for

AI-driven acquisitions, built as a named organizational role rather than a workstream buried inside the technology function. The revenue growth shows up in the network: management is moving debit and, more cautiously, credit volume onto Discover's payment rails, a shift expected to generate network revenue synergy that did not exist as a category before the deal closed. And the cost side reflects the unit-specific discipline this paper argues for: management separated its \$2.7 billion target into expense synergies and network synergies rather than reporting one blended number, which is exactly the unit-specific accounting this framework recommends. None of this was frictionless. Integration costs ran well ahead of guidance in 2025, a reminder that even a well-structured AI-driven combination still has to survive its own integration.

Advertising and Marketing Services: Omnicom and Interpublic Group

Omnicom closed its acquisition of Interpublic Group on November 26, 2025, forming the world's largest advertising and marketing services holding company. At the announcement in December 2024, Omnicom estimated \$750 million in annual cost synergies. By its first full quarter reporting as a combined company, management had doubled that target to \$1.5 billion, citing deeper visibility into overlapping functions and, notably, accelerated AI and automation deployment across the combined operation.

That revision is valuation of the combination in action: the credibility of an AI-accelerated integration plan changed what the market was willing to pay for the stock, which rallied more than 13% on the news. It is also organization unit-specific synergies done correctly. Rather than one enterprise number, management broke the target into three named pools: roughly \$1 billion from labor cost reduction, \$240 million from real estate consolidation, and \$260 million from general and administration, information technology, and procurement combined. Each pool has a different owner and a different mechanism, which is precisely what this paper means by unit-specific targets rather than a single figure handed down from the deal model.

Three industries, three different mechanisms, one pattern. In each case, the acquirer that named its AI-driven synergy specifically, with an owner and a number, outperformed its own original estimate or reset the competitive map faster than the deal thesis assumed. None of these firms waited for certainty. That is the entire argument of this paper, and 2025 supplied the evidence.

Conclusion

AI is here to stay, and the acquirers who understand that fact structurally, not just rhetorically, will separate themselves from competitors still running their outdated playbooks. The ten dimensions in this paper are not a forecast of what AI might someday do for M&A. They describe what disciplined acquirers are already capturing in transactions closing this year.

The firms that win will not be the ones with the largest AI budget. They will be the ones who ask, for every deal, which of these ten dimensions applies here, who owns it, and how the organization gets measurably faster at capturing it with each subsequent acquisition. That is what never-before-possible Acquisition Performance requires: not more technology, but a deal thesis built for the world AI has already created.