

Title: Post-M&A Integration: Lessons from the Trenches

I recently attended a thoughtful and engaging forum on post-merger integration hosted by @Gotara. While many playbooks emphasize the “table stakes” of integration such as aligning financial systems, consolidating org charts, managing customer communication, and harmonizing IT platforms, the more nuanced signals that determine success or failure are often missed.

In this piece, I highlight three such aspects, both obvious and subtle, drawn from my own experience in manufacturing and operational integrations:

- Cultural integration isn’t optional; it needs to be deliberate and clearly led
- Walking the shop floor can reveal critical disconnects that data rooms and due diligence reports obscure
- Tribal knowledge is the silent killer of scalability

These signals aren’t always captured in formal diligence checklists, but their presence (or absence) will shape the trajectory of post-deal success. Thanks to panelists @d.sangeeta, @lisaclarke, and @pamelamattson for sharing perspectives that helped spark these reflections.

1. Culture: Pick a Lane and Drive It

Cultural integration is too often treated as an afterthought or left to “organically evolve.” This is a mistake. Successful integrations require deliberate cultural direction. One culture must take primacy. The alternative, likely a muddled hybrid, can result in ambiguity, competing norms, and widespread disengagement.

This can be particularly awkward at the rank-and-file level when the culture of the acquired entity is chosen over that of the acquirer. However, this is often the result of a conscious and mature decision by the acquiring company. (I once held a leadership role on the acquiree side of a \$1 billion transaction and witnessed firsthand the resentment and confusion among members of the acquiring team as they struggled to adopt a new cultural framework.)

In such cases, it becomes even more important for the integration leader and eventual post-integration owner (ideally not the same person) to consistently embody and model the desired culture from day one. These individuals must have the courage to confront cultural blockers swiftly if initial coaching does not yield results. Their actions will speak far louder than any town hall or onboarding deck.

2. Walk the floors—early and often. Operational diligence doesn’t stop at closing. Integration leaders must get out of the boardroom and into the facilities. Many pitfalls can be spotted by an experienced hand, even on a shop floor that has been likely spit-polished for diligence. Examples include: over-reliance on temp workers; handwritten logs and inventory systems; absence of clear (preferably electronic) work instructions at every station; aging or

underutilized equipment; lack of prominent (and intuitive) displays of performance metrics and KPIs...and awareness/understanding of these by floor personnel.

Casual questions often reveal gaps that formal walkthroughs miss. One that I rely on: “How do you know how to assemble this?” If the response is a tap on the head (even in the presence of prominently-displayed work-instructions), it’s likely that documentation is weak and processes depend heavily on tribal knowledge.

I vividly recall a deal where discrepancies between shared inventory reports and observed on-floor quantities led us to discover an off-site warehouse that had not been disclosed during diligence. It tripled the actual facility footprint as indicated in shared diligence documents, and timely discovery enabled us to plan appropriately.

The Scourge of Tribal Knowledge

One of the most insidious operational risks in any integration is an overreliance on tribal knowledge: unwritten processes, improvised fixes, and ad hoc workarounds that keep things running day-to-day. This reliance is notoriously difficult to detect during diligence, especially in well-rehearsed plant tours or walkthroughs.

I have found that a particularly rich area to assess this is the depot repair or reverse logistics function. These teams often deal with edge cases, failure modes, and real-world wear that never make it into the clean version of process documentation. Even routine conversations with repair technicians about what fails, why, and how they fix it can shed light on the true completeness and utility of internal documentation.

Post-merger integration is where deal value is made or lost. The issues above don’t appear in the pitch deck or the data room...but they are real, and they are consequential.

Grateful to @Gotara and the panelists for sparking this reflection. I’d love to hear from others: What are the lessons you’ve learned from post-M&A integration?