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Boards, risk, and global control

Why cross-border M&A breaks down above the deal team

Contents

Boards are deeply involved in cross-border M&A. Yet many deals still underperform.

This is not because boards are disengaged. Our survey of M&A executives involved in cross-border transactions suggests that most boards are perceived as effective or very effective. The issue is where and how boards apply their attention across the deal life cycle.

As Deloitte explored in our first article of this series, "What makes—or breaks—value in cross-border M&A: Insights from Japanese and global dealmakers," boards tend to concentrate oversight at visible milestones: signing, closing, and formal approvals. But those moments are rarely the ones where value is created or destroyed. Risk takes shape earlier, through strategy, diligence, and operating model definition. Value is realized—or lost—later, through sustained post-merger integration.

Cross-border M&A often breaks down above the deal team, when board oversight is misaligned with the ways deals actually create value.

Where boards focus, and where value is really determined

Across this series, a consistent value chain has emerged. Three interdependent factors anchor effective cross-border deals (figure 1):

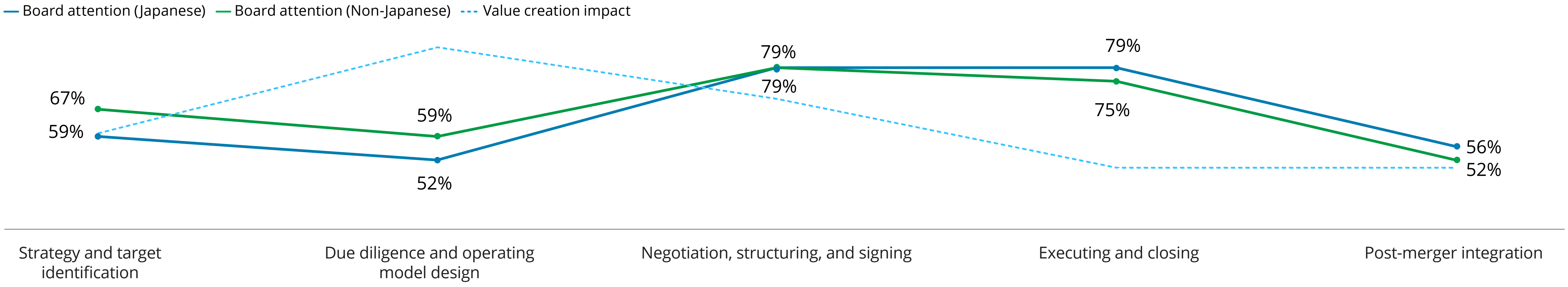
1. Clear strategic rationale and value drivers that set up downstream activities for success
2. Explicit articulation of the operating model, defining how the acquisition will create value greater than the sum of its parts
3. Strong post-merger integration planning, with value creation milestones tied to clear accountability

Boards are typically most active at approving transactions, yet least engaged where these three factors are defined, challenged, and stress-tested.

This mismatch explains why boards can be diligent, disciplined, and compliant—yet still preside over deals that fall short of expectations.

Figure 1: Board attention vs. value creation across the cross-border M&A life cycle

Boards tend to concentrate oversight at visible deal milestones such as signing and closing. However, survey insights and deal experience show that value is shaped earlier—through strategy, diligence, and operating model definition—and realized later through sustained post-merger integration.



Source: Deloitte 2026 cross-border M&A survey (n = 126). Nationality split: Japanese (n = 38), non-Japanese (n = 88). Note: Value creation impact illustrative based on Deloitte experience.

How M&A leaders want boards to engage differently

Our survey respondents describe a clear gap between the ways boards typically involve themselves in M&A deals and the ways board involvement could better support cross-border M&A outcomes.

While Japanese and non-Japanese executives emphasize different friction points, there is still a common theme: Boards should act less as episodic approvers and more as continuous strategic partners.

Japanese perspectives: Speed, structure, and selective empowerment

Japanese respondents frequently emphasize:

- Faster decision-making without weakening governance;
- Clearer delegation for routine approvals; and
- Earlier board involvement in diligence assumptions and integration risks.

Several respondents highlighted the value of:

- Small, empowered committees that operate between board meetings;
- Explicit approval time targets; and
- Early authority to address talent retention and integration issues.

Importantly, some respondents also indicated that the current balance is acceptable—suggesting uneven practice rather than universal dissatisfaction.

We already observed in Deloitte's "Beyond borders" publication that many Japanese organizations continue to operate with boards that are relatively homogeneous in nationality and background. While this reflects domestic governance norms, it can exacerbate challenges in cross-border M&A by increasing escalation, reinforcing consensus-heavy decision styles, and slowing judgment on unfamiliar global issues. In cross-border transactions, board

homogeneity is not a question of competence, but of structural fit.

Non-Japanese perspectives: Earlier involvement and longer-term accountability

Non-Japanese respondents place greater emphasis on:

- Earlier board involvement in shaping deal strategy;
- Deeper engagement in cultural and organizational fit during diligence; and
- Sustained oversight of integration beyond financial performance.

Common themes include:

- Integration of key performance indicators beyond cost synergies;
- Continuous post-merger feedback loops; and
- Clearer accountability for long-term value realization.

These responses suggest that non-Japanese executives are less concerned with whether boards are involved, and more concerned with whether boards are involved at the right times and with the right focus.

From milestone oversight to value stewardship

How M&A leaders can engage boards differently

For M&A leaders, the challenge is not to redesign board structures unilaterally, but to engage boards differently across the deal life cycle—in ways that align oversight with the steps that actually shape and realize value.

Across our experience and survey insights, a consistent pattern emerges. Boards tend to be most active at formal approval moments, while the decisions that actually determine long-term value happen earlier—during strategy, diligence, and operating model design—and later, during sustained integration. M&A leaders can help close that gap by reframing how and when boards engage (figure 2).

- First, boards should engage during the pre-signing phase—when value-shaping assumptions can still be challenged—and then remain involved through sign-to-close to test and refine those assumptions before execution begins.

Figure 2: Reframing board engagement across the cross-border M&A life cycle

Effective board engagement in cross-border M&A is less about increasing oversight and more about shifting when and how boards are engaged. M&A leaders can improve outcomes by reframing board involvement toward the decisions that shape and realize value across the deal life cycle.

Deal stage	How boards are often engaged	How leaders can reframe engagement
Strategy and target identification	Approve M&A strategy or capital allocation after priorities are set	Engage boards earlier to shape strategic rationale, growth priorities, and acquisition criteria
Due diligence and operating model design	Review diligence findings late, often focused on financial risk	Use boards to challenge diligence assumptions, cultural fit, and operating model choices
Negotiation, structuring, and signing	Approve valuation, structure, and terms at signing	Confirm decision rights, integration intent, and approval guardrails; enable delegated decisions
Executing and closing	Monitor regulatory approvals and closing conditions	Support speed through clear escalation paths and exception authority
Post-merger integration	Review financial results and synergy tracking periodically	Shift oversight to integration milestones, talent retention, and execution velocity

Source: Deloitte 2026 cross-border M&A survey (n = 126); Deloitte experience.

- Second, boards should anchor their discussions around value moments, not just deal moments—explicitly shifting attention toward diligence quality, operating model design, decision-making architecture, and integration readiness.
- Third, M&A leaders can promote speed without sacrificing governance by introducing structure, not urgency. Clear delegation thresholds, approval timelines, and empowered committees preserve momentum while maintaining control.
- Fourth, boards' involvement in integration oversight should continue beyond close, with structured checkpoints tied to value realization, culture, talent retention, and execution velocity—not just near-term financial results.
- Finally, M&A leaders can help elevate board capability over time by exposing directors to cross-border integration realities, encouraging ongoing education, and—where possible—advocating for greater diversity of experience and perspective.

Cross-border M&A does not fail because boards are disengaged. It fails when boards engage at the wrong points in the life cycle.

Enabling global growth without losing control

As "Operating model first, integration second: Why most cross-border PMI fails before close" and "Nemawashi meets deal speed: Redesigning decision-making for cross-border M&A," our second and third articles, respectively, in this series, demonstrated, value in cross-border deals is shaped long before closing and realized long after.

Boards that evolve from milestone oversight to enterprise stewardship of transformation—aligned to long-term value creation rather than deal mechanics—are better positioned to drive successful global growth. M&A leaders who actively shape that engagement play a critical role in making that evolution possible.[1]

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Other articles in this series:

- **What makes—or breaks—value in cross-border M&A: Insights from Japanese and global dealmakers**: Sets the foundation for the series, drawing on survey insights from M&A executives to explain why cross-border deals underperform and where value is truly created or lost across the deal life cycle.
- **Operating model first, integration second: Why most cross-border PMIs fail before close**: Explores how unresolved operating model decisions made before signing quietly determine post-merger integration outcomes, often locking in value leakage well before Day 1.
- **Nemawashi meets deal speed: Redesigning decision-making for cross-border M&A**: Examines how decision-making architecture—not culture alone—determines speed to value, shaping how quickly organizations convert deal intent into execution momentum, and how consensus and speed can be deliberately designed to coexist in cross-border deals.

About the survey and acknowledgments

In October 2025, a Deloitte survey conducted by Potloc—a market research firm—polled 126 life sciences executives on globalization strategies, cross-border deal-making and deal value. All participants worked at private or public companies with revenues greater than $10 million (62% were at or above $1 billion). All were Director-level or above and had cross-border M&A experience within the last three years.

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Endnote

1. Sriram Prakash and Hugh Frecheville, "Strategy – Building a transformational M&A playbook," in *The Growth Transformer's Playbook*, Deloitte, September 2025, pp. 11–19.

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