

A man in a white shirt stands in a meeting room, gesturing as he presents to a group of people seated around a table. The room has large windows and a potted plant. The scene is overlaid with a green dotted line and circular patterns.

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Together makes progress

Where deal governance fails—
and how to make it *earn its keep*

In modern M&A, deal governance is everywhere and nowhere. Deal leaders staff and fund management offices for integration and separation but treat them as background functions. Governance coordinates complex transactions across dozens of workstreams, but it doesn't receive credit for creating value when deals work as planned. When a deal underperforms, governance usually gets the blame.

This isn't merely a question of team honor. The approach to governance has tangible impacts. M&A transactions often cross borders, come with value targets, and go hand in hand with enterprise transformation. Deal execution is faster than before, in part due to rising M&A use: In Deloitte's recent GenAI in M&A survey, 87% of respondents report actively using GenAI in at least one stage of the M&A life cycle, and 83% expect GenAI to have a moderate or significant impact on M&A decision-making within the next two years. Automation and AI-enabled insights are compressing analysis cycles and increasing the speed at which decisions are expected to be made.¹

Against this pace and those expectations, the way most organizations design and deploy deal governance has not kept pace.

In this environment, governance needs to mean more than coordinating activities. Weak governance—such as deal speed without clear decision rights, lack of discipline in sequencing, and unaccountability—does more than slow deals. It amplifies risk. To generate the results that earn it a place at the table, governance

has to do three things consistently: resolve trade-offs, accelerate the decisions that actually matter, and keep execution on track and under control when the pressure is greatest.



The promise of deal governance—and why it often falls short

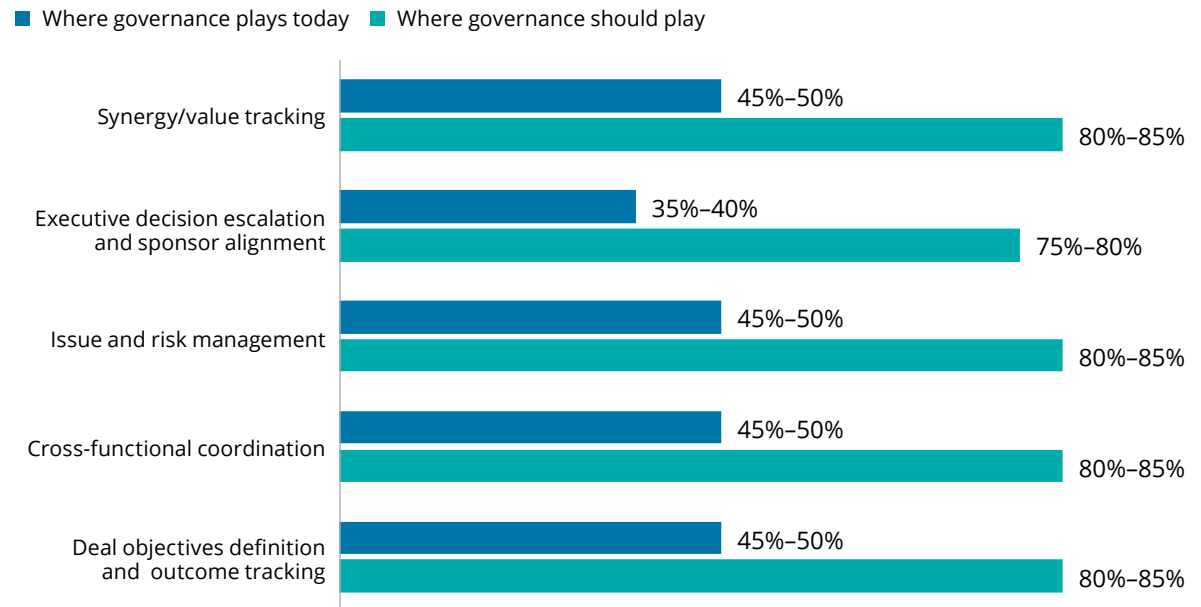
The work of governance may actually be the hardest work in a transaction: It has to align stakeholders around objectives, coordinate execution across functions, surface and resolve risks, and maintain momentum from deal inception through value realization. To position governance as a coordination and reporting layer may prevent it from working with the necessary authority. True, governance also handles less critical functions such as cadence, documentation, and updates. But that is not where it does the most to shape outcomes.

This gap—between the expectations on governance and what it is actually empowered to do—sits at the heart of most governance failures.

Figure 1 illustrates this mandate gap clearly. Across deals, deal leaders expect governance bodies to play a leading role in defining objectives, managing cross-functional execution, tracking value, and escalating decisions. Yet today, in each of those areas, governance doesn't have a level of authority to match those expectations. The pace of change in M&A may widen that gap if it remains unaddressed. And when companies ask governance to deliver value without decision rights, it becomes an observer of complexity with no role or power to resolve it.

Figure 1. The deal governance mandate gap—where expectations exceed design

Deal governance bodies are expected to resolve the hardest cross-functional decisions in M&A, yet they are most often positioned as coordination and reporting layers. This gap between expectation and design helps explain why governance frequently underdelivers against its value-creation mandate.



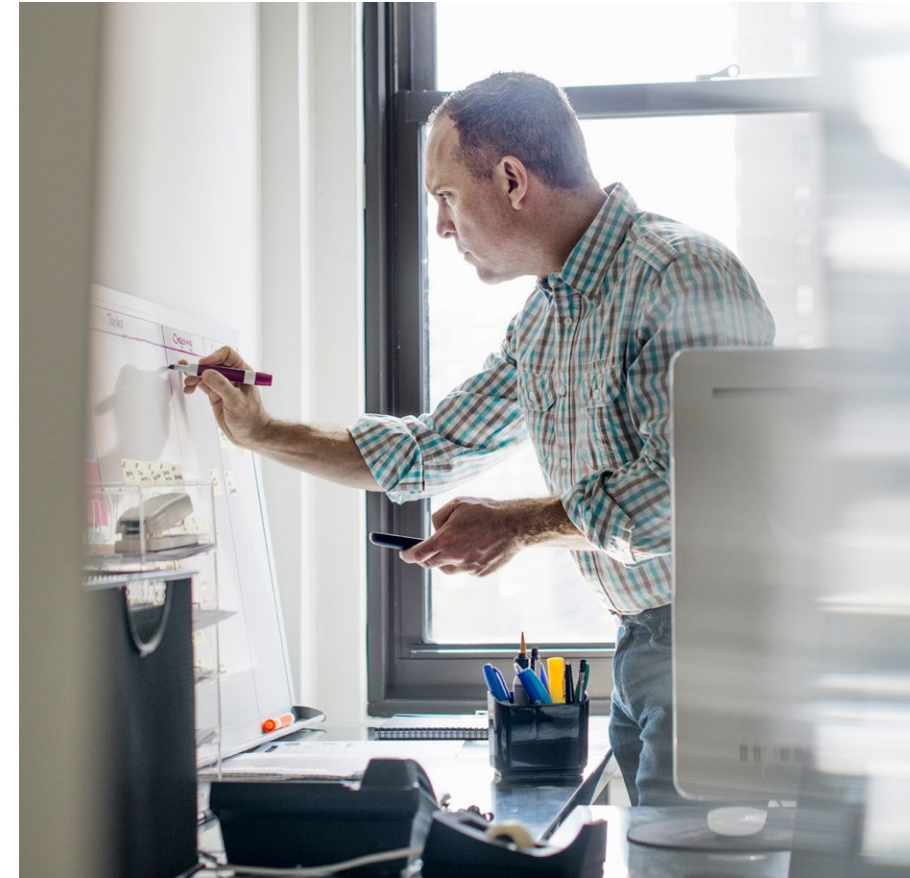
Source: Deloitte 2025 M&A Deal Strategy and Governance Survey (n = 220)

Governance fails by design, not effort

Execution challenges such as limited resources, competing priorities with the core business, or sheer deal complexity often get the blame when governance breaks down. Those factors matter—but the root causes are more often found in three structural design flaws:

- **Decision authority is implied but never truly granted.**
Governance forums are expected to resolve conflicts, but the escalation rights they need to do so are often unclear; as a result, decisions are deferred upward or pushed back into functions. This slows execution and erodes accountability.
- **Governance is built to deliver cadence and reporting, not outcomes.**
Meeting rhythms and reporting artifacts is necessary. But it is no substitute for taking explicit ownership of value drivers. When no clearly identified authority is governing success metrics, teams optimize locally, not collectively.
- **Sequencing—the timing of irreversible decisions—is barely governed at all.**
Not all decisions are equal. Some must happen early to prevent downstream rework and value erosion. When governance lacks sequencing discipline, it inevitably becomes reactive instead of addressing these needs from the start.

These design flaws explain more than the failure to generate deal value. They also illuminate the reasons governance often feels burdensome rather than enabling.



How governance breakdowns show up across the deal

Weak governance design isn't an abstraction. It generates tangible outcomes in the ways deal teams experience execution.

Not surprisingly, as figure 2 illustrates, surveyed governance leaders themselves overwhelmingly believe governance contributes to deal success. It is the functional and cross-functional leaders who are far less convinced. They are significantly more likely to view governance as neutral rather than value-adding, and that gap in perception shows up in practice. The result may be uncomfortable, but it is clear: Governance effort is high, yet its impact is inconsistent and often invisible to the teams who do the work. Governance should resolve trade-offs and accelerate decisions. When it does not—regardless of how much activity is taking place—people experience that as if governance were actually causing the friction.

Figure 2. The governance perception gap across deal roles

Deal governance is viewed as more value-contributing by those who run it than by those who rely on it. This perception gap signals a service and design issue: When governance does not resolve trade-offs or accelerate decisions, it is experienced as friction rather than enablement.

■ Very much contributed ■ Somewhat contributed ■ Neutral



Source: Deloitte 2025 M&A Deal Strategy and Governance Survey (n = 220). IMO leaders (n = 91); SMO leaders (n = 50); Functional/cross-functional leaders (n = 79).

Execution, not administration

Because M&A deal value is rarely determined at signing, many organizations misjudge the role of deal governance. As Deloitte's Growth Transformer research has highlighted, deal value is determined by the organization's ability to translate strategic intent into coordinated execution over time—across functions, geographies, and competing priorities.² Deal governance is the execution capability that makes that translation possible.

After more than a decade of sustained digital transformation, today's deals almost invariably cut across deeply interconnected, end-to-end processes—order-to-cash, procure-to-pay, research-to-market, and data-to-decision. Many of the delays and value leaks that organizations attribute to "integration issues" are actually due to failures to redesign these processes for the post-Day 1 enterprise.

GenAI-driven acceleration doesn't reduce the need for governance; it amplifies it. In a separate Deloitte survey on the use of GenAI in M&A, a strong majority of respondents report that their organizations already have foundational AI governance mechanisms in place, including governance committees, usage principles, and defined accountability for risk.³ That infrastructure is necessary, but it is not sufficient by itself.

Enterprise AI governance can set policy. Deal governance should operationalize that policy under execution pressure to clarify when AI-generated insight can be acted on, what requires independent validation, and who is accountable when human judgment overrides automated output.

In this environment, the IMO or SMO is no longer a coordination layer: It determines the future-state process landscape—enterprise-owned, cross-functional, and often cross-border. It resolves interdependencies that no single function is incentivized to resolve on its own.

When a deal team designs governance with clarity, sequencing discipline, and the authority it needs, governance can become the mechanism that protects and realizes deal value. But when all governance can do is coordinate from the sidelines, then the delayed decisions, unresolved trade-offs, and fragmented execution may quietly erode even the most well-conceived M&A strategy.

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As AI accelerates execution, governance has to accelerate accountability—because if insight moves faster than decision rights, value erosion becomes structural, not accidental.

What 'good' governance actually looks like



To close the mandate gap, governance doesn't require more structure. It requires better design.

Good deal governance is clear and disciplined about where it has authority, which outcomes it owns, and when key decisions must be made. It is measured not by the cadence it maintains, but by the decisions it accelerates and the value it protects.

Leaders who get governance right do a few things differently:

- They define governance mandates up front and specify which decisions governance owns and when escalation is required.
- They anchor governance around outcomes—value, risk, and momentum—not just activity.
- They use governance to enforce sequencing discipline so that irreversible decisions are made early and deliberately.
- They design governance as a service to the business and measure it by decision speed and clarity rather than meeting volume.

Governance must earn its seat

As expectations on M&A value realization rise, deal governance can no longer survive as an administrative layer. It is the only function in a position to coordinate value across functions, geographies, and time horizons. When organizations see it that way, set it up that way, and treat it that way, it will earn its keep. If they don't, the resulting governance structure may add little value.

If you are considering M&A, or you are in the process of a transaction and ready to reevaluate effective governance, reach out for a discussion.

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In late 2025, a Deloitte survey conducted by Potloc—a market research firm—polled 220 M&A executives on deal strategy and governance practices. All participants worked at private or public companies, held a director-level or above position, and had M&A experience within the last two years.

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Endnotes

1. Deloitte, *2025 GenAI in M&A Study: GenAI makes inroads, but challenges remain*, 2025.
2. Sriram Prakash and Hugh Frecheville, “Strategy – Building a transformational M&A playbook” in *The Growth Transformer’s Playbook*, Deloitte, September 2025, pp. 11–19.
3. Deloitte, *2025 GenAI in M&A Study: GenAI makes inroads, but challenges remain*.



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