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When Does Acquisition Integration Succeed? Evidence from Inside the Integration Black Box

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April 2026

Sinan Gokkaya
Ohio University
Xi Liu
Miami University of Ohio
René M. Stulz
The Ohio State University, ABFER, NBER, Wharton Financial Institutions Center and ECGI

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Abstract

We penetrate the black box of post-acquisition integration by examining whether business unit leaders (BULs)-executives responsible for integrating and operating acquired targets-shape integration outcomes. Using natural language processing-based measures of realized integration outcomes and financial metrics, we find that BULs' target-industry experience increases (decreases) integration success (failures) through superior realization of transaction synergies. Other BUL attributes are unrelated to integration outcomes. Consistent with the importance of integration for acquisition success, such experience enhances acquisition performance. BULs' target-industry experience improves integration planning and their post-acquisition career outcomes but is unrelated to earlier stages of the acquisition process.

Keywords: Acquisitions, integration, business unit leaders, synergies, performance

JEL Classifications: G3, G34, I25

Sinan Gokkaya
JPMorgan Chase & Co. Professor of Finance
Ohio University
College of Business, Copeland Hall
Athens, Ohio 45701, USA
phone: +1 (740) 593-0514
e-mail: gokkaya@ohio.edu

Xi Liu
Ohio Casualty Professor
Miami University of Ohio
83 N Patterson Ave
Oxford, OH 45056, USA
phone: +1 513.529.1503
e-mail: liux60@miamioh.edu

René M. Stulz*
Everett D. Reese Chair of Banking and Monetary Economics
The Ohio State University
806A Fisher Hall, 2100 Neil Avenue
Columbus, OH 43210, United States
phone: +1 614 292 1970
e-mail: stulz.1@osu.edu

*Corresponding Author

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When Does Acquisition Integration Succeed? Evidence from Inside the Integration Black Box

Sinan Gokkaya, Xi Liu, and René M. Stulz[1]

April 6, 2026

Abstract

We penetrate the black box of post-acquisition integration by examining whether business unit leaders (BULs)—executives responsible for integrating and operating acquired targets—shape integration outcomes. Using natural language processing-based measures of realized integration outcomes and financial metrics, we find that BULs' target-industry experience increases (decreases) integration success (failures) through superior realization of transaction synergies. Other BUL attributes are unrelated to integration outcomes. Consistent with the importance of integration for acquisition success, such experience enhances acquisition performance. BULs' target-industry experience improves integration planning and their post-acquisition career outcomes but is unrelated to earlier stages of the acquisition process.

[1] Gokkaya is JPMorgan Chase & Co. Professor of Finance at Ohio University and a Visiting Scholar at Fisher College of Business, The Ohio State University. Liu is Ohio Casualty Professor of Finance at Farmer School of Business, Miami University. Stulz is Everett D. Reese Chair of Banking and Monetary Economics, The Ohio State University, Research Associate at the National Bureau of Economic Research, and Fellow at the European Corporate Governance Institute

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Correspondence: **René M. Stulz,** 806 Fisher College of Business, The Ohio State University, 2100 Neil Avenue, Columbus, OH, 43210-1144; email: stulz.1@osu.edu.

1. Introduction

Mergers and acquisitions (henceforth, acquisitions) are among the most consequential corporate decisions, driving capital reallocation and reshaping firm boundaries and organizational scope, with first-order implications on firm value and shareholder wealth. Yet, a longstanding view among academics and M&A practitioners is that a substantial fraction of acquisitions fail, often due to integration difficulties (see Renneboog and Vansteenkiste, 2019, for a recent review of the academic evidence). A recent Harvard Business Review (Kenny, 2020) article similarly notes that "According to most studies, between 70 and 90 percent of acquisitions fail. Most explanations for this depressing number emphasize problems with integrating the two parties involved." Consistent with this perspective, textbooks and surveys by financial economists and M&A practitioners emphasize that post-acquisition integration is perhaps the *central* determinant of acquisition success (e.g., Bragg, 2008; Ahern, Daminelli, and Fracassi, 2015; Deloitte, 2015; Ernst & Young, 2015; Bain, 2024; McKinsey, 2025). Despite decades of research, the academic literature has yet to penetrate the *black box* of the post-acquisition integration process. In this paper, we do so by examining the role of business unit leaders (henceforth, BULs**)** in shaping post-acquisition integration outcomes, and, consequently, acquisition success.

In U.S. firms, BULs are the key executives directly accountable for integrating and operating newly acquired target firms and are consistently ranked among the most critical stakeholders in acquisition transactions (Ernst & Young, 2015; McKinsey, 2016a; Deloitte, 2018). While BULs do not generally lead M&As and are not typically involved in the front-end of the deal-making process (i.e., acquisition strategy development, target selection, and negotiation), they are *directly* accountable for integrating acquired targets and capturing transaction synergies during the post-acquisition integration phase. For the most part, BULs oversee a broad range of post-acquisition integration activities, including integration strategy and plan design, performance monitoring, resource allocation, stakeholder coordination, assimilation of key assets, personnel, customers, and suppliers, as well as addressing execution challenges that arise during the integration process. Consistently, corporate executives emphasize that the success of the post-acquisition integration process— and, consequently, overall acquisition success— relies critically on the integration

capabilities of BULs (e.g., Bragg, 2008; McKinsey, 2010; Ernst & Young, 2016; Deloitte, 2018; Bain, 2021).

In this paper, we construct a comprehensive sample of BULs and their corresponding operating segments for U.S. publicly traded firms between 2000 and 2022. To identify BULs responsible for integrating acquired targets, we manually match BULs to acquisition transactions using the target firm's four-digit SIC industry classification as well as detailed goodwill allocation disclosures and management discussions in Form 10-K filings, M&A press releases, acquisition-related Form 8-K filings, and M&A conference call transcripts. Our sample contains 5,550 unique acquisitions of public firms, private firms and subsidiaries (totaling over $4.4 trillion in transaction value) executed by 1,636 unique acquirers employing 5,190 distinct BULs. Industry experience is widely recognized as a critical attribute of key participants involved in M&As, including CEOs (Custódio and Metzger, 2013), directors (Field and Mkrtchyan, 2017), and investment banks and M&A bankers (Chemmanur, Ertugrul, and Krishnan, 2019; Wang, Xie, and Zhang, 2022). Similarly, an in-depth understanding of the target's industry represents the core competence of effective integration leaders (e.g., Ernst and Young, 2016; Bain, 2021). Accordingly, we focus primarily on BULs' experience in the target firm's industry as our main measure of integration capability. Recognizing that integration capability may be inherently multifaceted, we further examine other BUL-specific characteristics — including prior acquisition experience, financial or investment banking expertise, CEO connections, demographic traits, and general managerial ability — that have been previously studied in the context of CEOs and directors (e.g., Guner, Malmendier, and Tate, 2008; Huang and Kisgen, 2013; Huang, Jiang, Lie ,and Yang 2014).

We start by examining the implications of BULs for *realized* post-acquisition integration outcomes. Acquiring firms discuss integration progress to satisfy investor demand for transparent, forward-looking information regarding acquisition execution (McKinsey, 2017). Accordingly, we first compile a comprehensive sample of transcripts for earnings conference calls and institutional investor conferences—including broker-hosted industry conferences, analyst and investor days, capital market day events, and product market conferences—from *Refinitiv StreetEvents* database for all acquiring firms in our sample.

We then systematically extract integration-related information from full transcripts of these events through natural language processing (NLP) techniques. Specifically, we construct novel and *direct* measures of *realized* post-acquisition integration outcomes by employing a rule-based NLP that parses the textual content of both the presentation and question-and-answer sections of earnings and institutional investor conferences. The NLP algorithm classifies managerial discussions using domain-specific dictionaries of post-M&A integration language, which are then explicitly linked to *individual* acquisition transactions. In multivariate linear probability regressions controlling for an array of firm- and transaction-level characteristics (along with industry-year fixed effect and standard errors clustered at the acquirer level), we find that BUL experience in the target's industry is negatively associated with managerial discussions of post-acquisition integration failures at the transaction level. Economically, a one-standard deviation increase in the BUL's target-industry experience reduces the probability of managerial discussions of post-acquisition integration failures by 3.98% (4.27%) within one (two) year (s) following acquisition completion, corresponding to roughly a 60.39% (61.43%) reduction relative to the unconditional mean. Conversely, BUL target-industry experience is positively associated with discussions of successful post-acquisition integrations. A one–standard deviation increase in BUL target-industry experience increases managerial discussions of post-acquisition integration success by 4.32% (5.22%) one (two) years after deal completion, corresponding to a 44.58% (43.79%) increase relative to the unconditional success probability In sharp contrast, when we examine other BUL-specific attributes, we find no significant relation with realized integration outcomes.

Post-acquisition integration outcomes ultimately depend on acquirers' ability to realize transaction synergies, with failures to capture revenue and cost synergies representing the most common source of post-acquisition integration failures (PWC, 2023). To provide sharper insights into the nature of realized integration outcomes, we next examine whether BULs facilitate the realization of transaction-specific synergies. Extending our NLP analyses of acquirers' earnings conference calls and institutional investor conferences, we construct transaction-level measures of managerial discussions pertaining to realized synergy outcomes. We find that BUL target-industry experience likewise increases (decreases) the

probability of managerial discussions of meeting (missing) transaction-specific synergy targets. We corroborate these NLP-based findings using financial statement-based measures of unsuccessful synergy realizations — specifically, goodwill impairments (Gu and Lev, 2011; Ben-David, Bhattacharya, and Jacobsen, 2026) — and document consistent results. BUL target-industry experience translates into a lower probability and reduced magnitude of post-acquisition goodwill impairments.

Among the different types of acquisition-related synergies, the realization of operational synergies, namely, revenue and cost synergies, is central to post-acquisition integration success (PwC, 2023). Accordingly, we focus on these dimensions to better understand how BULs contribute to the realization of transaction synergies. Using NLP-based measures of managerial discussions of realized revenue and cost synergy outcomes at the transaction level, we find that BUL experience in the target's industry translates into a greater probability of managerial discussions of capturing revenue and cost synergies. Such BUL experience is likewise negatively associated with failures in capturing these operational synergies. Complementing these NLP-based findings with financial statement-based measures of operational performance, we find that acquirers exhibit higher post-acquisition revenue growth and larger reductions in cost structures (i.e., cost of goods sold and operating expenses) when integration is led by BULs with greater target industry experience. By contrast, other BUL-specific attributes display no significant association with overall, revenue or cost synergy outcomes.

As discussed earlier, post-acquisition integration outcomes are widely recognized as a critical determinant of acquisition success. Against this backdrop, we examine whether acquisitions integrated by BULs with stronger integration capabilities deliver incrementally superior performance. Specifically, if BUL experience (in target's industry) enhances realized post-acquisition integration outcomes and facilitates synergy realizations, then transactions integrated by greater target-industry experienced BULs should generate superior abnormal performance. Consistent with this prediction, we find that the average five-day cumulative abnormal returns (CAR) over the [-2, + 2] event window surrounding acquisition announcements is significantly higher for transactions integrated by BULs with greater target-industry experience. Economically, acquisitions led by BULs with above-median target-industry experience exhibit

an average acquisition CAR of 1.35%, significant at the 1% level. By sharp contrast, acquisitions integrated by less-experienced BULs generate negative and statistically insignificant CARs, and the difference between these two groups is statistically significant at the 1% level. This pattern persists across acquisitions of public, private, and subsidiary targets, as well as both stock- or cash-financed transactions. Importantly, average acquisition CARs remain significantly higher for transactions integrated by BULs with greater target-industry experience even among acquirers that employ specialized M&A staff (Gokkaya, Liu, and Stulz, 2023). This finding is consistent with the view that, while specialized M&A staff primarily focus on the front-end of the transaction process, BULs drive the post-acquisition integration process. To address potential confounding effects, we estimate multivariate regressions and continue to find that BUL experience in target's industry translates into *incrementally* higher acquisition CARs after controlling for a battery of acquirer- and transaction-specific characteristics considered in prior M&A research. In economic terms, a one-standard deviation increase in BUL target industry experience translates into incrementally 1.11% higher acquisition CARs. Consistent with our analyses of realized integration outcomes, other BUL-specific attributes show no significant relation to acquisition CARs. We obtain similar results across alternative acquisition performance measures, including cumulative abnormal market reactions over longer event windows, long-run buy-and-hold abnormal stock returns, post-acquisition divestitures in the target's industry, and analyst forecast revisions surrounding acquisition announcements.

We next examine whether potentially omitted factors or non-random matching bias our results. To address unobserved heterogeneity, we first include BUL fixed effects for BULs overseeing multiple operating segments and integrating at least one acquisition in each segment within the same acquirer, and find that acquisitions perform better when the *same* BUL has greater experience in the target's industry. Second, falsification tests using BULs' unrelated industry experience or industry experience of BULs overseeing international or functional divisions yield insignificant results. Third, distinguishing between internally versus externally obtained industry experience, as well as experience from prior BUL versus non-BUL roles, we find all forms of industry experience similarly enhance acquisition performance. Our results also remain robust after controlling for CEO-, director-, and segment-level characteristics and after

including CEO fixed effects. To address potential non-random BUL-firm matching—such as firms appointing industry-experienced BULs in anticipation of future acquisitions—we exclude transactions in which BULs were appointed within three or five years prior to the transaction or were appointed by current CEOs, for whom such concerns are most likely to arise. We continue to find robust evidence. Adding firm fixed effects, we compare acquisitions within the *same* firm and continue to obtain similar results. Furthermore, focusing on multi-segment firms that complete acquisitions in at least two different operating segments within the *same* year, we include firm-year paired fixed effects to compare deals within the same firm-year, and our results remain unchanged. Next, we employ a propensity score matching procedure based on all observable acquirer- and transaction-level characteristics (excluding BUL experience in target's industry) and obtain similar evidence. Finally, following prior studies that exploit geographic labor market shocks to instrument for executive appointments (e.g., Knyazeva, Knyazeva, and Masulis, 2013; Field and Mkrtchyan, 2017), we use geographic variation in the local supply of industry-experienced BULs across the U.S. labor markets (and over time) as a source of exogenous variation in BUL availability. Implementing a two-stage least squares instrumental variable approach, we continue to find consistent evidence.

Having established that BUL experience in the target firm's industry improves acquisition performance, we next examine whether this effect varies with the *ex-ante* difficulty of the post-acquisition integration phase. If BULs enhance acquisition performance primarily through superior integration execution, their impact should be strongest for transactions that pose greater integration challenges. We measure ex-ante integration difficulty using transaction-level characteristics emphasized in both the literature and among M&A practitioners — namely, relative size of target size compared with the acquirer, acquisitions of public, labor-intensive, diversifying and geographically distant targets (e.g., Bargeron, Schlingemann, Stulz, and Zutter, 2008; McKinsey, 2010; Golubov, Petmezas and Travlos, 2012; Bereskin et al., 2018; Wang, Xie, and Zhang, 2022; Aktas, Croci and Signori, 2025). Consistent with our main conjecture, BUL target industry experience adds the most incremental value to acquisition performance when integration challenges are expected to be most severe ex-ante.

An important question is whether BULs also add value to earlier stages of the acquisition process. Evidence from McKinsey (2016c) suggests that BULs may occasionally contribute to the front-end of the transaction process, albeit in a more limited capacity such as acquisition strategy development, target identification, and negotiation. To explore this possibility, we examine whether BULs also help identify targets i) with higher transaction synergies or ii) greater cultural similarity to acquirers. Using standard measures of transaction synergies —including combined announcement returns and combined dollar gains (Kale et al., 2003; Golubov, Petmezas, and Travlos, 2012; Harford, Humphrey-Jenner, and Powell, 2012)— we find no evidence that any BUL characteristics significantly affect transaction synergies. Moreover, we measure synergy gains using textual analyses of M&A press releases, regulatory filings and conference calls and identify transactions in which acquirer managers explicitly discuss expected earnings-per-share accretion. Once again, the results remain insignificant. When we proxy for cultural similarity between acquirers and targets using linguistic-based cultural values derived from earnings conference call transcripts (Li, Mai, Shen, and Yan, 2021), our results likewise remain insignificant. We further test whether BULs influence negotiation outcomes — such as takeover premiums or acquirer value capture — and again find no significant relation with any BUL characteristics. Finally, we examine the due diligence process, where BULs may add value by developing integration plans and providing subject-matter expertise on transaction-specific operational and regulatory due diligence (Deloitte, 2018). Our findings show that BUL target industry experience is positively associated with both the likelihood of integration plan disclosures and the length of due diligence, consistent with greater due diligence intensity (Golubov, Petmezas and Travlos, 2012; Marquardt and Zur, 2015; Wangerin, 2019).

Our final set of analyses investigates the post-acquisition career implications of integration effectiveness for BULs. Lehn and Zhao (2006) find that CEOs are more likely to be replaced following value-destroying acquisitions, and M&A practitioners similarly emphasize that the post-acquisition integration process serves as a pivotal career test for senior managers (McKinsey, 2016b; Bain, 2024). If BUL target-industry experience is a key driver of integration effectiveness, then such experience should result in more favorable post-acquisition career outcomes for BULs. Consistently, we find that BULs with

greater target-industry experience are more likely to be promoted and less likely to be dismissed following acquisitions. These effects are stronger when acquisitions generate greater value. Other BUL-specific attributes show no significant relation to post-acquisition career outcomes.

Our paper contributes to several strands of the literature. First, we open the black box of post-acquisition integration process by highlighting the pivotal role of BULs in integrating acquired target firms, contributing to the emerging literature that deepens our understanding of the internal acquisition process in U.S. markets (see Gokkaya, Liu and Stulz, 2023; Aktas and Boone, 2024). We construct novel NLP-based, transaction-level realized integration outcomes by analyzing managerial discussions in transcripts of earnings conference calls and institutional investor conferences. Using these NLP-based measures, we show that BUL target-industry experience is associated with managerial discussions of superior realized integration outcomes, primarily through the successful realization of transaction, revenue and cost synergies. In doing so, we extend Hoberg and Philips (2016), who develop text-based measures of post-acquisition integration failure (based on management discussions) using acquirers' 10-K filings in their study of ex-ante product integration risk and subsequent acquisition outcomes.

Our paper also contributes to the broader literature examining why many M&A transactions fail and what drives acquisition success (Renneboog and Vansteenkinste, 2019). Prior research in this field and M&A practitioner surveys consistently identify post-acquisition integration challenges as a leading cause of deal underperformance (e.g., Bragg, 2008; Zollo and Meier, 2008; Ahern, Daminelli, and Fracassi, 2015; Deloitte, 2015; Ernst & Young, 2015; Bereskin et al., 2018). We show that BULs with superior integration capabilities *incrementally* improve acquisition performance and that their value-added role is greatest when ex-ante integration challenges are most severe. Specifically, BUL experience in the target's industry is the primary determinant of their post-acquisition integration effectiveness and, ultimately, acquisition success. By contrast, other executive traits commonly examined in prior M&A research on CEOs and directors — such as acquisition or financial experience, social connections, demographic attributes, and general managerial ability — play no significant role. In this respect, we add to the broader literature emphasizing the value of industry experience across corporate and financial market settings, including CEOs and

directors (Dass, Kini, Nanda, Onal, and Wang, 2013; Custódio and Metzger, 2013; Field and Mkrtchyan, 2017), investment banks and M&A bankers (Liu and Ritter, 2011; Chemmanur, Ertugrul, and Krishnan, 2019; Wang, Xie, and Zhang, 2022), sell-side analysts (Brown et al., 2014; Bradley, Gokkaya, and Liu, 2017), and mutual funds (Cici, Gehde-Trapp, Goericke and Kempf, 2018; Gokkaya et al., 2023). Moreover, our study contributes to the growing literature linking acquisition outcomes to ex-ante integration challenges arising from acquirer-target differences in culture (Ahern, Daminelli, and Fracassi, 2015; Bereskin et al., 2018), corporate social responsibility (Deng, Kang, and Low, 2013), product-market integration risk (Hoberg and Phillips, 2016), and Covid-19 pandemic (Aktas, Croci and Signori, 2025).

Finally, we contribute to the growing literature on the role of managers below the executive suite in shaping outcomes of corporate decisions. Prior studies show that the characteristics and influence of divisional and segment managers meaningfully affect firm policies and outcomes. For example, the survey evidence of Graham, Harvey, and Puri (2015) from more than 1,000 U.S. CEOs documents that more reputable and confident divisional managers receive larger internal capital allocations. Similarly, Duchin and Sosyura (2013) and Glaser, Lopez-de-Silanes, and Sautner (2013) find that managerial power and social connections among divisional and segment heads influence capital allocation, investment efficiency and firm value in multi-segment firms. We extend this strand of literature by examining business unit leaders and demonstrating their importance for post-acquisition integration outcomes and acquisition performance.

The paper proceeds as follows. In Section 2, we discuss BUL integration capabilities, sample construction, and descriptive statistics. Section 3 examines the implications of BULs for realized post-acquisition integration outcomes, including successes and failures in capturing transaction, revenue and cost synergies. Section 4 analyzes the relationship between BUL integration capabilities and acquisition performance. Section 5 examines whether BULs add value to earlier stages of the acquisition process and Section 6 investigates the career implications of post-acquisition integration effectiveness for BULs. Section 7 concludes.

2. Business unit leaders: Integration capabilities, sample construction and descriptive statistics

In this section, we describe BUL-specific individual attributes that are plausibly related to post-acquisition integration capabilities, explain the construction of our sample and methodology used to map BULs to specific acquisition transactions, and provide descriptive statistics.

2.1 What makes BULs successful in post-acquisition integration?

As discussed earlier, BULs are widely viewed as among the most consequential internal stakeholders in M&A transactions given their direct responsibility for integrating newly acquired target firms. Because post-acquisition integration outcomes are expected to hinge on BULs' integration capabilities, we examine individual attributes that may influence their effectiveness in performing this critical acquisition role.

We begin with BULs' experience in the acquired target firm's industry. Custodio and Metzger (2013) examine CEOs' experience in the target's industry and find that such experience enhances acquisition outcomes through superior negotiation effectiveness. Wang, Xie ,and Zhang (2022) likewise focus on target-industry experience of investment banks advising M&A transactions and reach similar conclusions. Focusing on integration leaders, Ernst & Young (2016) emphasizes that a deep understanding of the business, its functional areas and its competitive environment is a defining capability of effective integration leaders. Similarly, practitioner surveys by Bain (2021) identify industry experience as the most important determinant of successful capability development in M&As. Accordingly, we focus on BULs' experience in the target's industry as our primary measure of BULs' integration capability. We conjecture that BULs with more extensive target industry experience exhibit superior post-acquisition integration capabilities owing to their deeper and more nuanced understanding of the target's business model and industry landscape, operations, functional structure, industry best practices, market trends and competitive dynamics. Such BULs also possess a superior understanding of the target's product and geographic business, customer and supplier relationships, technological shifts, and regulatory constraints shaping industry conduct. Collectively, these dimensions of industry-specific human capital are expected to enable

BULs to design a more effective integration strategy for the target, diagnose integration challenges and risks with greater precision, prioritize high-value integration initiatives, and consequently, enhance the realization of expected transaction synergies. We define BUL target-industry experience as prior professional experience in the same two-digit SIC industry as the target firm (e.g., Cai and Sevilir, 2012; Custodio and Metzger, 2014).[2]

Next, we consider additional individual attributes that could also be potentially valuable for BULs' integration capabilities. First, we examine BULs' past acquisition experience within the target's industry. Field and Mkrtchyan (2017) find that acquirers with directors who possess industry-specific acquisition experience achieve superior acquisition outcomes through better target selection and synergy identification during the front-end of the deal-making process. However, whether BULs' prior acquisition experience (in the target's industry) improves post-acquisition integration capabilities remains less clear. On the one hand, McKinsey (2018) notes that experience from past acquisitions serves as an important incubator for developing technical integration skills. On the other hand, each acquisition is highly idiosyncratic, shaped by distinct transaction rationales, strategies, business models, and expected synergy gains. Acquirers frequently destroy value by over-relying on "integration playbooks" from past transactions, underscoring the limited transferability of integration experience across transactions (e.g., Ernst & Young, 2019).

Second, we consider BULs' financial expertise. Prior M&A research on CEOs and directors offers mixed evidence regarding the role of financial or investment banking experience. Huang, Jiang, Lie, and Yang (2014) find that executives with financial expertise improve target screening, negotiation, and takeover pricing, thereby enhancing value creation. In contrast, Guner, Malmendier and Tate (2008) and

[2] The primary reason for using two-digit SICs is to *fully* capture the prior work experience of BULs — subset of the former employers in a BUL's employment histories are private firms for which finer industry classifications are not available. In the Internet Appendix Table 2, we conduct robustness analyses using 4-digit SIC codes for the subset of BULs whose private employers can be reliably classified at this finer level. To implement this test, we manually assign BULs' former private employers of BULs to four-digit SIC industries whenever possible, based on detailed business descriptions in the firm's official website, the Securities and Exchange Commission (SEC) Edgar, LinkedIn, ZoomInfo, and other business news websites such as Bloomberg, BusinessWeek, Factiva, and Reuters. Our results remain robust.

Field and Mkrtchyan (2017) find that such expertise either has no effect or can even destroy value in acquisitions. For BULs, financial expertise may potentially improve post-acquisition integration capabilities by enabling more accurate modeling of synergy realization, integration plans and financial targets.

Third, we focus on BULs' professional and educational connections to CEOs and their demographic traits (age and gender). BUL-CEO connections may facilitate information flow and coordination, allowing connected BULs to obtain timely resources and executive support during the post-acquisition integration process, thereby enhancing their integration effectiveness. Conversely, BUL-CEO connections may foster favoritism and agency distortions, potentially undermining post-acquisition integration outcomes. Consistent with the latter view, Duchin and Sosyura (2013) show that divisional managers connected to CEOs receive greater capital allocations but invest less efficiently, consequently reducing firm value. Regarding demographic traits, prior research suggests that older directors possess broader general expertise, stronger leadership, and greater risk aversion (Cai and Sevilir, 2012; Yim, 2013; Field and Mkrtchyan, 2017). Gender studies show that female executives are generally less overconfident and more effective monitors (Adams and Ferreira, 2009; Huang and Kisgen, 2013). Collectively, these attributes may strengthen BULs' effectiveness in managing the post-acquisition integration process.

Finally, we assess BULs' general managerial ability using three proxies: (i) attendance at an Ivy League institution (at any academic level), (ii) recession cohort status, defined by whether a BUL obtained her first academic degree during a recession year as identified by the National Bureau of Economic Research (NBER), and (iii) fast-track career progression, measured by the age at which the individual first attained a BUL position. Prior research on CEOs links these characteristics to superior general managerial ability (Custodio and Metzger, 2013; Falato, Lee, and Milbourn, 2015). While greater managerial ability may improve BULs' post-acquisition integration effectiveness, Custodio and Metzger (2013) find no evidence that CEOs' general ability improves acquisition performance, suggesting that industry-specific experience may be more important than the general managerial skills in M&A transactions.

2.2 Sample construction and descriptive statistics

We manually construct a sample of BULs for U.S. publicly traded firms from various datasets over the period 2000-2022. We identify our initial sample of BULs from the *Boardex of Management Diagnostic Limited Individual* (*Boardex Individual)* by parsing the "Role name" and "Full Text Description" of individual profiles for variants of business unit leaders. Typical titles of BULs include divisional or segment or group or unit (henceforth, business units) president, CEO, chairman, co-chairman, executive vice president, head, managing director, senior vice president, or combinations thereof.[3] For BULs with incomplete employment profiles (i.e., missing employer names or employment years or ambiguous titles), we manually supplement their employment histories using *LinkedIn.com, Bloomberg, Reuters*, *Notable Names* and *Marquis Who's Who,* and information from company filings and corporate websites. For BULs with complete profiles from *Boardex Individual,* we cross-check employment information from these sources. We start our sample in 2000 as the coverage of *Boardex Individual* is relatively incomplete before 2000 (e.g., Duchin and Sosyura, 2013; Ishii and Xuan, 2014; Gokkaya, Liu, and Stulz, 2023). We match BULs to their companies and operating units with text-matching scores using information contained in *Boardex Individual* and *Compustat segment* database.[4] We manually verify and confirm the textual-score-based algorithmic matches to ascertain we have the correct BUL for a given business unit. In some cases, there is no perfect one-on-one correspondence between business unit information from *Boardex Individual* and the labeling of business units in the *Compustat segment* database. In such cases, we manually reconcile differences to establish a clear correspondence using information from Form 10-K reports*,* DEF-14a proxy

[3] The terms segment, division, group and business unit are often used interchangeably, with usage varying across industries and disclosure practices. We therefore use business unit leaders (BUL) as a general term referring to the head of an operating entity. Importantly, when distinct business units exist within broader segments, divisions or groups —as is common in conglomerate firms—we focus exclusively on the leaders of distinct business units (i.e., we exclude leaders of higher-level segments, divisions or groups), as they hold primary responsibility for post-acquisition integration functions.

[4] In some cases, *Boardex Individual* assigns a different personal/company identifier to the same individual/company over time mainly because it gathers biographical information from public sources that may contain different spellings or abbreviations. We manually check every observation to ensure each unique individual or firm is associated with only one unique identifier and eliminate all duplicates. BULs are matched their companies using CUSIPs, CIK codes, and *Boardex Individual* company names. We follow a very conservative approach in constructing our final sample and remove any observations for which there is ambiguity regarding whether we have the correct business unit leader for a given business unit.

statements, company websites, *LinkedIn.com, Bloomberg, Reuters*, *Notable Names*, and *Marquis Who's Who (*e.g., Duchin and Sosyura, 2013).[5] We take the view that if a BUL has any of above the aforementioned titles for a given business unit, she has direct responsibility over that business unit during her employment tenure.[6] We retain *all* firms with single and multiple business units (based on *Compustat Segment* information) and only exclude firms or business units with missing information on BULs. Next, we merge this sample with *CRSP* and *Compustat* to obtain stock return and financial accounting information. Finally, we merge the sample of business unit leaders from the *Boardex Individual*/*CRSP*/*Compustat* sample with *Thomson One Platinum Securities Data Company* (*SDC*) M&A database to create our acquisition sample and collect transaction-specific characteristics between January 1, 2000 and December 31, 2021. As is common in M&A research, we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, and 2) non-US target firms. We only keep transactions that involve a change of control of the target firm.

To assign BULs to specific M&A transactions, we use the following methodology: For acquisitions executed by firms with a single operating unit, we assume that the acquirer's existing BUL automatically assumes responsibility for the acquired target. For acquirers with multiple business units, we assume that the BUL overseeing the acquirer's existing unit operating within the target's four-digit SIC industry oversees the integration of the acquired entity. We then manually verify BUL assignments to M&As using detailed goodwill allocations disclosures and management discussions in (i) "Notes to consolidated financial statements" of Form 10-Ks reports, (ii) MD&As, (iii) M&A press releases and acquisition-related

[5] For firms organized primarily along functional lines—such as marketing, finance, operations, sales, human resources, or accounting—it is not possible to identify a one-to-one correspondence between business unit leaders (BULs) and distinct *operating* units. Because these structures lack discrete business units with identifiable leaders responsible for integration activities, we exclude such firms from our sample. This approach is consistent with Duchin and Sosyura (2013), who similarly exclude functionally organized firms when examining the role of divisional manager connections in intra-firm capital allocation for multi-segment firms.

[6] If multiple BULs hold BUL titles within a unit, we retain only those with the title of CEO or President. For example, if a business unit lists a CEO and Senior Vice President, we include only the CEO. When neither CEO or President title is present, we designate the highest-ranking officer (e.g., Senior or Executive Vice President) as the de facto BUL. For business units with multiple BULs, we retain all of these individuals and calculate the average of a corresponding characteristic for all individuals identified as a BUL (e.g., Cichello, Fee, Hadlock and Sonti, 2009; Duchin and Sosyura, 2013).

Form 8-K filings, and (iv) M&A conference call transcripts (obtained from *Refinitiv Streetevents* database, whenever possible). This process allows us to confirm whether existing BULs assume operational responsibility for acquired targets and to make corrections when deviations are identified.[7,8] When no direct correspondence exists between operating units and acquired targets based on four-digit SIC codes, we use three- or two-digit SIC codes to identify BULs responsible for integrating acquired targets, and subsequently verify all BUL-target assignments through goodwill allocations disclosures and management discussions in the aforementioned resources.[9] For acquisitions in which the target's four-, three- or two-digit SIC code does not match any of the acquirer's existing business units, we retain only those observations for which goodwill allocation information enables an unambiguous identification of the integrating BULs. Pursuant to the implementation of these sample construction procedures and the application of all relevant data screens, the final dataset contains 5,550 unique acquisition transactions (totaling over $4.4 trillion in deal value) integrated by 5,190 distinct business unit leaders at 1,636 unique acquirers over the 2000-2020 period.

Panel A of Table 1 presents the sample distribution over time. As expected, transaction activity declines sharply following the 2007-2008 global financial crisis and recovers beginning in 2010 (Column 1).

[7] Goodwill allocations provide a reliable information for identifying the business units, and hence BULs, responsible for operating and integrating acquired targets. Under U.S. GAAP (ASC 350-20), goodwill must be assigned to reporting unit(s) that are expected to benefit from the acquisition. Because Compustat segment data do not contain information on goodwill allocations, we extract this information mostly from 10-K reports. These notes are typically listed under "business combinations", "acquisitions and divestitures" "acquisitions" and "goodwill and intangible notes". We also check "Segment notes" under 10-Ks. For cases where no information is available in 10-K reports, we check MD&A disclosures, M&A press releases, acquisition-related Form 8-K filings and M&A conference call transcripts (whenever available). In rare cases, firms establish new operating segments (either a standalone or sub-divisions within existing business units) to house and operate the acquired targets. We identify such cases for acquirers with single and multiple business units, and adjust our data accordingly to ensure that the BUL responsible for post-acquisition integration is correctly assigned.

[8] When multiple business units are expected to benefit and realize synergies from an acquisition, goodwill is apportioned across business units accordingly under U.S. GAAP (ASC 350-20). Consistent with this requirement, our review of goodwill allocation disclosures confirms that business units that already operate in the target's industry code receive goodwill allocations, reinforcing our initial assignment of post-acquisition responsibility to their BULs.

[9] For example, in January 2013, Kinder Morgan Energy Partners (KMP) acquired Copano Energy (SIC 4923) in a transaction valued at approximately $5 billion. KMP operates distinct business units in SIC codes 4613, 4619, and 4922. Because there is no direct match between the target and acquirer based on the four-digit SIC code, we identify the BUL overseeing SIC 4922—the closest three-digit industry match—as responsible for integrating Copano Energy. Our manual review of observations matched on three- or two-digit SIC classifications also indicates that acquirers typically allocate oversight of a new industry line to the BUL of an adjacent or strategically proximate business unit.

Consistent with this pattern, the number of unique acquirers and associated BULs rises (falls) with increases (decreases) in acquisition activity. In our final sample, the number of acquisition transactions, unique BULs, and acquiring firms all peak in 2007 and reach their lowest levels in 2020.

Panel B of Table 1 reports acquirer-specific characteristics, as defined in the Appendix. The mean (median) acquirer size is $17.2 ($2.5) billion. On average, acquirers experience 9.4% (2.3%) abnormal stock performance (stock return volatilities) over the [-205, -6] event window relative to the acquisition announcement date. They exhibit 24.3% leverage, 12.6% ROA, a Tobin's Q of 2.2, a cash flow-to-equity ratio of 6.5% and R&D expenditures equal to 3.7% of total assets ratios at the fiscal year-end preceding acquisition announcements. The average acquirer has 70.9% institutional ownership and analyst coverage by 14 analysts in the quarter preceding deal announcements. We find that 29.9% of acquirers operate in high-tech industries as defined by Loughran and Ritter (2004) and 38.3% employ specialized M&A staff as defined in Gokkaya, Liu and Stulz (2023). Overall, these characteristics are broadly consistent with those documented in earlier M&A studies. In Panel A of Internet Appendix Table 1, we partition the sample at the median level of BUL target-industry experience and find that acquirer characteristics are similar in economic magnitude between acquirers with below- and above-median BUL target industry experience.

Panel C reports transaction-specific characteristics. The mean deal size relative to the acquirer's size is 13.2%. Regarding target ownership, 48.5% of targets are private firms, 18.1% are public firms, and 33.4% are subsidiaries. Prior M&A studies show that acquisition performance worsens with relative deal size and is higher (lower) for acquisitions of private and subsidiary (public) targets (Fuller, Netter, and Stegemoller, 2002; Moeller, Schlingemann, and Stulz, 2005). Diversifying and hostile acquisitions represent 38.4% and less than 0.1% of overall transactions, respectively. With respect to the method of payment, 39% of transactions are entirely financed by cash, 17.7% involve some or all stock financing, with the remainder using mixed or alternative payment methods. On average, acquirers retain 0.45 external financial advisors, with top-tier investment banks representing 25.2% of advisors. Acquisition performance is suggested to be inferior for diversifying transactions and all-stock deals but superior when acquirers retain top-tier investment banks (Travlos, 1987; Golubov, Petmezas and Travlos, 2012). In Panel B of Internet Appendix

Table 1, we continue to find that acquisition-specific characteristics are economically similar across acquirers with below- and above-median BUL target industry experience.

Finally, Panel D of Table 1 presents descriptive statistics on BUL-specific characteristics that may influence their post-acquisition integration capabilities (as discussed in Section 2.1). The average (median) BUL has 6.3 (5) years of work experience in the target firm's industry. On average, 13.7% of BULs have past acquisition experience in the target's industry whereas the median BUL does not have any such experience, indicating that acquisition experience among BULs is relatively uncommon. This is perhaps unsurprising as acquisitions are relatively infrequent and episodic corporate investments compared to other recurrent forms of capital deployment — such as capital expenditures, R&D investments, or maintenance investments. Moreover, BULs accumulate past acquisition experience only when they directly oversee the post-acquisition integration process. Similarly, on average, fewer than 9% of BULs possess financial expertise, as indicated by prior work experience in finance or investment banking. Regarding CEO connections, 16% of BULs have professional ties to their CEOs, and 8.5% share educational connections, on average. In terms of demographic traits, the average BUL is 48 years old, and 8.6% are female. Focusing on general managerial ability, 12% of BULs attended an Ivy League institution at any academic level, 11% are recession cohorts and 66% have fast-track career progression, on average.

3. Business unit leaders and post-acquisition integration outcomes

As discussed earlier, post-acquisition integration is the primary operational responsibility of BULs in the internal acquisition process and deep knowledge of the target's industry is expected to be fundamental to successful acquisition integration outcomes and a defining attribute of effective integration leaders. Accordingly, we examine whether BULs enhance post-acquisition integration outcomes primarily through their target-industry experience. At the same time, as discussed in Section 2.1, we recognize that BUL integration capabilities may arise from multiple factors; therefore, we consider other BUL-specific attributes—such as prior acquisition experience in the target's industry, financial and investment banking

expertise, CEO connections, demographic characteristics, and general managerial ability. This approach also enables us to *isolate* the incremental effect of BUL target-industry experience on post-acquisition integration outcomes. In the first part of Section 3, we construct transaction-level, natural language processing (NLP)-based empirical measures of post-acquisition integration failure and success and examine the determinants of these realized integration outcomes. In the second part of Section 3, we turn to the determinants of the acquirer's ability to capture transaction, revenue and cost synergies during the post-acquisition integration process.

3.1 Post-acquisition integration outcomes: Measurement and the role of business unit leaders

In this section, we develop transaction-level, NLP-based measures of integration success and failure to provide *direct* ex-post evidence on the association between BULs and *realized* integration outcomes following acquisition completion. Acquiring firms discuss their post-acquisition integration progress in public disclosures, particularly during interactions with investors and analysts. Such disclosures help reinforce investor confidence and satisfy institutional demand for transparent, forward-looking strategic information regarding acquisition execution. For instance, McKinsey (2017) states that "When companies update investors on progress during integration, they build trust and confidence in their skills as stewards of investor resources."

To capture these managerial disclosures, we obtain full transcripts of earnings conference calls as well as a wide range of investor and analyst meetings (hereafter, institutional investor conferences) from the *Refinitiv StreetEvents* database for all acquiring firms in our sample. These institutional investor conferences include broker-hosted industry conferences, analyst and investor days, capital market day events, and product market conferences. Because managers often provide qualitative updates on acquisition integration during these events, the transcripts provide a rich source of information on realized post-merger integration outcomes.

To systematically extract integration-related information from the full transcripts of these events, we employ natural language processing (NLP) techniques. Specifically, we use Claude Opus 4.6 to parse the

raw textual content of both the presentation and Q&A sections of earnings and institutional investor conferences and to classify sentences based on domain-specific dictionaries of post-M&A integration outcomes. We then identify sentences that contain discussions related to integration progress, challenges, or outcomes. These sentences form the basis for our text-based measure of post-acquisition integration success. To ensure that identified integration-related discussions correspond to *specific* acquisition transactions (thereby mitigating spurious textual matches), we incorporate target firm identifiers (i.e., the target's name or ticker) into the NLP parsing process. This approach allows us to link managerial discussions *directly* to the focal acquisition transaction. To improve NLP-based classification accuracy, our NLP procedure also applies a set of rule-based validation filters. First, we implement negation filters that exclude sentences in which outcome-related language is explicitly negated (e.g. integration discussions are negated by keywords like *not, no, never, without*). Second, we remove hedge and forward-looking statements (e.g., sentences describing expected or planned or anticipated integration activities) from the main realized-outcome measures. Third, we apply a semantic validation filter that excludes sentences in which integration-related language refers to product, software, or systems integration. Fourth, our NLP procedure restricts all classifications to management speech, excluding analyst questions and operator statements. This restriction ensures that the resulting integration measures capture management's own discussions regarding integration progress rather than questions asked by external participants. Because the integration process may take up to three years (e.g., Aktas, Croci and Signori, 2025), we examine managerial discussions of integration progress within one, two, or three years after deal completion.

Under this NLP framework, we construct two indicator variables that capture realized integration outcomes. *Integration Failure* equals one if managerial discussions referencing a specific target firm include explicit discussions of integration-related challenges such as execution delays, operational shortcomings, setbacks, or unsuccessful implementation. In contrast, *Integration Success* equals one if management explicitly discusses favorable integration progress or successful integration execution or

completion associated with the target firm. . .[10] To further enhance classification accuracy, we manually review each NLP-identified observation and verify that the flagged passages correspond to actual discussions of post-merger integration outcomes. Appendix A provides examples of transaction-level managerial discussions of both integration challenges and integration success during the post-acquisition integration phase.

In untabulated univariate analyses using our NLP-based measures of transaction-level post-acquisition integration outcomes, we find that 16.28% (18.88%) of acquirers disclose post-integration progress after one (two) year (s) of acquisition completion. Distinguishing between success and failure, 6.59% (6.95%) of acquirers disclose integration failures and 9.69% (11.92%) of acquirers disclose successful integration outcomes within the same horizons.

Partitioning the sample by the median of BUL target industry experience reveals pronounced differences. Only 5.51% (5.66%) of acquisitions integrated by above-median target-industry experienced BULs discloses integration failures, compared with 7.66% (8.24%) for those integrated by other BULs. The differences are significant at 1% level. The contrast is even more pronounced for integration success: 14.68% (17.73%) for acquisitions integrated by above-median experienced BUL are associated with success disclosures, compared with only 4.76% (6.20%) for others over the same horizon. These differences are again statistically significant at the 1% level. Moreover, conditional on disclosing any integration progress within one (two) year (s) of acquisition completion, only 24.34% (20%) of acquisitions integrated by above-median experienced BULs involve integration failure disclosures, compared with 61.80% (57.17%) for those integrated below-median experienced BULs. Conversely, 75.65% (80%) of acquisitions

[10] We identify integration outcomes using a rule-based NLP procedure applied at the sentence level. Sentences are classified as describing *Integration Failure* when integration-related language (e.g., *integration, integrate, integrating*) appears jointly with the target firm name and at least one term indicating adverse integration outcomes, such as *challenge, challenging, difficulty, difficulties, failure, unsuccessful, delays, costs, setbacks,* or *disruptions*, including their linguistic variants. Conversely, sentences are classified as describing *Integration Success* when integration-related language and the target firm name appear jointly with terminology indicating favorable integration outcomes, such as *success, successful, succeed, achieve, accomplish, meet, exceed,* or *progress*, and their variants.

integrated by above-median experiences BULs involve success disclosures, compared with only 38.19% (42.82%) for others over the same time horizon.

We then estimate linear probability models with *Integration Failure* or *Integration Success* indicator variables as the dependent variable, controlling for BUL-, acquirer- and transaction-specific characteristics specified in equation (1). We include industry-year paired fixed effects in our econometric specifications (Harford, 2005) and report heteroskedasticity-robust standard errors clustered at the acquirer level. The linear probability regression specification is as follows (time and firm subscripts are omitted):

$$\begin{aligned}\textit{Integration Failure/Success (1/0)} = {} & \beta_1\,\textit{BUL-industry experience} + \beta_2\,\textit{BUL-M\&A experience} + \beta_3\,\textit{BUL-Prof Linked to CEO} + \beta_4\,\textit{BUL-Edu Linked to CEO} + \beta_5\,\textit{BUL-IB experience} + \beta_6\,\textit{BUL-Fin experience} + \beta_7\,\textit{Stock Price Runup} + \beta_8\,\textit{Sigma} + \beta_9\,\textit{Ln (Acquirer Size)} + \beta_{10}\,\textit{Relative Size} + \beta_{11}\,\textit{Private} + \beta_{12}\,\textit{Subsidiary} + \beta_{13}\,\textit{Hostile} + \beta_{14}\,\textit{Leverage} + \beta_{15}\,\textit{Tobin's Q} + \beta_{16}\,\textit{ROA} + \beta_{17}\,\textit{Cash Flows-to-Equity} + \beta_{18}\,\textit{Top tier Advisor} + \beta_{19}\,\textit{No of Advisors} + \beta_{20}\,\textit{Payment-All Cash} + \beta_{21}\,\textit{Payment-Includes Stock} + \beta_{22}\,\textit{No of M\&As (past 10 years)} + \beta_{23}\,\textit{High Tech} + \beta_{24}\,\textit{Diversifying} + \beta_{25}\,\textit{Institutional Holding} + \beta_{26}\,\textit{No of Analysts} + \beta_{27}\,\textit{NWC} + \beta_{28}\,\textit{R\&D} + \beta_{29}\,\textit{Specialized M\&A Staff} + \textit{Industry-Year Fixed Effects} + \varepsilon \qquad (1)\end{aligned}$$

Table 2 presents the results. In Model 1 of Panel A, we find that BUL industry experience in the target's industry is negatively associated with managerial disclosures of post-acquisition integration failures. Economically, a one standard deviation increase in BUL's industry experience reduces the probability of management disclosing post-acquisition integration failures by 3.98% (4.27%) within one (two) year (s) following acquisition completion. Given an unconditional integration failure rate of 6.59% (6.95%) in our sample one (two) year(s) following acquisition completion, the estimated effect corresponds to approximately a 60.39% (61.43%) reduction in the probability of integration failure relative to the unconditional mean. Model 3 extends the analysis to integration failure disclosures within three years after transaction consummation and yield similar results. When we examine other BUL-specific attributes, namely, prior acquisition experience, finance and investment banking experience, BUL-CEO connections (*BUL-M&A experience*, *BUL-Prof linked to CEO, BUL-Edu linked to CEO*, *BUL-IB experience, BUL-Fin experience),* we find no statistically significant relation with post-acquisition integration failures. These results suggest that these BUL characteristics do not contribute to post-acquisition integration outcomes. In Models 2, 4 and 6, we add further controls for BUL demographic traits and several proxies for BUL general

managerial ability (*BUL-Age*, *BUL-Female*, *BUL-Ivy School Grad*, *BUL-Fast-Track*, and *BUL-Recession Grad*). The sample is reduced to 4,626 observations due to data availability. Once again, we find no evidence that these characteristics show a statistically significant relation with post-acquisition integration outcomes. Coefficients on the other control variables generally align with expectations: relatively larger transactions, acquisitions of diversifying targets and public targets (relative to private and subsidiary targets), and acquisitions paid with stock are associated with greater post-acquisition integration difficulties. Acquirers with greater institutional ownership are also more likely to discuss post-acquisition integration progress, consistent with such investors' greater demand for forward-looking information.

In Panel B, we use the indicator variable *Integration Success* as the dependent variable. Consistent with expectations, BUL target-industry experience is positively associated with managerial disclosures of post-acquisition integration success. For instance, a one standard deviation increase in BUL's industry experience raises the probability of managerial disclosures indicating successful integration by 4.32% (5.22%) one (two) year (s) after deal completion, which corresponds to approximately a 44.58% (43.79%) increase relative to the unconditional mean probability of disclosing integration success. As in Panel A, other BUL-specific characteristics (including demographic traits and general managerial ability) exhibit no statistically significant association with post-acquisition integration success.

Taken together, these results indicate that BUL effectiveness in executing post-acquisition integration functions primarily depends on their experience within the target's industry. Other forms of BUL experience as well as their CEO connections, demographic attributes and general managerial ability, do not appear to affect integration outcomes. These findings reinforce the view that domain-specific industry experience represents the core competency of effective integration leaders.

3.2 Success and failure in capturing transaction synergies

Survey evidence consistently indicates that post-acquisition integration outcomes hinge on acquirers' ability to extract the synergistic potential of a transaction, with failure to achieve projected synergies representing the most common cause of integration failures. Among various sources of acquisition-related

synergies, failure to capture operating synergies, namely, revenue- and cost-related synergies, is particularly important for post-acquisition integration outcomes. For instance, PwC (2023)'s survey among M&A practitioners finds that the ability to capture revenue and cost synergies is among the most important differentiators between successful and unsuccessful acquirers. Revenue synergies primarily emanate from cross-selling opportunities, entry into new product or geographic markets, leveraging the target's distribution channels, or combining complementary technologies. Cost synergies typically arise from economies of scale, elimination of operational redundancies, and streamlining of supply chain processes, procurement and IT functions, among others.

Against this backdrop, we investigate whether BULs increase the probability of managerial disclosures indicative of successful realization of post-acquisition synergies at the transaction level. In Table 3, we extend our NLP-based analyses of earnings and institutional investor conference call transcripts to construct text-based measures of transaction-level synergy outcomes using detailed following acquisitions. Specifically, we construct two NLP-based indicator variables that capture explicit managerial disclosures of realizations of synergies during the post-acquisition integration phase. *Transaction Synergy Success* equals one if management states that post-acquisition synergies from a given transaction were met, exceeded or are progressing (as expected) in a given post-acquisition year. *Transaction Synergy Failure* equals one if managers acknowledge missing or failing to meet synergy targets for a specific target firm.[11] We then estimate linear probability regressions with equation (1) where *Transaction Synergy Success* and *Transaction Synergy Failure* serve as our dependent variables (with industry-year fixed effect and standard errors clustered at acquirer level). Coefficients on acquirer- and transaction-level controls are omitted from Table 3 for brevity.

[11] Our NLP procedure classifies a sentence as *synergy success (failure)* when the target firm's name appears jointly with transaction-synergy terminology (e.g., general, revenue, or cost synergy language) and at least one outcome verb indicating favorable (adverse) realization of synergies. The algorithm applies the same contextual filters described earlier—excluding negated and forward-looking statements and requiring acquisition-related context—to ensure that the identified passages refer to realized, transaction-specific synergy outcomes. We manually review all flagged observations to confirm classification accuracy.

Our results from Models 1 through 6 of Panel A indicate that BUL target-industry experience increases the probability of realizing transaction synergies during post-acquisition integration phase. Similarly, BUL industry experience decreases the likelihood of missing transaction synergy targets. For instance, *Transaction Synergy Success (Failure)* disclosures by the acquirer's management increase (decrease) by 2.90% (0.78%) in the first year following deal completion for a one standard deviation increase BUL industry experience (Models 1 and 4). Focusing on two years after acquisition completion, a one standard deviation increase in BUL's industry experience translates into 3.93% (0.97%) higher (lower) managerial discussions of transaction synergy success (failure). Results are similar when we examine transaction synergy outcomes three years after deal completion. Other BUL-specific attributes show no significant relation with probability of capturing or missing post-acquisition synergy goals. This, once again, suggests that a BUL's domain-specific industry experience is central to effective capture of transaction synergies during the post-acquisition integration phase.

To complement the NLP-based evidence from earnings and institutional investor conferences, we examine goodwill impairments as an financial statement-based proxy for unsuccessful realizations of transaction synergies (Gu and Lev, 2011; Ben-David, Bhattacharya, and Jacobsen, 2026). Specifically, we construct two measures: a binary indicator equal to one if an acquirer records a goodwill impairment (*Goodwill write-off-indicator*), and the magnitude of goodwill impairments scaled by lagged total assets (*Goodwill write-off/ Total Assets*), both measured over the three years following acquisition completion. Consistent with earlier results, Models 7 and 8 of Panel A show that BUL target industry experience is negatively associated with both the incidence and the magnitude of post-acquisition goodwill impairments.[12]

We next focus on revenue synergies to provide sharper insights into the specific channels through which BULs' integration capabilities enhance transaction synergy capture. Using NLP analyses, we identify

[12] In Internet Appendix Table 3, we include additional controls for BUL demographic characteristics and general managerial ability proxies and find no evidence that these factors significantly affect the realization of transaction synergies.

managerial disclosures of *Revenue Synergy Success* and *Revenue Synergy Failure* during the post-acquisition period from earnings and institutional investor conference transcripts.[13] Our linear probability regression estimates from Panel B of Table 3 indicate that BULs target-industry experience is significantly associated with managerial discussions of more successful capture of post-acquisition revenue synergies. More specifically, economically, a one-standard deviation increase in BUL target industry experience increases the probability of revenue synergy capture by 2.23% (2.95%) and decreases the probability of missing revenue synergy goals by 0.55% (1.07%) within one (two) year (s) of acquisition completion. We now turn to financial statement-based measures of the financial outcomes of acquisitions related to revenue synergy realizations. To this end, we focus on post-merger revenue growth (Hoberg and Phillips, 2016), which represents the primary revenue-related performance metrics emphasized by acquirers in survey evidence (PwC, 2023). If BULs with greater target-industry experience are more effective at capturing revenue synergies, acquisitions integrated by such BULs should exhibit higher revenue growth during the post-acquisition integration phase. To test this conjecture, we compute both raw and industry-adjusted sales growth from year t-1 to years t+1, t+2, and t+3, where year t denotes the acquisition completion year.[14] Re-estimating equation (1) with these measures serving as our dependent variables, we find that BUL target industry experience is positively and significantly associated with higher post-acquisition revenue growth. Other BUL attributes, once again, are not related to the realization of revenue synergies.

In Panel C of Table 3, we shift our focus to post-acquisition cost synergy capture. Building on our earlier NLP analyses of earnings and institutional investor conference call transcripts, we first identify and classify transaction-level managerial references to *Cost Synergy Success* and *Cost Synergy Failures* after

[13] Our NLP procedure classifies an observation as *revenue- synergy success (failure)* when a managerial discussion referencing the target firm contains revenue-synergy language—such as cross-selling, customer retention or attrition, pricing power, market share, geographic or channel expansion, revenue growth, or related commercial terminology—together with outcome verbs indicating favorable (adverse) realization of synergies. Consistent with the methodology described earlier, the algorithm requires acquisition context, applies contextual filters to exclude unrelated usage, and we manually review all flagged observations to verify that the passages refer to realized transaction-specific revenue synergies.

[14] For firms with multiple operating segments, we calculate financial statement-based measures only for the operating segment integrating the acquired targets.

acquisition completions.[15] In Models 1 through 6, we find that BUL industry experience in the target's industry is positively associated with the probability of exceeding or meeting cost synergy targets, and such experience is negatively associated with the probability of missing cost synergy objectives during the post-acquisition integration phase. Other BUL-specific characteristics are not significantly related to the realization of cost synergies. In Panel C of Internet Appendix Table 3, we further control for BUL demographic characteristics and managerial quality proxies and find no evidence that they enhance revenue or cost revenue capture.

Finally, we turn to financial statement-based measures that reflect the financial consequences of post-acquisition integration arising from superior realization of cost synergies. Acquisitions integrated by more industry-experienced BULs are expected to display greater reductions in their cost structure if such BULs indeed improve post-acquisition cost synergy capture. Following Ellahie, Hsieh and Zhang (2025), we measure changes in acquirers' cost structure using two financial ratios: the cost of goods sold to sales (*COGS/Sales*) and operating expenses (including depreciation and amortization) to sales (*OPEX/Sales*). Both measures are computed from one year prior to the transaction through three years after completion (i.e., t+1, t+2, t+3). Our results indicate that BUL industry experience in the target's industry is likewise significantly associated with post-acquisition cost structure improvements.

Finally, we examine financial synergies as a *falsification* test. Financial synergies may arise when acquisitions reduce the combined firm's cost of capital through greater scale, more diversified cash flows, an enhanced credit profile, and a lower probability of financial distress. Acquisitions may also increase the acquirer's debt capacity by expanding collateralizable assets and stabilizing earnings. In addition, transactions can generate tax-related benefits through the utilization of net operating losses, the creation of

[15] NLP-based textual measures of cost synergy success and failure are identified using acquisition-domain cost-synergy language that includes both explicit cost-synergy expressions (e.g., "cost synergy," "procurement synergy," "supply chain synergy," "operational cost synergy") and broader cost-efficiency terminology such as SG&A or overhead reductions, headcount or labor cost reductions, procurement savings, facility or systems consolidation, operating efficiencies, and margin improvements, along with their linguistic variants. Sentences are classified as cost synergy success (failure) when such terminology appears jointly with outcome verbs indicating favorable (adverse) realization of synergies and the name of the target firm, ensuring that the disclosure pertains to the focal transaction. As in the earlier analyses, we manually review all flagged observations to confirm classification accuracy.

interest tax shields, or other tax attributes transferred through the deal. Importantly, BULs are unlikely to play a significant role in capturing these financial synergies because their realization primarily depends on corporate-level financing decisions, tax planning, and balance sheet management conducted by senior executives and treasury departments rather than by BULs. To test the association between BULs and financial synergy outcomes, we apply the same NLP-based analyses of conference call transcripts to identify managerial disclosures of *Financial Synergy Success* and *Financial Synergy Failures* during *the* post-acquisition integration phase.[16] As expected, in Models 1 through 6 of Panel D, we find no evidence that BUL industry experience in the target's industry (or other BUL characteristics) is significantly associated with the probability of realizing or missing financial synergy targets.

Taken together, the NLP- and financial statement-based evidence paints a consistent picture—BUL experience within the target's industry systematically enhances post-acquisition integration outcomes, primarily through the superior realization of overall transaction, revenue and cost synergies during the integration phase. Other BUL attributes do not affect these outcomes.

4. Business unit leaders and acquisition performance

In this section, we examine the implications of BUL integration capabilities for acquisition performance. As discussed earlier, post-acquisition integration is widely recognized as the most critical determinant of acquisition success (e.g., Ahern, Daminelli, and Fracassi, 2015). If BULs enhance post-acquisition integration outcomes through their experience within the target's industry, then acquisitions integrated by BULs with greater target-industry experience should generate incrementally higher acquisition performance. To test this hypothesis, Section 4.1 examines abnormal market reactions to

[16] NLP-based measures of financial synergy success and failure capture managerial disclosures indicating that an acquisition generated financing or tax-related benefits. Specifically, the algorithm identifies sentences referencing the target firm that contain language related to improvements in financing conditions (e.g., lower borrowing costs, improved credit ratings, deleveraging, or enhanced financial flexibility), increased debt capacity, or tax-related benefits such as the utilization of net operating losses or other tax attributes. Sentences are classified as financial synergy success (failure) when such acquisition-related financial language appears together with outcome verbs indicating favorable (adverse) realization of these benefits. Consistent with the earlier analyses, contextual filters ensure that the statements refer to realized transaction outcomes rather than forward-looking expectations, and we manually review all flagged observations to confirm classification accuracy.

acquisition announcements as well as a comprehensive set of alternative acquisition performance measures. Section 4.2 addresses potential concerns regarding omitted characteristics and non-random matching between acquirers and BULs. Section 4.3 examines whether the value-creation role of BULs varies cross-sectionally with the ex-ante difficulty of the post-acquisition integration phase.

4.1 Acquirer announcement returns and alternative measures of acquisition performance

A standard empirical approach to evaluating acquisition performance is to examine abnormal stock price reactions to acquisition announcements, as they reflect the market's assessment of expected value creation from an acquisition transaction. Accordingly, we adopt this approach as our starting point and compute market model-adjusted cumulative abnormal returns (CARs) over the [−2, +2] event window surrounding acquisition announcements obtained from the SDC M&A database (CARs [-2, +2]). The market-model parameters are estimated using the CRSP value-weighted index over the [−240, −41] trading days preceding the acquisition announcement date (e.g., Golubov et al., 2012; Gokkaya, Liu and Stulz, 2023).

Table 4 reports average CARs around acquisition announcements. For the full sample, the mean CAR is 0.615%, statistically significant at the 1% level. When we partition the sample at the median of BUL target-industry experience, we find that BUL target-industry experience is indeed valuable for acquisition performance. Economically, acquisitions integrated by BULs with above-median target-industry experience have an average CAR of 1.349%, significant at the 1% level (t-statistic of 11.95). By contrast, acquisitions integrated by below-median experienced BULs generated statistically insignificant negative CARs of only 11 basis points (t-statistic=-0.83). The difference in CARs is economically important and statistically significant at the 1% level (t-statistic=8.36).

In Panels B and C, we further partition the sample by target type, payment method, and specialized M&A staff employment. Consistent with prior studies, acquisitions of public firms and stock-financed deals generate lower CARs. However, across all subsamples, acquisitions integrated by BULs with greater experience in the target's industry generate economically larger CARs. Further, with the exception of

acquisitions of public targets, there is no subsample where the average CAR is *not* positive and statistically significant for acquisitions integrated by such BULs. Panel D shows that BUL target industry experience adds value regardless of whether the acquirer employs specialized M&A staff (Gokkaya, Liu and Stulz, 2023). This result is perhaps unsurprising since specialized M&A staff focus on the *front-end* of the deal-making process while BULs drive the post-acquisition integration process (i.e., the *back-end* of the acquisition process).

However, it is plausible that these results are confounded by firm-, transaction- or other BUL-specific characteristics. To address this concern, we estimate OLS regressions in which the dependent variable is the CAR over the [-2, + 2] event window surrounding acquisition announcement. The key independent variables of interest are BUL experience in the target's industry and other BUL-specific attributes. We add further controls for a battery of acquirer- and transaction- specific characteristics that are standard in the M&A literature (see Section 2.2). We include industry and year fixed effects, as well as industry-year paired fixed effects, in our econometric specifications and report heteroskedasticity-robust standard errors clustered at the acquirer level. The regression specification is as follows (time and firm subscripts are omitted):

$$\text{CARs } [-2, +2] = \beta_1 \textit{ BUL-industry experience} + \beta_2 \textit{ BUL-M\&A experience} + \beta_3 \textit{ BUL- Prof linked to CEO} + \beta_4 \textit{ BUL-Edu linked to CEO} + \beta_5 \textit{ BUL-IB experience} + \beta_6 \textit{ BUL-Fin experience} + \beta_7 \textit{ Stock Price Runup} + \beta_8 \textit{ Sigma} + \beta_9 \textit{ Ln (Acquirer Size)} + \beta_{10} \textit{ Relative Size} + \beta_{11} \textit{ Private} + \beta_{12} \textit{ Subsidiary} + \beta_{13} \textit{ Hostile} + \beta_{14} \textit{ Leverage} + \beta_{15} \textit{ Tobin's Q} + \beta_{16} \textit{ ROA} + \beta_{17} \textit{ Cash Flows-to-Equity} + \beta_{18} \textit{ Top tier Advisor} + \beta_{19} \textit{ No of Advisors} + \beta_{20} \textit{ Payment-All Cash} + \beta_{21} \textit{ Payment-Includes Stock} + \beta_{22} \textit{ No of M\&As (past 10 years)} + \beta_{23} \textit{ High Tech} + \beta_{24} \textit{ Diversifying} + \beta_{25} \textit{ Institutional Ownership} + \beta_{26} \textit{ No of Analysts} + \beta_{27} \textit{ NWC} + \beta_{28} \textit{ R\&D} + \beta_{29} \textit{ Specialized M\&A Staff} + \textit{Industry and Year Fixed Effects or Industry-Year Fixed Effects} + \varepsilon \quad (2)$$

Table 5 presents the results. In Model 1 (with industry and year fixed effects) and Model 2 (with industry-year fixed effects), we find that BUL target industry experience is an economically and statistically significant incremental determinant of acquisition performance. In economic terms, a one-standard-deviation increase in the BUL's industry experience translates into incrementally 1.11% higher acquisition CARs. Consistent with earlier evidence on post-acquisition integration outcomes, other BUL-specific

attributes are not significantly related to acquisition CARs. In Model 3, we include additional controls for BUL demographic traits (age and gender) and proxies of BUL managerial ability, and once again, find no evidence that these attributes significantly affect acquisition CARs. These results reinforce the evidence from Section 3 that BULs' target industry experience is the primary determinant of their contribution to acquisition outcomes. Coefficients on the other control variables generally align with earlier M&A studies: acquisition CARs are lower for larger acquirers and for stock-financed public targets, while they are higher for acquirers with greater leverage, specialized M&A staff, and for acquisitions of private or subsidiary targets.

In Panel B of Table 5, we use a comprehensive set of alternative acquisition performance measures as dependent variables to ensure our results are not sensitive to the choice of performance metric. Models 1 and 2 focus on CARs measured beginning 21 and 42 trading days prior to the announcement to account for potential market anticipation (*[CARs [-21, +2]; CARs [-42, +2]*). Model 3 employs CARs measured from two days before the announcement through two days after the transaction effective date (*CARs [-2, Close +2]*). Models 4 through 6 examine long-run abnormal stock performance using characteristic-adjusted buy-and-hold abnormal returns (BHARs) (Daniel et al., 1997) over one, two and three years after deal completion (*DGTW BHAR [-2, +252]; DGTW BHAR [-2, +504]; DGTW BHAR [-2, +756]*). In Models 7 through 9, we examine changes in industry-adjusted abnormal return-on-assets (ROAs) from year (*t*-1) to one, two and three years after deal completion (*Change in Ind-adj ROA [-1, +1], [-1, +2], and [-1, +3]*). Across all specifications, BUL target industry experience is positively and significantly associated with acquisition performance, while other BUL-specific characteristics are insignificant. Next, we focus on *Divestment*, a binary indicator equal to one if the acquirer divests a business in the target's industry within three years of completion, using data from *SDC* (Kaplan and Weisbach, 1992). Consistent with more effective integration outcomes and superior post-acquisition performance, BUL target industry experience is negatively associated with post-acquisition divestitures (Model 10). Finally, using *I/B/E/S* data, we measure changes in analyst consensus EPS forecasts from six months before the transaction announcement to six months after transaction completion (*Change in Analyst Consensus EPS forecast [-6 months, +6*

months]). In Models 11 and 12, BUL industry experience is positively related to both the magnitude of EPS forecast revisions and the likelihood of positive earnings forecast revisions, suggesting that analysts update their post-acquisition expectations more favorably when acquisitions are integrated by BULs with greater target industry experience.

4.2 Robustness

In this section, we address concerns about omitted variables and potential non-random matching between acquirers and BULs that may bias our estimates of the association between BUL target industry experience and acquisition CARs. For these analyses, we re-estimate Model 2 of Panel A in Table 5, retaining all acquirer-, transaction-, and other BUL-specific controls but omitting their coefficients from the tables for brevity.

4.2.1. Omitted Characteristics

First, we address the concern that BUL industry experience may proxy for unobserved BUL-specific characteristics. In Model 1 of Panel A in Table 6, we include BUL fixed effects to control for time-invariant unobserved BUL heterogeneity. To this end, we only focus on BULs who oversee multiple operating segments and integrate at least one acquisition in each within the same firm and then add BUL fixed effects. By comparing the performance of acquisitions integrated by the *same* BUL across *different* operating segments at the same acquirer, our results show that acquisitions perform better when the BUL has greater target industry experience. Next, we conduct falsification tests. In Model 2, we examine the implications of BULs' industry work experience *unrelated* to the target's industry (*BUL-Unrelated Industry experience)*. Focusing on BULs integrating acquisitions, we find that their unrelated industry experience is *not* significantly associated with acquirer returns. In Model 3, we consider the industry experience of BULs overseeing international segments, as well as those assigned to functional roles such as marketing, operations, finance, accounting and human resources (i.e., *Falsified BUL-Industry experience*). Once again,

we find insignificant results. In Model 4, we distinguish BULs by the source of their industry work experience, comparing industry experience accumulated at the principal acquirer (*BUL-Industry experience-gained at acquirer*) with that obtained at other firms (*BUL-industry experience-gained outside*). In Model 5, we further separate industry experience gained in prior BUL roles from that acquired in non-BUL managerial roles (e.g., general manager, director, supervisor, VP). In our setting, all forms of industry experience are expected to be valuable for integration execution. Our results are consistent with this view.

In Models 6 and 7, we account for CEO- and director-specific characteristics that may potentially influence acquisition returns, using the following variables constructed from *Execucomp* and *Boardex Individual*: CEO industry experience in the target's industry, CEO financial, investment banking and acquisition experience, CEO tenure, age and gender, CEO-Chairman duality as well as analogous characteristics for directors (e.g., Custodio and Metzger, 2013; Field and Mkrtchyan, 2017; Gokkaya, Stulz and Liu, 2023). Even though data limitations reduce the sample size to 4,303 observations in these models, BUL target industry experience continues to exert an incremental and statistically significant positive effect on acquisition performance. In Model 8, we focus on CEOs who undertook at least one acquisition in at least two *different* firms and include CEO fixed effects to account for time-invariant CEO characteristics. Once again, our results are robust. Wang, Xie, and Zhang (2024) show that acquirers may benefit from retaining financial advisors with industry expertise in the target's industry. In Model 9, we include a control for such external advisors and find similar results. In Models 10 and 11, we distinguish between acquirers with single and multiple operating segments (based on Compustat segment information) and find that BUL target industry experience adds value for both groups of firms. In Model 12, we focus only on acquirers with multiple operating segments and control for the following segment-level characteristics created from *Compustat segment:* total assets, industry Tobin's Q, return on assets (ROA), cash flow, capital expenditures, R&D, sales growth, acquisition activity over the past ten years, and an indicator for core segments (e.g., Glaser, Lopez-de-Silanes, and Sautner, 2013; Duchin and Sosyura, 2013). Acquisition returns remain positively associated with BUL experience in the target's industry.

4.2.2. Non-random matching

In Panel B of Table 6, we address concerns that our results may be biased by potential non-random matching between acquirers and BULs. For example, if firms appoint more industry-experienced BULs in anticipation of acquisitions, our earlier results could be biased. We adopt a multi-pronged approach to address this concern.

First, we restrict the sample to acquirers whose BULs were appointed at least three or five years prior to the acquisition announcement dates (in Models 1 and 2 of Panel B in Table 6). If non-random BUL assignments bias our results, such bias is most likely to be concentrated among BULs appointed shortly *before* a transaction is announced. Since it is implausible that BULs appointed more than three or five years in advance were appointed or hired with a specific transaction in mind, excluding transactions for which BULs were recently appointed provides an effective way to mitigate concerns about non-random matching. This empirical strategy follows prior work on CEOs, directors and other executives in various corporate settings, including acquisitions (Huang et al., 2014; Field and Mkrtchyan, 2017; Gokkaya, Stulz and Liu, 2023). Second, in Model 3, we further exclude BULs appointed by the *current* CEO and focus only on transactions for which BULs were appointed by the *former* CEOs (*BUL-Industry experience (Hired by former CEOs))*, thereby ruling out the possibility that CEOs strategically appoint BULs with greater industry experience to facilitate acquisitions during their tenure. Across all specifications, we find robust results. Next, we conduct pseudo analyses. In Model 4, we randomly assign BULs to acquirers (*Pseudo BUL- Industry experience*). In Model 5, we restrict the sample to acquirers with multiple operating segments and randomly reassign BULs across different segments (*Reassigned BUL-Industry Experience*). In these models, target industry experience of pseudo or reassigned BULs is unrelated to acquisition performance.

We now turn to exploiting within-firm variation by including firm fixed effects for acquirers that complete multiple acquisitions during the sample period. If potential non-random matching between BULs and acquirers reflects time-invariant firm characteristics, firm fixed effects provide an effective way to address this concern, a methodology consistent with prior research on top executives and acquisitions (e.g., Custodio and Metzger, 2014; Gokkaya, Liu, and Stulz, 2023). Comparing acquisitions of the *same* firm in

which BULs vary in their target industry experience, we find that acquisition performance is superior when BULs have greater target-industry experience (Model 6). Taking a step further, we also address the possibility that non-random matching between BULs and acquirers reflects time-*varying* firm characteristics through the inclusion of firm-year fixed effects. To this end, in Model 7, we restrict our sample to multi-segment firms executing acquisitions in at least two different operating segments within the *same* year and exploit within-firm-year variation. For these cases, BUL target industry experience varies across different operating segments for the *same* acquirer during the *same* year while absorbing unobserved time-varying firm-specific factors. Once again, our results are robust in this more restricted setting. In Models 8 and 9, we add CEO-segment as well as BUL-firm paired fixed effects and continue to find that our results hold.

In Model 10, we implement a propensity score matching approach using nearest-neighbor matching with replacement. In the first stage, we estimate a bivariate probit model using all observable acquirer- and transaction-specific characteristics (excluding BUL industry experience but including ex-ante acquisition likelihood) to generate propensity scores. We then match each control acquisition to a transaction with the closest propensity scores. We retain only closely matched treatment-control acquisition pairs, defined as those with a difference in propensity scores of less than 1%. Re-estimating equation (2) on the control and matched sample of acquisitions, we continue to find that BUL experience in the target's industry improves acquisition performance.

Finally, in Models 11 and 12, we employ an instrumental variables approach using two-stage least squares (2SLS) regressions. Our instrument exploits geographic variation in the local supply of BULs with greater industry experience in BULs' respective operating segment/division. across the U.S. and across time as a source of exogenous variation for their availability. This identification strategy assumes that firms are more likely to appoint more industry experienced BULs when the local market offers a greater supply of such executives. However, local availability is not expected to directly influence acquisition performance at the focal firm level. This approach follows prior studies that use geographic labor market shocks to instrument for executive appointments (e.g., Knyazeva, Knyazeva, and Masulis, 2013; Field and

Mkrtchyan, 2017; Wang, Xie, and Zhang, 2022). Specifically, we measure the number of above-median industry-experienced BULs (in the target's industry) employed by peer firms operating in the same four-digit SIC codes and located within the same three-digit Zip code area. In the first stage, we regress the likelihood that an acquirer employs an above-median industry experienced BUL (where the median is defined within our acquisition sample) on the local supply of such BULs, controlling for firm-specific characteristics. The instrument (*Local supply of BULs with high industry experience*) is positive and highly significant, with a first-stage F-statistic well above conventional thresholds, confirming the relevance condition. In the second stage, we re-estimate equation (2) using the predicted probability of employing an industry expert BUL from the first stage as the primary independent variable of interest (*BUL with high industry experience – predicted)*. The results indicate that BUL industry experience remains positively and significantly associated with acquirer returns.

4.3 BUL target industry experience and acquisition performance: Integration difficulty

In this section, we examine whether the positive relation between BUL target industry experience and acquirer announcement returns varies cross-sectionally with the ex-ante difficulty of the post-acquisition integration process. If BUL industry experience enhances acquisition performance primarily through superior integration capability, then its effect should be stronger in transactions that are ex-ante expected to pose greater integration challenges.

In Model 1 of Table 7, we examine target size relative to the acquirer. Moeller, Schlingemann, and Stulz (2005) document that large acquisitions destroy significantly more value when unsuccessful, consistent with higher execution difficulty and managerial capacity constraints. Similarly, Bereskin, Byun, Officer, and Oh (2018) find that greater relative deal size heightens post-merger integration frictions as managerial attention and organizational bandwidth become strained. M&A practitioners also emphasize that larger transactions are inherently more difficult to integrate (i.e., McKinsey, 2010). It is also important to note that the NLP-based evidence in Section 3 shows that relatively larger transactions are more (less) likely to experience integration difficulties (success) during the post-acquisition integration phase. Accordingly, if

BUL target industry experience adds value primarily through superior integration capability, its effect should be particularly pronounced in relatively larger acquisitions. To test this conjecture, we distinguish transactions based on their relative deal size and then interact BUL target industry experience with an indicator for above-median target size (*Large Target*). Results from Model 1 are consistent with this conjecture.

Additional target-specific characteristics are also expected to have higher ex-ante integration frictions. First, public targets (*Public Target*) are generally more difficult to integrate because they are associated with greater organizational complexity, higher employee disruption risk, and more rigid governance structures (Golubov, 2012; Bargeron, Schlingemann, Stulz, and Zutter, 2008). Second, labor-intensive targets (*Labor Intensive Target*), defined as firms with SIC codes above 5000, pose greater post-acquisition integration challenges due to heightened organizational disruption and employee turnover during the integration phase (Bereskin et al., 2018). Third, we examine geographic distance between the acquirer and target firm as integration tends to be more difficult when firms are geographically distant. Greater distance can impair information flow, coordination, and monitoring effectiveness during post-acquisition integration phase (e.g., Aktas, Croci and Signori, 2025). We define *Distant Targets* as cases where the acquirer and target firm are located in different states. Fourth, we examine transactions that provide diversification to the BUL's operating segment (*Diversifying Target*). Acquirers face greater challenges in evaluating and integrating such targets, and prior work shows that CEOs' and external advisors' industry experience add value *only* in diversifying acquisitions through superior target selection and negotiation (Custodio and Metzger, 2013; Wang, Xie, and Zhang, 2022). In Models 2 through 5 of Table 7, we interact BUL target industry experience with indicator variables for *Public, Labor intensive, Distant* and *Diversifying* targets and find that BUL target industry experience adds more value in these transactions. Finally, in Model 6 of Table 7, we construct a composite integration difficulty index (*Integration Difficulty Index*) that aggregates five indicators: 1) *Large Target-above median*, 2) *Public*, 3) *Labor intensive*, 4) *Distant,* and 5) *Diversifying*. Interacting BUL industry experience with *Integration Difficulty Index,* once again*,* we find that BUL target

industry experience adds greater value precisely when post-merger integration challenges are most severe ex-ante.

Taken together, the evidence is consistent with the view that superior acquisition performance is driven by more effective post-acquisition integration functions executed by BULs with greater target industry experience.

5. Business unit leaders and earlier stages of acquisition process

While BULs are primarily tasked with integrating and managing newly acquired firms in the acquisition process, evidence from McKinsey (2016c) and M&A Science (2020) indicates that their involvement can also extend to earlier stages of the acquisition process. Specifically, BULs may contribute, albeit in a more limited capacity, to i) developing the acquisition thesis and strategy, ii) evaluating new market opportunities and competitive dynamics to identify potential targets consistent with their business-unit strategy, iii) assessing the strategic fit of candidate targets, and iv) supporting the executive team during transaction negotiations. In addition, BULs often play a *direct* role in the due diligence process by developing integration plans for the post-acquisition integration process and providing subject-matter expertise on operational and regulatory issues (Deloitte, 2018). If so, these mechanisms could also help explain our results from Section 4. Accordingly, in this section, we investigate whether BULs assist acquirers in (i) identifying higher-synergy and better fitting targets, (ii) appropriating greater value from target shareholders during takeover negotiations, and (iii) conducting more extensive due diligence.

5.1. Target Selection: Higher Synergies and Superior Cultural Fit

In Panel A of Table 8, we investigate whether BULs assist firms in selecting targets with higher synergies. A widely used measure of transaction synergies is the combined value-weighted cumulative abnormal return of the acquirer and the target (*Combined CARs*) (Harford, Humphrey-Jenner, and Powell, 2012; Field and Mkrtchyan, 2017). Following prior studies, we restrict the sample to publicly traded target firms and calculate *Combined CARs* over the [-2, +2] and [-63, +126] event windows relative to the

acquisition announcement date. Estimating equation (2) with *Combined CARs* as our dependent variable, we do not find significant coefficient estimates on BUL target industry experience or other BUL-specific attributes.

In a similar spirit to Kale et al. (2003) and Golubov, Petmezas and Travlos (2012), we next compute *Combined Dollar Synergy Gain,* defined as the sum of acquirer and target dollar-denominated gains over the [-2, +2] and [-63, +126] event windows, where dollar-denominated gains are calculated as the product of market capitalization measured six months prior to the deal announcement date. Once again, results from Models 3 and 4 of Panel A show no significant association between any BUL-specific characteristics and these alternative synergy measures.

Finally, we measure synergy gains using textual analyses of M&A press releases, filings and conference calls. To this end, we first collect M&A press releases from *Dow Jones News Services*, *Financial Times*, *Reuters News*, *The Wall Street Journal,* and *Capital IQ;* M&A filings from *EDGAR (i.e., DEF14A, PREM 14A, SC TO, SC 14D9C and S-4)* and M&A conference call transcripts from *Refinitiv Streetevents.* We identify transactions in which managers of the acquiring firm explicitly discuss earnings-per-share accretion (*EPS accretion*) (see Appendix for definitions). We then estimate linear probability models using equation (2) with *EPS accretion* serving as our dependent variable and find no evidence that any BUL characteristics significantly affect synergy gains from selected targets.

In Panel B of Table 8, we focus on cultural similarities between acquirers and targets, as cultural fit is frequently cited as a central criterion in target selection and cultural alignment is often a key determinant of integration success and post-acquisition performance (Bereskin, Byun, Officer and Oh, 2018). If BUL target industry experience helps acquirers identify targets with stronger cultural compatibility, their contribution to post-M&A outcomes may, in part, reflect the selection of more culturally aligned targets. To test this conjecture, we follow Li, Mai, Shen and Yan (2021) and measure five cultural values from earnings call transcripts— innovation, integrity, quality, respect, and teamwork. Once again, the sample is restricted to acquisitions of public target firms. Specifically, we employ a word-count approach and identify seed words for each cultural category in the Q&A portion of earnings conference calls (see Appendix for details).

We then construct a measure of *Cultural Distance,* defined as the absolute value of differences between acquirers and targets across the five cultural values. By construction, lower values of *Cultural Distance* indicate closer cultural alignment between acquirers and target firms. We then re-estimate equation (2) with *Cultural Distance* in each category serving as the dependent variable, and do not find any significant association between BUL target industry experience (or any other BUL attributes) and any dimension of cultural similarity between acquirers and targets. In sum, our evidence collectively suggests that BULs do not play a significant role in helping acquirers identify higher-synergy or more culturally compatible targets.

5.2. Takeover premiums and negotiation

BULs may also contribute during the negotiation phase by providing the executive team with industry-specific expertise related to the target's industry. Such expertise can enhance the acquirer's understanding of market and competitive dynamics, as well as transaction pricing. In this capacity, BULs could potentially play an important role in lowering takeover premiums or enabling acquirers to capture a greater share of the transaction surplus. Consistent with the broader importance of industry-specific experience for negotiation-stage outcomes, Custodio and Metzger (2013) find that acquirers benefit from the CEOs' industry experience in the target's industry along these dimensions.

In Models 1 through 3 of Panel C in Table 8, we examine the association between BUL industry experience and takeover premiums for acquisitions of publicly traded targets, defined as the difference between the offer price and the target stock price measured 42, 63 or 105 trading days prior to the acquisition announcement date. In contrast to evidence presented for CEOs in Custodio and Metzger (2013), we find no significant association between BUL target industry experience (or other BUL characteristics) and takeover premiums. In Model 4, we analyze the acquirer's share of the total takeover gains, measured as the proportion of combined abnormal shareholder wealth gains captured by the acquirer from the target's shareholders, and find no significant evidence that any BUL attributes affect value capture.

5.3. Integration Planning and Due diligence Process

As noted earlier and further discussed by McKinsey (2016c) and Deloitte (2018), BULs may play an active role in the due diligence process by developing detailed integration plans that delineate key milestones, steps, timelines, and responsibilities for integrating the target company's operations, systems, and personnel. Moreover, BULs also provide subject-matter expertise on operational due diligence, including assessments of the target's product portfolio, market positioning, technology, customers, supply chain, key performance indicators, and regulatory environment. Given the importance of extensive due diligence and integration planning for acquisition success (Wangerin, 2019; Bain 2023), we conjecture that BUL target industry experience may enhance acquisition performance not only through superior post-acquisition integration execution, but also by contributing to the due diligence process before transaction completion.

To test this conjecture, we first examine whether BUL target industry experience is associated with an increased probability of integration plan announcements during the transaction process. To do so, we conduct textual analyses of M&A press releases, regulatory filings and conference call transcripts to identify acquirers that explicitly disclose integration plans prior to the effective date of the acquisition transaction. We then re-estimate equation (2) using a linear probability model, where the dependent variable is an indicator equal to one if an integration plan is announced. Model 1 of Table 9 shows that BUL target industry experience is positively and significantly associated with the probability of disclosing integration plans. Economically, a one-standard-deviation increase in BUL target industry experience increases the probability of integration plan announcements by 3.6%. Once again, other BUL attributes are not significantly related to the disclosure of such plans. This result underscores the role of BUL target industry experience in shaping the integration process even *before* deal completion.

Next, we analyze the extent of effort devoted to the due diligence process. Because direct measures of due diligence related work performed during this stage are unobservable, we follow prior literature and use the number of days between deal announcement and effective date (*Days Due Diligence*) as a proxy for due

diligence intensity (Golubov et al., 2012; Marquardt and Zur, 2015; Wangerin, 2019).[17] We exclude transactions in which announcement and effective dates overlap. Model 2 of Table 9 shows that BUL target industry experience is positively associated with the length of the due diligence process. In Model 3, we use the natural logarithm of one plus *Days Due Diligence* to address skewness in measuring due diligence length and find robust results. Coefficient estimates on other control variables are generally consistent with expectations: larger transactions, acquisitions of public or diversifying targets, and stock-financed deals are associated with longer due diligence process. Other BUL-specific attributes are unrelated to due diligence duration, further underscoring that industry experience is the key driver of acquisition-related outcomes among BULs.

6. Post-Acquisition career outcomes of business unit leaders

A growing body of research documents that CEOs are disciplined for value-destroying acquisitions through heightened turnover risk following acquisitions (e.g., Mitchell and Lehn, 1990; Lehn and Zhao, 2006; Gantchev, Sevilir, and Shivdasani, 2020)**.** M&A practitioner evidence also suggests that leading the post-acquisition integration process provides significant organizational visibility for better or for worse, and is widely viewed as a career launchpad for advancement to senior executive positions (McKinsey, 2016b; Bain, 2024). Therefore, in this section, we examine the post-acquisition career implications of BULs' integration effectiveness.

Specifically, we expect BULs with greater target-industry experience to experience more favorable post-acquisition career outcomes if such experience is a first-order determinant of their post-acquisition integration effectiveness and value-creation role in M&As (as documented in Sections 3 and 4). That is, we expect BULs with longer target-industry experience to be more likely to be promoted and less likely to be laid off following acquisition completions. Moreover, we expect these associations to vary systematically with the value created by acquisitions integrated by these BULs.

[17] An important caveat is that the number of days in the publicly observable transaction process may be influenced by regulatory or procedural delays, negotiation frictions, legal dynamics, and other unobservable factors.

To this end, we follow Cichello, Fee, Hadlock and Sonti (2009) and construct a comprehensive sample of BUL promotions and layoffs from the *Boardex Individual* database. In a similar spirit to Lehn and Zhao (2006), we construct observations at the acquirer-BUL level and define *Promotions* as an indicator equal to one if the acquiring firm's BUL responsible for post-acquisition integration is subsequently appointed to more senior executive positions (with greater managerial responsibilities within the current firm or at a new employer) within three years of the acquisition's completion.[18] *Dismissals* are defined as dismissals from the acquirer— excluding departures related to exogenous events such as death or poor health. We then estimate linear probability models where *Promotions and Dismissals* serve as dependent variables.

Table 10 presents the results. In Models 1 and 3, we find that BUL target-industry experience is positively associated with post-acquisition promotions and negatively associated with post-acquisition layoffs. Economically, a one-standard deviation increase in BUL target industry experience increases (decreases) the probability of post-acquisition promotions (dismissals) by 1.0% (2.6%), suggesting that BULs' integration effectiveness is an important determinant of their post-acquisition career outcomes. As reflected in the coefficient estimate on CARs of acquisitions integrated by the BUL's operating segment (*CAR [-2, +2]*), post-acquisition career outcomes of BULs are also incrementally related to the value created from acquisitions they integrate. Specifically, BULs associated with value-increasing acquisitions in their operating segments are more likely to be promoted and less likely to be dismissed following acquisitions. Consistent with earlier evidence that other BUL-specific attributes are unrelated to post-acquisition integration effectiveness, we find no evidence that BULs' prior acquisition experience, financial or investment banking experience, or CEO connections are significantly associated with post-acquisition career outcomes. In Models 2 and 4 of Table 10, we further interact BUL target-industry experience with *CAR [-2, +2]* to examine whether the effect of BUL industry experience on post-acquisition career outcomes varies with the value created from acquisitions integrated by BULs. Our results are consistent

[18] For acquirers that execute more than one transaction within a given year, transaction- and BUL-specific characteristics are calculated as the average of a corresponding characteristics across all transaction undertaken by the acquirer in that year.

with this view: the association between BUL industry experience and post-acquisition promotions (dismissals) is stronger when acquisitions generate more (less) value, as indicated by the positive (negative) coefficient on the interaction term between target-BUL industry experience and *CAR [-2, +2]*.[19]

7. Conclusion

Financial economists and M&A practitioners consistently emphasize that post-acquisition integration is central to the ultimate success of acquisitions. Yet the academic literature has not penetrated the *black box* of the post-acquisition integration process. In this study, we fill this important gap by investigating the role of BULs in shaping post-acquisition integration outcomes, and consequently, overall acquisition performance.

In the U.S., BULs are the key executives responsible for integrating and operating newly acquired businesses, and they are widely regarded as among the most important internal stakeholders in M&A transactions. To evaluate their influence on acquisition outcomes, we construct a comprehensive sample of BULs and their associated operating segments between 2000 and 2020. We then manually match BULs to individual acquisition transactions using the target firm's industry classifications and detailed goodwill allocation disclosures and management commentary in Form 10-K filings, supplemented with information from M&A press releases, M&A conference call transcripts, and acquisition-related Form 8-K filings.

Focusing on realized post-acquisition integration outcomes measured through NLP-based analyses of transaction-level managerial disclosures regarding post-acquisition integration progress during earnings conference calls and institutional investor conferences, we document that BUL experience in the target's industry is negatively associated with post-merger integration failures and positively associated with integration success. By sharp contrast, other BUL-specific attributes—including prior acquisition experience, finance or investment banking backgrounds, BUL-CEO connections, demographic traits, and

[19] In untabulated analyses, we replace CARs with long-run abnormal stock performance metrics (i.e., *DGTW BHAR [-2, +252], DGTW BHAR [-2, +504], DGTW BHAR [-2, +756]*) and obtain qualitatively similar results.

general managerial ability—do not display significant associations with post-acquisition integration outcomes. To provide sharper insights into these dynamics, we examine whether BULs facilitate the realization of transaction synergies. Extending our NLP analyses of conference call transcripts, we find that BUL experience in the target's industry significantly increases the probability of managerial discussions of achieving transaction-specific synergy targets. Financial-statement -based measures further confirm that BUL industry experience is associated with a lower probability and reduced magnitude of post-acquisition goodwill impairments.

We then separately analyze revenue and cost synergies to more directly assess how BULs contribute to the realization of transaction synergies. NLP- and financial statement-based measures show that BULs with greater target industry experience exhibit a higher (lower) probability of realizing (missing) revenue and cost synergy targets, experience stronger post-acquisition revenue growth, as well as larger reductions in cost structures following acquisition completion. Other BUL-specific attributes again exhibit no significant relation to synergy outcomes during the integration phase. These results align with M&A practitioner views that industry experience constitutes the core competency of integration leaders.

Given the centrality of integration outcomes to acquisition performance, we next investigate whether acquisitions integrated by more industry-experienced BULs deliver superior performance. We find that BUL target industry experience is one of the most economically important and incremental predictors of acquisition performance, measured through cumulative abnormal announcement returns, long-run buy-and-hold abnormal stock returns, changes in industry-adjusted operating performance, the likelihood of post-acquisition divestitures of targets, and revisions in analyst consensus earnings forecasts. We undertake a battery of robustness tests to alleviate concerns related to omitted factors or non-random matching (including instrumental-variable analyses) and find robust results. Importantly, we find that the value creation effect of BULs is more pronounced when ex-ante integration challenges are greatest, consistent with the interpretation that BULs enhance acquisition performance primarily through superior integration execution.

We also examine whether BULs add incremental value during earlier stages of the acquisition process. We find no evidence that BULs facilitate the identification of targets with greater synergy potential or higher cultural similarity. Similarly, BULs do not appear to significantly influence negotiation outcomes during the transaction process, including takeover premiums or the acquirer's value capture. However, BUL industry experience is positively associated with both the likelihood of integration plan disclosures and the length of due diligence, suggesting more extensive pre-integration assessments and due diligence processes when BULs possess greater target industry experience.

Finally, we study the career implications of post-acquisition integration effectiveness for BULs, given the widespread perception that integration represents a pivotal career test for senior managers. We find that BULs with greater target industry experience are more likely to experience positive career outcomes in the form of promotions and less likely to face adverse career outcomes through dismissals following acquisitions. These career effects are stronger (weaker) when acquisitions integrated by BULs generate more (less) value.

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Appendix. Variable descriptions

Acquirer- and Transaction-specific characteristics:

Stock Price Runup	CRSP value-weighted index adjusted buy-and-hold abnormal return (BHAR) of the acquirer firm's stock over the [-205, -6] event window relative to the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. Stock price data is from *CRSP.*
Sigma	Standard deviation of the acquirer's CRSP value-weighted index adjusted buy-and-hold abnormal return (BHAR) over the [-205, -6] event window relative to the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. Stock price data is from *CRSP.*
Acquirer Size	Market value of acquirer's equity four weeks prior to the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. Information on market value of equity is obtained from *CRSP.*
Leverage	Total debt (current liabilities plus long-term debt) scaled by book value of total assets in the fiscal year preceding the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. Information on *Leverage* is from *Compustat*.
Tobin's Q	Market value of the acquirer's assets divided by book value of its assets in the fiscal year preceding the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. The market value of assets is calculated as the sum of the book value of assets and market value of common stock minus the book value of common stock minus deferred taxes in the balances sheet. The data are from *CRSP* and *Compustat.*
ROA	Acquirer's net income divided by the book value of its total assets for the fiscal year preceding the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. Information is from *Compustat*.
Cash Flows-to-Equity	Income before extraordinary items plus depreciation minus dividends scaled by the book value of assets in the fiscal year before the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. Information is from *Compustat*.
No of M&As (past 10 years)	Number of acquisitions executed by the acquirer over the past ten years preceding the announcement date of an acquisition transaction. Information is from *Thomson One Platinum Securities Data Company*.
High Tech	Indicator variable is one if the acquirer operates in a high-tech industry as defined in Loughran and Ritter (2004), zero otherwise. Information is from *Compustat*.
Institutional Holding	Total percentage institutional ownership of the acquirer in the quarter before the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. The data are from *WRDS.*

No of Analysts	Number of sell-side analysts covering firm *j* in year *t-1*. The data are from *IBES*.
NWC	Firm *j's* noncash working capital in the fiscal year before the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. The data are from *Compustat.*
R&D	Firm *j's* R&D expenses scaled by total assets in the fiscal year before the acquisition announcement date obtained from *Thomson One Platinum Securities Data Company*. The data on R&D and total assets are from *Compustat.*
Specialized M&A Staff	Indicator variable is one if a firm employs at least one corporate development manager, and zero otherwise, consistent with Gokkaya, Liu and Stulz (2023). Information on corporate development managers is from *Boardex Individual* and data is supplemented from *LinkedIn.com*, *Bloomberg*, *Reuters*, and *Marquis Who's Who* databases.
Relative Size	Value of an acquisition divided by the market value of acquirer's equity four weeks prior to the acquisition announcement date. Information is obtained from *Thomson One Platinum Securities Data Company* and *CRSP.*
Private	Indicator variable is one for an acquisition of a private target, zero otherwise. Information is from *Thomson One Platinum Securities Data Company*.
Subsidiary	Indicator variable is one for an acquisition of a subsidiary target, zero otherwise. Information is from *Thomson One Platinum Securities Data Company*.
Hostile	Indicator variable is one for hostile acquisitions, zero for unsolicited acquisitions. Information is from *Thomson One Platinum Securities Data Company*.
Diversifying	Indicator variable is one if the acquirer and target do not belong to the same two-digit SIC code, zero otherwise. Information is from *Thomson One Platinum Securities Data Company* and *Compustat*.
Payment-All Cash	Indicator variable is one if the acquisition is paid for with all cash, zero otherwise. Information is from *Thomson One Platinum Securities Data Company*.
Payment-Includes Stock	Indicator variable is one if the acquisition is paid for with some stock, zero otherwise. Information is from *Thomson One Platinum Securities Data Company*.
No of Advisors	Number of investment banks retained for an acquisition by the acquirer. Information is from *Thomson One Platinum Securities Data Company*.
Top tier Advisor	Indicator variable is one if the acquirer retained a top-tier investment bank for an acquisition, zero otherwise. To define top-tier banks, we calculate the total value of deals advised by each investment bank over 2000 and 2020 and then define an investment bank as top-tier if it ranks in the top 10 based on this

	measure. Information is from *Thomson One Platinum Securities Data Company*.

BUL-specific characteristics:

BUL Industry experience	The number of years that the BUL responsible for integrating acquired target firm has worked in the target's industry, measured at year *t*-1 relative to the acquisition announcement date. Industry experience is defined based on the two-digit SIC industry classification. The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, *Marquis Who's Who* and *Thomson One Platinum Securities Data Comp.*
BUL M&A experience	Indicator variable equals one if BUL responsible for integrating acquired target firm has past acquisition experience within target's industry (defined based on the two-digit SIC industry classification), zero otherwise (measured at year *t*-1 relative to the acquisition announcement date). The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, *Marquis Who's Who,* and *Thomson One Platinum Securities Data Company.*
BUL – Prof linked to CEO	Indicator variable equals one if BUL responsible for integrating acquired target firm has professional connections to CEO through overlapping past employment, zero otherwise (measured at year *t*-1 relative to the acquisition announcement date). The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, *Marquis Who's Who,* and *Thomson One Platinum Securities Data Comp.*
BUL – Edu linked to CEO	Indicator variable equals one if BUL responsible for integrating acquired target firm has educational connections to CEO through attendance at the same academic institution, zero otherwise (measured at year *t*-1 relative to the acquisition announcement date). The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, *Marquis Who's Who,* and *Thomson One Platinum Securities Data Comp.*
BUL – IB experience	Indicator variable equals one if BUL responsible for integrating acquired target firm has investment banking experience, zero otherwise. The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, and *Marquis Who's Who.* Investment banking experience is defined as in Huang, Jiang, Lie, and Yang (2014).
BUL – Fin experience	Indicator variable equals one if BUL responsible for integrating acquired target firm has financial experience, zero otherwise. The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, and *Marquis Who's Who.*
BUL - Age	Age of BUL responsible for integrating acquired target firm (measured at year *t*-1 relative to the acquisition announcement date). The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, *Marquis Who's Who,* and *Thomson One Platinum Securities Data Comp.*

BUL - Female	Indicator variable equals one if BUL responsible for integrating acquired target firm is a female, zero otherwise. The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, and *Marquis Who's Who.*
BUL – Ivy School Grad	Indicator variable equals one if BUL responsible for integrating acquired target firm attended an Ivy League institution at any academic level, zero otherwise. The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, and *Marquis Who's Who.*
BUL – Fast Track	Indicator variable equals one if BUL responsible for integrating acquired target firm exhibits below-sample-median career progression in attaining the BUL role, zero otherwise. The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, and *Marquis Who's Who.*
BUL – Recession Grad	Indicator variable equals one if BUL responsible for integrating acquired target firm obtained his or her first academic degree during a recession year as identified by the National Bureau of Economic Research (NBER). The information is obtained from *Boardex Individual*, *LinkedIn.com*, *Bloomberg*, *Reuters*, *Notable Names*, and *Marquis Who's Who.*

Outcome Variables:

Integration Failure/Success+1/+2/+3 Years	Indicator variables are created using an NLP framework. We employ Claude Opus 4.6 to process the textual content of both the presentation and Q&A sections of earnings conference calls and institutional investor conferences—including broker-hosted industry conferences, analyst and investor days, capital market day events, and product market conferences—from *Refinitiv StreetEvents* database. The NLP model is instructed to construct domain-specific dictionaries of post-M&A integration outcomes and to identify sentences that contain discussions related to integration outcomes. Section 3.1 provides a detailed description of the methodology for creating Integration Failure and Integration success variables over the three years following acquisition completion.
Transaction/Revenue/Cost/ Financial Synergy Success/Failure +1/+2/+3 Years	Indicator variables are created using an NLP framework . We employ Claude Opus 4.6 to process the textual content of both the presentation and Q&A sections of earnings conference calls and institutional investor conferences—including broker-hosted industry conferences, analyst and investor days, capital market day events, and product market conferences—from *Refinitiv StreetEvents* database. The NLP model is instructed to construct domain-specific dictionaries of post-M&A realizations of transaction/revenue/cost/financial synergies and to identify sentences that contain discussions related to transaction/revenue/cost synergy outcomes. Section 3.2 provides a detailed description of the methodology for creating Transaction/Revenue/Cost/Financial Synergy failure and success variables over the three years following acquisition completion.
Goodwill write-off-(indicator)	Indicator variable is one if an acquirer records a goodwill impairment over the three years following acquisition completion, zero otherwise. The information

	on acquisition completion is obtained from *Thomson One Platinum Securities Data Comp.*
Goodwill write-off/Total Assets	Total Goodwill impairments over the three years following acquisition completion, scaled by lagged total assets. The information on acquisition completion is obtained from *Thomson One Platinum Securities Data Comp.*
Raw sales growth [-1, +1]/[-1, +2]/[-1, +3]	Raw annual sales growth from year (t-1) to years t+1, t+2, and t+3, where year *t* denotes the acquisition completion year. Information is from *Thomson One Platinum Securities Data Company* and *Compustat*.
Ind adj sales growth [-1, +1]/[-1, +2]/[-1, +3]	Industry-adjusted annuals sales growth from year (t-1) to years t+1, t+2, and t+3, where year *t* denotes the acquisition completion year. Information is from *Thomson One Platinum Securities Data Company* and *Compustat*.
COGS/Sales [-1, +1]/[-1, +2]/[-1, +3]	The changes in acquirers' cost of goods sold to sales (COGS/Sales) from year (t-1) to years t+1, t+2, and t+3, where year *t* denotes the acquisition completion year. Information is from *Thomson One Platinum Securities Data Company* and *Compustat*.
Opex/Sales [-1, +1]/[-1, +2]/[-1, +3]	The changes in acquirers' operating expenses (including depreciation and amortization) to sales (OPEX/Sales) from year (t-1) to years t+1, t+2, and t+3, where year *t* denotes the acquisition completion year. Information is from *Thomson One Platinum Securities Data Company* and *Compustat*.
CAR [-2,+2]/[-21,+2]/[-2, Close+2]	The market-model adjusted cumulative abnormal returns (CARs) over [-2, +2]/[-21,+2]/[-2, Close+2] event window surrounding the M&A announcement dates, where the parameters of the market model are estimated using the CRSP value-weighted index over [-240, -41] days relative to the acquisition announcement date. Information is from *Thomson One Platinum Securities Data Company* and *CRSP*.
DGTW BHAR [-2, +252]/[-2, +504]/[-2, +756]	DGTW characteristic-adjusted buy-and-hold abnormal stock returns (Daniel et al., 1997) over one, two and three years ([-2, +252]/ [-2, +504]/ [-2, +756]) after deal completion. Information is from *Thomson One Platinum Securities Data Company* and *CRSP*.
Change in Ind adj ROA [-1, +1]/[-1, +2]/[-1, +3]	The changes in acquirers' industry-adjusted abnormal return-on-assets (ROAs) from year (*t*-1) to years *t*+1, *t*+2, and *t*+3, where year *t* denotes the acquisition completion year. Information is from *Thomson One Platinum Securities Data Company* and *Compustat*.
Divestment	Indicator variable is one if the acquirer divests a business in the target's industry within three years of completion, zero otherwise. Information is from *Thomson One Platinum Securities Data Company*.
Change in Analyst Consensus EPS forecast [-6 months, + 6 months]	The change in analyst consensus EPS forecasts from six months before the announcement to six months after deal completion. Information is from *Thomson One Platinum Securities Data Company* and *I/B/E/S*.

Positive EPS revisions [-6 months, + 6 months]	Indicator variable is one if the change in analyst consensus EPS forecasts from six months before the announcement to six months after deal completion is positive, zero otherwise. Information is from *Thomson One Platinum Securities Data Company* and *I/B/E/S.*
Combined CARs [-2,+2]/ [-63,+126]	The combined value-weighted cumulative abnormal return of the acquirer and targets (only publicly traded) over the [-2, +2]/[-63, +126] event window relative to the acquisition announcement date. Information is from *Thomson One Platinum Securities Data Company* and *CRSP*.
Combined Dollar Synergy Gain [-2,+2]/[-63,+126]	The sum of acquirer and target (only publicly traded) dollar-denominated gains over the [-2, +2]/[-63, +126] event window, where dollar-denominated gains are calculated as the product of market capitalization six months prior to deal announcement date. Information is from *Thomson One Platinum Securities Data Company* and *CRSP*.
EPS accretion	Indicator variable is one if managers of the acquiring firm explicitly discuss Earnings-per-share accretion (EPS accretion) in M&A press releases, M&A filings and M&A conference calls, zero otherwise. Information is from *Dow Jones News Services*, *Financial Times*, *Reuters News*, *The Wall Street Journal, Capital IQ, EDGAR* and *Refinitiv Streetevents.*
Cultural Distance - innovation/integrity/quality/ respect/teamwork	Following Li, Mai, Shen, and Yan (2021, *RFS*), five cultural values—innovation, integrity, quality, respect, and teamwork—are measured using earnings conference call transcripts obtained from *Refinitiv Streetevents*. A simple word-count approach is employed, with seed words identified for each cultural category in the Q&A portion of earnings calls. *Cultural Distance* is the absolute difference between acquirers and targets across the five cultural values.
M&A Premium (Target's Price at day -42/-63/-105)	The difference between the offer price and the target stock price measured 42/63/105 trading days prior to the acquisition announcement date. Information is from *Thomson One Platinum Securities Data Company* and *CRSP*.
Acquirer's Share of Synergy Gains	The proportion of combined abnormal shareholder wealth gains captured by the acquirer during acquisitions of public targets. Information is from *Thomson One Platinum Securities Data Company* and *CRSP*.
Integration Plan Announcement	Indicator variable is one if an acquirer explicitly discloses integration plans in M&A press releases, regulatory filings and conference call transcripts prior to effective date of acquisition transaction, zero otherwise. Information is from *Dow Jones News Services*, *Financial Times*, *Reuters News*, *The Wall Street Journal, Capital IQ, EDGAR* and *Refinitiv Streetevents.*
Days in Due Diligence (DD)	The number of days between deal announcement and effective date. Transactions in which announcement and effective dates overlap are eliminated. Information is from *Thomson One Platinum Securities Data Company.*
Dismissals	Dismissals from the firm—excluding departures related to exogenous events such as death or poor health within three years following an acquisition completion. Information is from *Boardex Individual.*

Promotion	Appointments to relatively senior executive positions with consequential managerial responsibilities within the current firm or at a new employer within three years following an acquisition completion. Information is from *Boardex Individual.*

Appendix A. Post-Acquisition Integration Progress Discussions

Year	Acquirer/Target	Description	Integration Outcome	Transaction Synergy Outcome	Revenue Synergy Outcome	Cost Synergy Outcome
2015	Diplomat Pharmacy Inc./ BioRx LLC	As a mentioned earlier, I could not be more pleased to report that our recent acquisitions are all performing ahead of our expectations and the integration of Burman's and BioRx, particularly as it relates to revenue synergies, are more than on track. When making the decision to bring Burman's and BioRx under the Diplomat umbrella, we felt there was significant potential for revenue synergies.	Success	Success	Success	N/A
2017	Patterson Companies/ Animal Health International	As we near the end of the 3-year integration time frame, we are pleased that our synergy capture is on pace to deliver the targeted range we committed to when we announced the acquisition of Animal Health International.	Success	Success	N/A	N/A
2006	IDT Corp./ Net2Phone Inc.	During the fourth quarter and continuing now into fiscal 2007, we expanded this cost reduction program, mostly as a result of operating synergies being achieved as a result of integration of Net2Phone's product lines and operation with IDT Telecom. As a result, through September 30, we have cumulatively eliminated approximately 535 positions.	Success	Success	N/A	Success
2007	AngioDynamics/ Rita Medical Systems	This 3.5 percentage point improvement in operating efficiency is a clear indication of the synergies we are achieving in	Success	Success	N/A	Success

		the integration of RITA Medical, primarily in the area of G&A costs which represent 2.4 percentage points of the improvement.				
2012	Blackbaud Inc / Convio Inc	Just to summarize, I'd say we've made significant progress in integrating Convio, running ahead of the cost synergies. We're focused on managing expenses and realizing those synergies as we move ahead in the integration process. And we're going to continue to make the judicious investments in the future of the business. I look forward to updating you on our progress as we meet throughout the quarter, and then at our next earnings call in February. Thank you very much.	Success	Success	N/A	Success
2015	Lattice Semiconductor Corp / Silicon Image Inc	The sequential decrease in non-GAAP expenses compared to Q2 reflects the continued successful integration of Silicon Image and our laser focus on synergy value capture. On slide 7, you can see our achievement of above-target synergies. When we announced our acquisition of Silicon Image earlier this year, we committed to synergies in the $30 million range. We moved this up to $42 million shortly afterwards. To date, we have increased our action synergies to approximately $49 million. This amount correlates to actions we have committed to take after the acquisition of Silicon Image.	Success	Success	N/A	Success
2016	Total System Services Inc / TransFirst Inc	Second, our TransFirst acquisition integration continues on track with our extensive	Success	Success	N/A	Success

		takeout synergies from the combined businesses meeting our expectations. To wrap up, the segments are on track with our expectations, and we still expect our margins to slightly expand across all four segments. Our TransFirst acquisition, integration and synergy achievement is on track.				
2017	NeoGenomics Inc / Clarient Inc	I think clearly the Clarient integration was a factor in that as Doug said, our billing team had some performance issues earlier this year as they struggled with the integration. So we think there is some room for improvement.	Failure	N/A	N/A	N/A
2003	Albany Molecular Research Inc / Organichem Corp	Finally these external challenges have been compounded by the internal challenges we have faced with the integration of the purchase of Organichem. And some of the integration issues that we have been dealing with but which are mostly now behind us. Clearly 2003 has been a pretty challenging year in terms of business environment.	Failure	N/A	N/A	N/A
2016	The Chefs' Warehouse Inc / Del Monte Meat Company	Right now, we are working through some integration and transition issues with Del Monte and some of our protein businesses, which put a little pressure on our gross margins.	Failure	Failure	N/A	Failure
2012	Bazaarvoice Inc / PowerReviews Inc	This outcome was a result of a sales disruption we discussed during the first quarter conference call, from the integration of the PowerReviews	Failure	Failure	Failure	N/A

		acquisition and the realignment of the sales organization based upon a General Manager structure with specific focuses on retail and brand clients. Our sales organization changes temporarily impaired our selling efforts, as we brought in lots of new employees and several new leaders. While we believe the sales structure and personnel changes, along with our two acquisitions, are essential to our long term strategy, I certainly acknowledge that we made numerous changes in a short amount of time, and frankly our first half execution was affected.				
2015	Brookdale Senior Living Inc/ Emeritus Corp	I should have said it in my introduction to the Company that roughly a year ago we acquired our largest competitor, a platform called Emeritus Corporation, which had about 50,000 units. We've been engaged in the integration of the Emeritus platform for the past year or so. The integration has been a challenge, it hasn't gone as smoothly as we originally anticipated, and we attribute that to just the difficulty and the challenge of integrating a platform that's as large as Emeritus. The integration challenges around that, our acquisition of Emeritus, was tough on us. And one of the results of that was that we saw occupancy go down more than is seasonally customary for our business, as we went through 2015.	Failure	Failure	Failure	N/A

Table 1. Sample Distribution and Descriptive Statistics

Panel A summarizes the distribution of unique acquirers, M&A transactions, and Business Unit Leaders (BULs) overseeing post-acquisition integration process over 2000 and 2020. Panels B and C report mean and median values for acquirer-level and transaction-level characteristics, respectively. Panel D provides descriptive statistics on BUL-specific characteristics. BULs and their associated operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are identified based on four-digit SIC industry code of BUL's operating segment and target firm, goodwill allocation disclosures management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. M&A sample is drawn from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Variable definitions are provided in the Appendix.

Panel A: Sample Distribution

Year	No of Acquirers	No of M&As	No of BULs
2000	208	341	375
2001	189	255	372
2002	181	236	326
2003	200	271	404
2004	227	318	428
2005	239	334	467
2006	245	348	453
2007	274	383	592
2008	208	269	440
2009	152	186	336
2010	196	258	465
2011	211	257	430
2012	215	286	441
2013	195	259	379
2014	246	310	536
2015	216	273	480
2016	189	240	428
2017	180	225	438
2018	168	220	414
2019	134	149	290
2020	112	132	234
Overall	1,636	5,550	5,190

Panel B: Acquirer Characteristics

Variable	Mean	Median
Stock Price Runup	0.094	0.026
Sigma	0.023	0.019
Acquirer Size	17.224	2.495
Leverage	0.243	0.224
Tobin's Q	2.215	1.714
ROA	0.126	0.126
Cash Flows-to-Equity	0.065	0.075
No of M&As (past 10 years)	15.856	10.000
High Tech	0.299	0.000
Institutional Holding	0.709	0.775
No of Analysts	13.977	11.000
NWC	1011.520	158.959
R&D	0.037	0.006
Specialized M&A Staff	0.383	0.000

Panel C: Acquisition Characteristics

Variable	Mean	Median
Relative Size	0.132	0.040
Private	0.485	0.000
Public	0.181	0.000
Subsidiary	0.334	0.000
Hostile	0.001	0.000
Diversifying	0.384	0.000
Payment-All Cash	0.390	0.000
Payment-Includes Stock	0.177	0.000
No of Advisors	0.447	0.000
Top tier Advisor	0.252	0.000

Panel D: BUL Characteristics

Variable	Mean	Median
BUL- Industry experience	6.267	5.000
BUL- M&A experience	0.137	0.000
BUL – Prof linked to CEO	0.165	0.000
BUL – Edu linked to CEO	0.085	0.000
BUL - Age	48.085	48.750
BUL - Female	0.086	0.000
BUL – IB experience	0.006	0.000
BUL – Fin experience	0.089	0.000
BUL – Ivy School Grad	0.116	0.000
BUL – Fast Track	0.666	1.000
BUL – Recession Grad	0.115	0.000

Table 2. Business unit leaders and Post-Acquisition Integration Outcomes

This table reports results from linear probability regression analyses of post-acquisition integration outcomes on BUL-, acquirer- and transaction-level characteristics. In Panel A (B), the dependent variable is *Post-Acquisition Integration Failure* (*Success*), created through extraction of integration-related information from full transcripts of earnings conference calls and institutional investor conferences using natural language processing (NLP) technique. *Post-Acquisition Integration Failure* equals one if textual content of acquirer's conference call transcripts disclose integration challenges within one, two, or three years after deal completion. three years after deal completion. *Post-Acquisition Integration Success* equals one if management discloses favorable integration progress or successful integration execution or completion over the same time horizon. BULs and their associated operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are identified based on four-digit SIC industry code of BUL's operating segment and target firm, goodwill allocation disclosures management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. Full-text transcripts of earnings conference calls and institutional investor conferences are obtained from the *Refinitiv StreetEvents* database. M&A sample is drawn from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transacftions that involve a change of control in the target firm. Variable definitions are provided in the Appendix. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry-year paired fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

Panel A: Post-Acquisition Integration Failure

	Integration Failure +1 Year		Integration Failure +2 Years		Integration Failure +3 Years	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
BUL- Industry experience	-0.855***	-0.916***	-0.917***	-1.044***	-0.829***	-0.956***
	(-6.426)	(-5.605)	(-6.474)	(-5.914)	(-5.343)	(-4.895)
BUL - M&A experience	0.325	0.175	-0.570	-0.417	-0.811	-0.624
	(0.261)	(0.132)	(-0.499)	(-0.347)	(-0.619)	(-0.447)
BUL – Prof linked to CEO	0.369	-0.397	1.258	0.488	0.065	-0.684
	(0.285)	(-0.296)	(0.903)	(0.335)	(0.045)	(-0.452)
BUL – Edu linked to CEO	-2.953*	-2.162	-1.811	-0.997	-1.711	-1.691
	(-1.773)	(-1.168)	(-0.986)	(-0.466)	(-0.891)	(-0.767)
BUL – IB experience	-1.564	0.183	-4.083	-3.055	-5.720	-5.038
	(-0.199)	(0.017)	(-0.465)	(-0.274)	(-0.647)	(-0.444)
BUL – Fin experience	-1.276	-0.474	-2.499	-2.049	-3.536**	-3.527*
	(-0.691)	(-0.228)	(-1.413)	(-1.045)	(-1.979)	(-1.774)
Stock Price Runup	-0.374	0.345	-1.268	-1.113	-0.951	-0.549
	(-0.398)	(0.324)	(-1.586)	(-1.232)	(-1.075)	(-0.530)
Sigma	18.849	-21.483	-20.651	-65.914	-20.041	-46.210
	(0.396)	(-0.398)	(-0.478)	(-1.327)	(-0.421)	(-0.869)
Ln (Acquirer Size)	1.370***	1.205***	1.050**	1.060**	1.202**	1.241**
	(3.232)	(2.617)	(2.321)	(2.127)	(2.476)	(2.304)
Relative Size	18.871***	16.055***	6.612***	7.156***	6.699***	7.379***
	(6.717)	(5.365)	(3.101)	(3.102)	(2.774)	(2.730)
Private	-5.663***	-5.255***	-5.507***	-4.789***	-6.382***	-5.452***
	(-4.141)	(-3.702)	(-4.034)	(-3.369)	(-4.096)	(-3.355)
Subsidiary	-6.597***	-6.169***	-7.048***	-6.100***	-7.747***	-6.404***
	(-5.002)	(-4.445)	(-5.248)	(-4.331)	(-4.895)	(-3.812)
Hostile	29.056	54.035**	30.360	54.425**	51.800*	82.766***
	(0.973)	(2.148)	(1.029)	(2.188)	(1.939)	(25.729)
Leverage	-1.705	-3.214	-3.161	-3.740	-2.606	-3.812
	(-0.689)	(-1.245)	(-1.251)	(-1.371)	(-0.939)	(-1.280)
Tobin's Q	0.135	0.289	-0.037	0.101	0.027	0.041
	(0.608)	(1.029)	(-0.193)	(0.414)	(0.117)	(0.160)
ROA	2.555	-3.993	4.479	-3.028	5.596	-2.273
	(0.351)	(-0.523)	(0.650)	(-0.422)	(0.782)	(-0.303)
Cash Flows-to-Equity	1.188	4.357	4.008	7.834	3.253	6.837

	(0.208)	(0.774)	(0.715)	(1.408)	(0.547)	(1.118)
Top tier Advisor	1.453	1.941	3.260*	3.734**	1.928	2.570
	(0.870)	(1.110)	(1.936)	(2.102)	(1.063)	(1.358)
No of Advisors	1.527	2.023*	2.267**	2.309*	2.894**	2.721**
	(1.348)	(1.718)	(1.973)	(1.896)	(2.381)	(2.107)
Payment-All Cash	-0.358	-0.058	-1.049	-0.754	-1.372	-1.015
	(-0.450)	(-0.068)	(-1.217)	(-0.803)	(-1.504)	(-1.033)
Payment-Includes Stock	3.087**	2.556*	4.207***	3.755***	4.235***	3.689**
	(2.395)	(1.808)	(3.243)	(2.614)	(3.024)	(2.432)
No of M&As (past 10 years)	-0.068***	-0.051*	-0.072***	-0.068**	-0.094***	-0.082**
	(-2.628)	(-1.658)	(-2.841)	(-2.287)	(-3.305)	(-2.516)
High Tech	0.198	1.324	-0.129	0.711	-0.977	0.265
	(0.159)	(0.953)	(-0.103)	(0.509)	(-0.680)	(0.166)
Diversifying	0.111	0.110	1.242	1.250	1.351	1.357
	(0.136)	(0.125)	(1.450)	(1.332)	(1.412)	(1.286)
Institutional Holding	2.886*	1.380	2.472	0.397	1.494	-0.463
	(1.727)	(0.760)	(1.409)	(0.203)	(0.811)	(-0.228)
No of Analysts	-0.046	-0.060	-0.028	-0.055	-0.007	-0.029
	(-0.818)	(-1.086)	(-0.486)	(-0.914)	(-0.101)	(-0.433)
NWC	0.000	0.000	0.000	0.000	0.000	0.000
	(0.078)	(-0.749)	(-0.120)	(-0.645)	(-0.249)	(-1.000)
R&D	4.654	6.199	4.856	4.450	7.431	4.354
	(0.458)	(0.538)	(0.505)	(0.408)	(0.667)	(0.357)
Specialized M&A Staff	0.289	-0.076	0.696	-0.029	1.414	0.371
	(0.326)	(-0.078)	(0.753)	(-0.029)	(1.387)	(0.331)
BUL - Age		-0.021		-0.029		-0.041
		(-0.347)		(-0.491)		(-0.579)
BUL - Female		2.852		4.061*		2.821
		(1.380)		(1.712)		(1.163)
BUL – Ivy School Grad						
		-2.022		-2.444		-2.140
		(-1.091)		(-1.284)		(-1.024)
BUL - Fast Track		-3.011		-1.726		-1.831
		(-1.560)		(-0.830)		(-0.838)
BUL - Recession Grad		-0.089		-0.634		-2.168
		(-0.059)		(-0.427)		(-1.402)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	25.43%	26.03%	24.69%	26.50%	23.95%	25.83%
Number of Observations	5,371	4,626	5,371	4,626	5,371	4,626

Panel B: Integration Success

	Integration Success +1 Year		Integration Success +2 Years		Integration Success +3 Years	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
BUL -Industry experience	0.927***	0.937***	1.119***	1.200***	1.122***	1.272***
	(5.901)	(4.713)	(6.368)	(5.512)	(6.168)	(5.619)
BUL - M&A experience	2.296	2.282	2.747	2.667	1.670	1.589
	(1.286)	(1.227)	(1.470)	(1.378)	(0.882)	(0.806)
BUL – Prof linked to CEO	1.147	1.759	0.630	2.017	0.566	2.036
	(0.636)	(0.888)	(0.318)	(0.926)	(0.280)	(0.917)
BUL – Edu linked to CEO	0.760	1.538	2.431	3.346	2.186	3.236
	(0.322)	(0.550)	(0.947)	(1.112)	(0.819)	(1.043)
BUL – IB experience	8.599	11.437	8.472	10.347	18.203	9.092
	(0.765)	(0.800)	(0.677)	(0.674)	(1.266)	(0.577)
BUL – Fin experience	1.462	1.926	1.140	1.461	1.565	1.916
	(0.693)	(0.827)	(0.498)	(0.594)	(0.670)	(0.772)
Stock Price Runup	-1.331	-0.869	-1.108	-0.966	-0.440	0.034
	(-1.493)	(-0.844)	(-1.067)	(-0.839)	(-0.396)	(0.028)
Sigma	-10.640	-33.425	-90.890*	-91.568	-69.611	-54.222
	(-0.222)	(-0.584)	(-1.732)	(-1.509)	(-1.260)	(-0.856)

Ln (Acquirer Size)	-0.062	-0.480	-0.048	-0.498	0.233	-0.192
	(-0.108)	(-0.723)	(-0.081)	(-0.727)	(0.387)	(-0.281)
Relative Size	-6.022***	-5.578***	-5.615***	-5.219**	-6.481***	-6.131***
	(-3.653)	(-2.956)	(-2.869)	(-2.357)	(-3.315)	(-2.791)
Private	-1.308	-1.494	-1.211	-1.908	-0.740	-1.476
	(-0.875)	(-0.903)	(-0.723)	(-1.034)	(-0.429)	(-0.778)
Subsidiary	-7.691***	-8.331***	-8.835***	-9.568***	-7.909***	-8.742***
	(-5.145)	(-5.041)	(-5.329)	(-5.204)	(-4.609)	(-4.598)
Hostile	-7.532	-13.607***	-9.039*	-15.039***	-8.652*	-14.543***
	(-1.483)	(-3.023)	(-1.672)	(-2.936)	(-1.662)	(-2.658)
Leverage	5.295	5.943	2.968	4.088	3.874	5.685
	(1.625)	(1.631)	(0.816)	(1.012)	(1.073)	(1.426)
Tobin's Q	1.009***	1.228***	1.140***	1.387***	1.232***	1.417***
	(3.430)	(3.404)	(3.747)	(3.598)	(3.832)	(3.604)
ROA	-2.923	-0.768	-4.737	0.215	-4.449	2.037
	(-0.309)	(-0.073)	(-0.479)	(0.020)	(-0.445)	(0.189)
Cash Flows-to-Equity	2.577	0.024	2.115	-3.560	3.073	-1.081
	(0.384)	(0.003)	(0.301)	(-0.450)	(0.436)	(-0.135)
Top tier Advisor	6.202***	6.525***	4.021**	4.778**	5.634***	6.490***
	(3.151)	(3.022)	(1.973)	(2.178)	(2.725)	(2.871)
No of Advisors	0.653	0.892	2.171*	1.820	1.330	1.069
	(0.546)	(0.663)	(1.736)	(1.334)	(1.081)	(0.783)
Payment-All Cash	3.897***	4.034***	4.310***	4.463***	4.754***	4.905***
	(3.454)	(3.164)	(3.569)	(3.242)	(3.836)	(3.500)
Payment-Includes Stock	-0.927	-1.499	0.054	0.009	0.485	0.419
	(-0.648)	(-0.920)	(0.034)	(0.005)	(0.305)	(0.231)
No of M&As (past 10 years)	-0.057	-0.055	-0.054	-0.048	-0.069	-0.056
	(-1.384)	(-1.242)	(-1.167)	(-0.981)	(-1.478)	(-1.162)
High Tech	1.832	1.313	0.815	0.459	1.267	0.922
	(1.016)	(0.635)	(0.440)	(0.220)	(0.672)	(0.441)
Diversifying	-0.222	-0.262	-1.600	-1.764	-1.992*	-2.338*
	(-0.211)	(-0.223)	(-1.394)	(-1.374)	(-1.695)	(-1.796)
Institutional Holding	7.149***	8.800***	5.839**	8.244***	4.970**	7.258***
	(3.400)	(3.788)	(2.592)	(3.331)	(2.164)	(2.889)
No of Analysts	0.021	0.109	-0.026	0.070	-0.036	0.048
	(0.247)	(1.120)	(-0.285)	(0.706)	(-0.395)	(0.484)
NWC	0.000	0.000	0.000	0.000	0.000	0.000
	(0.751)	(0.989)	(0.608)	(1.086)	(0.683)	(1.153)
R&D	-10.192	-8.296	-0.980	-4.521	-5.581	-8.208
	(-0.854)	(-0.594)	(-0.077)	(-0.303)	(-0.436)	(-0.556)
Specialized M&A Staff	0.731	0.702	1.821	1.658	1.824	1.749
	(0.665)	(0.563)	(1.523)	(1.261)	(1.488)	(1.301)
BUL - Age		0.049		0.068		0.099
		(0.621)		(0.785)		(1.108)
BUL - Female		-1.971		-3.283		-4.295
		(-0.663)		(-1.016)		(-1.294)
BUL – Ivy School Grad		-3.195		-2.283		-1.979
		(-1.474)		(-0.995)		(-0.853)
BUL - Fast Track		-0.626		-1.902		-1.495
		(-0.265)		(-0.795)		(-0.592)
BUL - Recession Grad		0.501		1.014		1.134
		(0.242)		(0.466)		(0.498)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	21.79%	23.36%	23.66%	25.58%	23.65%	25.63%
Number of Observations	5,371	4,626	5,371	4,626	5,371	4,626

Table 3. Business unit leaders: Success and Failure in Capturing Transaction Synergies

This table reports results from linear probability regressions and ordinary least squares (OLS) regressions of post-acquisition integration outcomes on BUL-, acquirer- and acquisition-level characteristics. In Panel A, the dependent variables are *Post-Acquisition Transaction Synergy Failure*/*Success* (Models 1-6) within one, two and three years following deal completion and *Goodwill write-off* (Model 7) indicator and *Goodwill write-off/Total Assets* within three years following deal completion. In Panel B, the dependent variables are *Post-Acquisition Revenue Synergy Failure*/*Success* (Models 1-6) indicators*,* raw and industry-adjusted revenue growth from the pre-acquisition year to one, two, and three years post-acquisition (Models 7-12). In Panel C, dependent variables are *Post-Acquisition Cost Synergy Failure*/*Success* indicators (Models 1-6)*,* changes in *Cogs/Sales* and *Opex/Sales* over the same horizons (Models (7-12). In Panel D, dependent variables are *Post-Acquisition Financial Synergy Failure*/*Success* indicators*. Post-Acquisition Transaction/Revenue/Cost Synergy Failure/Success* are created using NLP analyses of management disclosures regarding transaction synergy outcomes in the acquirer's earnings conference calls and institutional investor conferences , and are explained in Section 3.2. BULs and their corresponding operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are manually identified using target's four-digit SIC industry code, goodwill allocation information and management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. Full-text transcripts of earnings conference calls and institutional investor conferences are obtained from the *Refinitiv StreetEvents* database. M&A sample is from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry-year paired fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

Panel A: Overall Synergy capture: Success/Failure (NLP analyses) and Post-Acquisition Goodwill write-off

	Overall Synergy Success +1 year	Overall Synergy Success +2 years	Overall Synergy Success +3 years	Overall Synergy Failure +1 year	Overall Synergy Failure +2 years	Overall Synergy Failure +3 years	Goodwill write-off- (indicator)	Goodwill write-off/ Total Assets
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
BUL Industry experience	0.621***	0.844***	0.690***	-0.168***	-0.208***	-0.217***	-0.484***	-0.093***
	(4.671)	(5.243)	(3.905)	(-2.885)	(-3.558)	(-3.372)	(-2.969)	(-3.259)
BUL - M&A experience in target industry	0.887	0.444	1.340	0.120	-0.119	0.121	-1.551	0.036
	(0.621)	(0.263)	(0.787)	(0.182)	(-0.180)	(0.171)	(-0.934)	(0.125)
BUL – Prof linked to CEO	1.175	2.361	2.556	0.263	0.269	0.441	-1.469	0.665
	(0.773)	(1.371)	(1.416)	(0.522)	(0.518)	(0.717)	(-0.662)	(1.416)
BUL – Edu linked to CEO	1.453	-0.067	-0.201	0.577	0.061	0.427	-0.106	-0.686
	(0.784)	(-0.033)	(-0.092)	(0.776)	(0.088)	(0.487)	(-0.035)	(-1.391)
BUL – IB experience	9.740	11.362	10.906	6.333	6.490	9.283	-6.969	-2.100
	(0.900)	(1.001)	(0.874)	(0.817)	(0.854)	(1.108)	(-0.689)	(-1.077)
BUL – Fin experience	0.630	0.862	-0.163	0.003	-0.222	0.116	0.660	0.643
	(0.397)	(0.478)	(-0.082)	(0.004)	(-0.318)	(0.143)	(0.264)	(1.144)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	22.19%	25.88%	26.34%	23.01%	22.57%	21.42%	29.54%	32.18%
Number of Observations	5,371	5,371	5,371	5,371	5,371	5,371	5,371	5,371

Panel B: Revenue Synergy capture: Success/Failure (NLP analyses) and Post-Acquisition changes in Sales Growth

	Revenue Synergy Success +1 year	Revenue Synergy Success +2 years	Revenue Synergy Success +3 years	Revenue Synergy Failure +1 year	Revenue Synergy Failure +2 years	Revenue Synergy Failure +3 years	Raw sales growth [-1, +1]	Raw sales growth [-1, +2]	Raw sales growth [-1, +3]	Ind adj sales growth [-1, +1]	Ind adj sales growth [-1, +2]	Ind adj sales growth [-1, +3]
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
BUL Industry experience	0.478***	0.632***	0.530***	-0.119**	-0.229***	-0.209***	0.618***	0.591***	0.651***	0.600***	0.653***	0.637***
	(3.268)	(4.208)	(3.278)	(-2.014)	(-3.423)	(-3.063)	(3.215)	(3.141)	(3.626)	(3.124)	(3.320)	(3.492)
BUL - M&A Exp in T ind	1.080	0.210	2.019	0.233	0.307	0.337	-2.507	-3.541*	-1.499	-2.651	-4.223**	-1.682
	(0.701)	(0.139)	(1.153)	(0.390)	(0.525)	(0.609)	(-1.148)	(-1.897)	(-0.739)	(-1.209)	(-2.144)	(-0.817)
BUL – Prof linked to CEO	-0.790	-0.996	-1.626	0.225	0.166	-0.273	-0.929	-3.230	-1.995	-0.906	-3.047	-1.934
	(-0.509)	(-0.592)	(-0.894)	(0.349)	(0.251)	(-0.451)	(-0.295)	(-1.109)	(-0.679)	(-0.290)	(-1.030)	(-0.650)
BUL – Edu linked to CEO	0.607	0.589	0.069	0.116	-0.943	-0.809	0.793	2.734	-0.857	0.979	2.629	-0.796
	(0.311)	(0.262)	(0.029)	(0.168)	(-1.324)	(-1.339)	(0.155)	(0.717)	(-0.216)	(0.191)	(0.673)	(-0.198)
BUL – IB experience	-6.773	-6.980	9.189	1.548	16.153*	-0.366	-7.273	-8.180	-11.664	-7.159	-7.947	-12.434*
	(-1.042)	(-1.035)	(0.806)	(0.333)	(1.804)	(-0.093)	(-0.946)	(-0.984)	(-1.631)	(-0.936)	(-0.971)	(-1.681)
BUL – Fin experience	1.808	1.948	2.355	-0.467	0.373	0.423	-1.740	-4.435	-1.917	-1.883	-4.456	-2.189
	(1.006)	(1.021)	(1.073)	(-0.752)	(0.326)	(0.367)	(-0.562)	(-1.374)	(-0.551)	(-0.597)	(-1.361)	(-0.615)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	19.57%	20.13%	21.55%	14.49%	18.20%	18.81%	40.61%	41.94%	41.55%	31.62%	33.04%	33.95%
Number of Observations	5,371	5,371	5,371	5,371	5,371	5,371	4,364	4,168	3,932	4,364	4,168	3,932

Panel C: Cost Synergy capture: Success/Failure (NLP analyses) and Post-Acquisition Changes in Cogs/Opex

	Cost Synergy Success 1 year	Cost Synergy Success 2 years	Cost Synergy Success 3 years	Cost Synergy Failure 1 year	Cost Synergy Failure 2 years	Cost Synergy Failure 3 years	Cogs /sales [-1, +1]	Cogs /sales [-1, +2]	Cogs /sales [-1, +3]	Opex /sales [-1, +1]	Opex /sales [-1, +2]	Opex /sales [-1, +3]
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
BUL Industry experience	0.510***	0.438***	0.533***	-0.069**	-0.162***	-0.189***	-0.129***	-0.135***	-0.165***	-0.221***	-0.203***	-0.236***
	(4.011)	(3.106)	(3.662)	(-2.542)	(-2.630)	(-2.937)	(-3.177)	(-2.916)	(-3.041)	(-3.523)	(-3.034)	(-3.347)
BUL - M&A Exp in T ind	0.147	0.773	1.047	-0.211	-0.443	0.031	-0.222	-0.062	-0.426	0.474	0.055	0.033
	(0.113)	(0.565)	(0.739)	(-0.923)	(-1.124)	(0.065)	(-0.509)	(-0.119)	(-0.743)	(0.676)	(0.098)	(0.057)
BUL – Prof linked to CEO	0.098	0.619	0.125	0.106	0.412	0.175	-0.477	-0.626	-0.241	-1.768	-0.535	0.149
	(0.063)	(0.355)	(0.071)	(0.278)	(0.704)	(0.291)	(-0.789)	(-1.013)	(-0.317)	(-1.588)	(-0.532)	(0.202)
BUL – Edu linked to CEO	-0.569	-0.380	1.296	-0.311	-0.817	-0.810	0.690	0.807	1.672*	2.690	3.473	2.494*
	(-0.322)	(-0.177)	(0.592)	(-0.892)	(-1.574)	(-1.498)	(0.882)	(0.984)	(1.695)	(1.389)	(1.520)	(1.809)
BUL – IB experience	-5.128	1.079	0.230	5.784	16.161*	15.777*	-5.117*	-1.001	-3.907	-7.052*	-3.120	-5.890*
	(-0.895)	(0.121)	(0.026)	(1.265)	(1.785)	(1.725)	(-1.805)	(-0.443)	(-1.615)	(-1.851)	(-1.306)	(-1.871)
BUL – Fin experience	0.380	-1.248	-0.206	0.101	0.587	0.373	1.327*	0.003	0.787	0.820	0.287	0.569
	(0.269)	(-0.760)	(-0.119)	(0.240)	(0.975)	(0.597)	(1.813)	(0.004)	(0.922)	(0.929)	(0.304)	(0.551)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	20.50%	20.20%	21.35%	19.23%	22.74%	20.80%	29.07%	29.70%	29.94%	36.05%	40.47%	37.15%
Number of Observations	5,371	5,371	5,371	5,371	5,371	5,371	4,946	4,730	4,477	4,861	4,593	4,331

Panel D: Financial Synergy capture: Success/Failure (NLP analyses)

	Financial Synergy Success 1 year	Financial Synergy Success 2 years	Financial Synergy Success 3 years	Financial Synergy Failure 1 year	Financial Synergy Failure 2 years	Financial Synergy Failure 3 years
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
BUL Industry experience	-0.203	-0.229	-0.138	0.032	0.032	0.013
	(-1.204)	(-1.269)	(-0.760)	(0.810)	(0.702)	(0.257)
BUL - M&A Exp in T ind	2.414	2.672	1.951	-0.003	0.049	0.239
	(1.483)	(1.570)	(1.123)	(-0.007)	(0.102)	(0.418)
BUL – Prof linked to CEO	-0.087	-0.146	-0.038	-0.257	-0.274	-0.264
	(-0.049)	(-0.074)	(-0.019)	(-0.818)	(-0.813)	(-0.692)
BUL – Edu linked to CEO	-1.146	-1.776	-0.890	0.182	-0.138	-0.171
	(-0.533)	(-0.753)	(-0.363)	(0.456)	(-0.282)	(-0.336)
BUL – IB experience	7.592	10.470	10.161	5.835	5.507	5.300
	(0.705)	(0.868)	(0.844)	(0.812)	(0.655)	(0.631)
BUL – Fin experience	-0.298	-1.411	-1.339	0.156	0.691	0.495
	(-0.141)	(-0.618)	(-0.592)	(0.253)	(0.788)	(0.562)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	23.61%	23.69%	21.35%	12.20%	14.21%	15.22%
Number of Observations	5,371	5,371	5,371	5,371	5,371	5,371

Table 4. Business unit leaders and Acquisition Announcement Returns

This table presents market-model adjusted cumulative abnormal returns (CARs) over [-2, +2] event window surrounding the M&A announcement dates, where the parameters of the market model are estimated using the CRSP value-weighted index over [-240, -41] days relative to the acquisition announcement date. Panel A presents the CARs for the full sample, Panel B presents CARs based on Target Status (i.e., Public, Private, and Subsidiary), and Panel C shows CARs based on the mode of payment (i.e., no stock vs. with some stock financing). In Panel D, we split the subsample by whether the acquirer employs specialized M&A staff. BULs and their corresponding operating segments is created using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are manually identified using target's four-digit SIC industry code, goodwill allocation information and management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. M&A sample is from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables.. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

Panel A: Overall Sample

	Overall	BUL Industry Experience-High	BUL Industry Experience-Low	Difference
	0.615***	1.349***	-0.110	1.459***
	(7.00)	(11.95)	(-0.83)	(8.36)

Panel B: Target status

	Overall	BUL Industry Experience- High	BUL Industry Experience- Low	Difference
Public	-0.721***	0.381	-1.769***	2.151***
	(-3.32)	(1.39)	(-5.40)	(5.04)
Private	0.822***	1.467***	0.191	1.276***
	(6.58)	(9.25)	(1.00)	(5.14)
Subsidiary	1.038***	1.686***	0.375*	1.312***
	(7.03)	(8.59)	(1.71)	(4.46)

Panel C: Mode of payment

	Overall	BUL Industry Experience- High	BUL Industry Experience- Low	Difference
Without stock financing	0.871***	1.400***	0.303**	1.097***
	(9.84)	(12.33)	(2.22)	(6.19)
With stock financing	-0.576**	1.041***	-1.651***	2.692***
	(-2.10)	(2.59)	(-4.53)	(4.96)

Panel D: Specialized M&A Staff

	Overall	BUL Industry Experience- High	BUL Industry Experience- Low	Difference
With Specialized MA staff	0.843***	1.045***	0.662***	0.383*
	(7.22)	(6.68)	(3.87)	(1.65)
Without Specialized MA staff	0.473***	1.522***	-0.629***	2.152***
	(3.86)	(9.95)	(-3.32)	(8.83)

Table 5. Business unit leaders, Acquisition Announcement Returns and Alternative Measures of Acquisition Performance

This table presents ordinary least squares (OLS) regressions of cumulative abnormal returns (CARs) (Panel A) and alternative measures of M&A performance (Panel B) on BUL-, acquirer- and acquisition-level characteristics. In Panel A, the dependent variable is market-model adjusted CARs over [-2, +2] event window surrounding the M&A announcement dates, where the parameters of the market model are estimated using the CRSP value-weighted index over [-240, -41] days relative to the acquisition announcement date. In Columns 1, 2, and 3 of Panel B, the dependent variable is market model-adjusted CARs over the [-21, + 2] ([-42, + 2]) event window surrounding the M&A announcement date and CARs over the [announcement-2, close+2], respectively. In Columns 4, 5, and 6, the dependent variable is the characteristic-adjusted DGTW buy-and-hold abnormal returns (BHAR) over the [-2, + 252], [-2, + 504] and [-2, + 756] event window surrounding the M&A announcement dates. In Columns 7, 8, and 9, the dependent variable is the change in industry-adjusted ROA for the acquiring firms from the pre-acquisition year to one, two, and three years following the deal completion. In Column 10, we estimate a linear probability regression where the dependent variable is a binary indicator that equals one if the acquirer makes a divestiture in the same four-digit SIC industry as the target within three years following an acquisition's effective closing date, zero otherwise. In Column 10, the dependent variable is the change in analyst consensus EPS forecasts between six months preceding the M&A announcement date and six months following the closing date. In Column 11, we estimate a linear probability regression where the dependent variable is a binary indicator that equals one if revision in analyst consensus EPS forecast is positive, zero otherwise. BULs and their corresponding operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are manually identified using target's four-digit SIC industry code, goodwill allocation information and management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. M&A sample is from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry-year paired fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

Panel A. Acquisition Announcement Returns: CARs [-2, +2]

	Model 1	Model 2	Model 3
BUL- Industry experience	0.238***	0.229***	0.227***
	(8.843)	(7.406)	(6.459)
BUL - M&A experience	0.266	0.217	0.434
	(0.999)	(0.726)	(1.383)
BUL – Prof linked to CEO	-0.167	-0.072	0.151
	(-0.517)	(-0.205)	(0.415)
BUL – Edu linked to CEO	0.499	0.311	0.312
	(1.113)	(0.600)	(0.527)
BUL – IB experience	1.624	1.789	-1.125
	(1.004)	(0.991)	(-0.773)
BUL – Fin experience	-0.209	-0.066	-0.321
	(-0.561)	(-0.160)	(-0.728)
Stock Price Runup	-0.192	-0.613*	-0.523
	(-0.621)	(-1.686)	(-1.285)
Sigma	-13.757	0.597	4.069
	(-0.895)	(0.035)	(0.219)
Ln (Acquirer Size)	-0.449***	-0.387***	-0.397***
	(-3.863)	(-2.901)	(-2.859)
Relative Size	0.532	0.132	0.476
	(0.944)	(0.218)	(0.683)
Private	1.345***	1.354***	1.360***
	(4.643)	(4.114)	(3.948)
Subsidiary	1.259***	1.342***	1.257***
	(4.333)	(4.083)	(3.633)
Hostile	1.852	2.162	2.545

	(0.854)	(0.779)	(0.695)
Leverage	0.254	0.257	0.828
	(0.407)	(0.369)	(1.121)
Tobin's Q	0.017	-0.057	0.003
	(0.208)	(-0.673)	(0.029)
ROA	0.117	0.269	0.796
	(0.059)	(0.121)	(0.350)
Cash Flows-to-Equity	0.709	0.313	1.277
	(0.416)	(0.163)	(0.650)
Top tier Advisor	0.530	0.374	0.292
	(1.510)	(0.998)	(0.747)
No of Advisors	0.203	0.309	0.341
	(0.773)	(1.110)	(1.188)
Payment-All Cash	0.120	0.071	0.139
	(0.603)	(0.316)	(0.587)
Payment-Includes Stock	-1.002***	-1.141***	-0.975**
	(-2.911)	(-3.016)	(-2.399)
No of M&As (past 10 years)	0.001	0.001	0.002
	(0.100)	(0.162)	(0.298)
High Tech	-0.276	-0.335	-0.322
	(-0.872)	(-0.987)	(-0.910)
Diversifying	0.201	0.113	0.237
	(0.970)	(0.480)	(0.928)
Institutional Holding	-1.257***	-0.853*	-0.481
	(-2.913)	(-1.790)	(-0.967)
No of Analysts	0.005	0.011	0.008
	(0.350)	(0.654)	(0.471)
NWC	0.000	0.000	0.000
	(-0.468)	(-0.551)	(-0.175)
R&D	-6.351**	-7.065**	-6.768**
	(-2.455)	(-2.453)	(-2.131)
Specialized M&A Staff	0.899***	0.779***	0.517**
	(4.344)	(3.337)	(2.080)
BUL - Age			-0.007
			(-0.394)
BUL - Female			0.336
			(0.660)
BUL – Ivy School Grad			0.200
			(0.496)
BUL - Fast Track			0.132
			(0.332)
BUL - Recession Grad			-0.192
			(-0.463)
Industry FE	Y	N	N
Year FE	Y	N	N
*Industry * Year FE*	N	Y	Y
R-Square	7.07%	21.58%	23.24%
Number of Observations	5,371	5,371	4,626

Panel B. Alternative measures of acquisition performance

	CAR [-21, +2]	CAR [-42,+2]	CAR [-2, Close+2]	DGTW BHAR [-2, +252]	DGTW BHAR [-2, +504]	DGTW BHAR [-2, +756]
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
BUL- Industry experience	0.276***	0.314***	0.184***	0.554***	0.930***	0.958**
	(5.721)	(4.910)	(3.063)	(2.837)	(2.865)	(2.153)
BUL - M&A experience	-0.057	-0.280	0.524	0.004	-1.281	1.905
	(-0.111)	(-0.479)	(0.852)	(0.003)	(-0.506)	(0.544)
BUL – Prof linked to CEO	-0.061	0.011	0.037	-1.971	-5.400	-8.044
	(-0.099)	(0.014)	(0.050)	(-0.782)	(-1.417)	(-1.529)
BUL – Edu linked to CEO	0.551	0.721	1.289	-3.435	0.117	5.053
	(0.590)	(0.623)	(1.229)	(-1.068)	(0.024)	(0.757)
BUL – IB experience	3.782	3.811	-3.769	10.152	23.541	21.178
	(1.418)	(1.190)	(-1.162)	(0.974)	(1.546)	(0.847)
BUL – Fin experience	-0.160	-0.392	-0.645	-0.391	-5.703	-8.167
	(-0.202)	(-0.404)	(-0.829)	(-0.128)	(-1.516)	(-1.482)
Firm-specific controls	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	22.06%	27.56%	22.55%	26.46%	30.94%	32.70%
Number of Observations	5,371	5,371	5,371	4,341	4,341	4,341

	Change in Ind adj ROA [-1, +1]	Change in Ind adj ROA [-1,+2]	Change in Ind adj ROA [-1, +3]	Divestment	Change in Analyst Consensus EPS forecast [-6 months, + 6 months]	Positive EPS revisions [-6 months, + 6 months]
	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
BUL- Industry experience	0.254***	0.212***	0.247***	-1.378***	0.262***	0.989***
	(3.441)	(2.712)	(2.635)	(-5.469)	(6.043)	(3.935)
BUL - M&A experience	-0.369	-0.642	0.164	5.360*	0.212	1.298
	(-0.412)	(-0.809)	(0.205)	(1.764)	(0.586)	(0.540)
BUL – Prof linked to CEO	2.309	2.221	1.118	-2.754	-0.427	-2.533
	(1.425)	(1.493)	(0.810)	(-0.791)	(-0.814)	(-0.845)
BUL – Edu linked to CEO	-4.574*	-3.254	-2.247	-3.896	-0.439	-6.122*
	(-1.714)	(-1.225)	(-1.082)	(-0.747)	(-0.629)	(-1.664)
BUL – IB experience	3.931	5.147	3.737	4.193	2.776	1.449
	(1.302)	(1.590)	(0.651)	(0.257)	(1.518)	(0.100)
BUL – Fin experience	-0.285	-1.089	-0.918	2.798	0.124	-3.241
	(-0.283)	(-0.902)	(-0.778)	(0.567)	(0.209)	(-0.969)
Firm-specific controls	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	32.65%	35.17%	33.36%	30.98%	32.38%	20.28%
Number of Observations	4,490	4,490	4,490	5,371	4,923	4,923

Table 6. Business Unit Leaders and Acquisition Announcement Returns: Additional Analyses

This table presents ordinary least squares (OLS) regressions of cumulative abnormal returns (CARs) on BUL-, acquirer- and acquisition-level characteristics. The dependent variable is market-model adjusted CARs over [-2, +2] event window surrounding the M&A announcement dates, where the parameters of the market model are estimated using the CRSP value-weighted index over [-240, -41] days relative to the acquisition announcement date. BULs and their corresponding operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are manually identified using target's four-digit SIC industry code, goodwill allocation information and management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. M&A sample is from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry-year paired fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

Panel A. Robustness and Omitted Characteristics

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
BUL- Industry experience	0.384**					0.234***	0.232***	0.360***	0.229***	0.259***	0.150***	0.247***
	(2.140)					(6.841)	(6.816)	(4.870)	(7.399)	(5.524)	(2.785)	(3.349)
BUL- Unrelated Industry Experience		-0.057										
		(-1.316)										
Falsified BUL- Industry Experience-			-0.013									
			(-0.525)									
BUL-Industry experience-gained at acquirer				0.216***								
				(6.662)								
BUL- Industry Experience-gained outsides				0.249***								
				(5.508)								
BUL Industry experience-former BUL Roles					0.184***							
					(4.094)							
BUL Industry experience-non-BUL roles					0.246***							
					(7.021)							
Firm-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
BUL-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	N	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y
BUL FE	Y	N	N	N	N	N	N	N	N	N	N	N
Industry FE	Y	N	N	N	N	N	N	Y	N	N	N	N
Year FE	Y	N	N	N	N	N	N	Y	N	N	N	N
CEO Characteristics	N	N	N	N	N	Y	Y	N	N	N	N	N
Director Characteristics	N	N	N	N	N	N	Y	N	N	N	N	N
CEO FE	N	N	N	N	N	N	N	Y	N	N	N	N
Industry Expert Advisors	N	N	N	N	N	N	N	N	Y	N	N	N
Segment characteristics	N	N	N	N	N	N	N	N	N	N	N	Y
R-Square	57.75%	20.54%	20.51%	21.59%	21.60%	23.00%	23.44%	52.65%	21.58%	24.81%	35.40%	36.81%
Number of Observations	1,317	5,371	5,371	5,371	5,371	4,303	4,303	4,948	5,371	3,027	1,817	1,653

Panel B. Non-Random Matching

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
BUL- Industry experience (eliminate <=3 year hires	0.204**						0.336*	0.429**	0.363**			
	(5.424)						(1.660)	(4.808)	(2.316)			
BUL-Industry experience (eliminate <=5 year hires)		0.122**										
		(2.592)										
BUL Industry experience (Hired by former CEO)			0.246**									
			(4.389)									
Pseudo BUL- Industry Experience-				0.002								
				(0.097)								
Reassigned BUL-Industry Experience-					-0.034							
					(-0.542)							
BUL Industry experience						0.247**	0.336*	0.429**	0.363**	0.271**		
						(3.349)	(1.660)	(4.808)	(2.316)	(3.162)		
Local supply of BULs with high industry experience											97.483**	
											(7.971)	
BUL with high industry experience – predicted												0.893**
												(3.120)
Firm-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
BUL-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y	N	N	N	N	Y	Y	Y
Firm FE	N	N	N	N	N	Y	N	N	N	N	N	N
Year FE	N	N	N	N	N	Y	N	Y	Y	N	N	N
*Firm * Year FE*	N	N	N	N	N	N	Y	N	N	N	N	N
CEO-segment FE	N	N	N	N	N	N	N	Y	N	N	N	N
*BUL * Firm FE*	N	N	N	N	N	N	N	N	Y	N	N	N
R-Square	25.37%	28.80%	32.69%	20.50%	35.05%	36.81%	75.13%	55.88%	54.46%	33.74%	11.02%	21.90%
Number of Observations	3,815	2,903	1,448	5,371	1,817	1,653	293	4,948	1,317	1,188	2,962	4,925

Table 7. Business unit leaders and Acquisition Announcement Returns: Ex-Ante Integration Difficulty

This table presents ordinary least squares (OLS) regressions of cumulative abnormal returns (CARs) on BUL-, acquirer- and acquisition-level characteristics. The dependent variable is market-model adjusted CARs over [-2, +2] event window surrounding the M&A announcement dates, where the parameters of the market model are estimated using the CRSP value-weighted index over [-240, -41] days relative to the acquisition announcement date. BULs and their corresponding operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are manually 3identified using target's four-digit SIC industry code, goodwill allocation information and management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. M&A sample is from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry-year paired fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
BUL- Industry Experience	0.141***	0.206***	0.182***	0.206***	0.182***	0.233***
	(3.926)	(6.438)	(4.918)	(6.438)	(5.324)	(7.560)
Large Target	-0.486					
	(-1.117)					
*Large Target * BUL-Industry Experience*	0.160***					
	(3.480)					
Public Target		-2.535**				
		(-2.183)				
*Public Target * BUL-Industry Experience*		0.157**				
		(2.466)				
Labor intensive Target			-0.085			
			(-0.095)			
*Labor intensive Target * BUL-Industry Experience*			0.130**			
			(2.012)			
Distant Target				-2.535**		
				(-2.183)		
*Distant Target * BUL-Industry Experience*				0.157**		
				(2.466)		
Diversifying Target					-0.704*	
					(-1.832)	
*Diversifying Target * BUL- Industry Experience*					0.134***	
					(2.862)	
Integration Difficulty Index						-0.570*
						(-1.844)
*Integration Difficulty Index * BUL-Industry Experience*						0.091***
						(3.799)
Firm-specific controls	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y
BUL-specific controls	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	21.90%	21.71%	21.69%	21.77%	21.73%	21.87%
N	5,371	5,371	5,371	5,371	5,371	5,371

Table 8. Business unit leaders and Earlier Stages of Acquisition Process

Panel A investigates the association between BULs and identification of targets with higher synergies with the acquirer. Columns 1/2 (3/4) estimate ordinary least squares (OLS) regression analyses where the dependent variable equals the value-weighted combined cumulative abnormal returns (dollar gains) of the acquirer and the target firm over the [-2, + 2]/ [-62, + 126] event window relative to the acquisition announcement date where the parameters of the market model are estimated using the CRSP value-weighted index over [-240, -41] days relative to the M&A announcement date. Column 5 estimates linear probability regression where the dependent variable is a binary indicator that equals one if the acquirer explicitly discuss Earnings-per-share accretion (*EPS accretion*) in M&A press releases and conference call transcripts. Panel B estimates OLS regression analyses where the dependent variable equals *Cultural Distance,* defined as the absolute value of differences between acquirers and targets across the five cultural values from earnings call transcripts obtained from *Refinitiv Streetevents* (as in Li, Mai, Shen and Yan (2021). Panel C presents OLS regression analyses of value capture from target firms. In Column 1/2/s3 of Panel C, the dependent variable equals the takeover premium calculated as the difference between the price paid per share and the target firm's stock price 42/63/105 trading days prior to M&A announcement date. In Column 4 of Panel C, the dependent variable is the acquirer's share of total synergy gain (*Acquirer's Share of Synergy Gain*), calculated as the total abnormal dollar gain to acquirer's shareholders scaled by the total combined abnormal dollar gain to the shareholders of the acquirer and target firms over the [-2, + 2] event window relative to deal announcement date, where the parameters of the market model are estimated using the CRSP value-weighted index over [-240, -41] days relative to the M&A announcement date. Information on *BUL* is from *Boardex of Management Diagnostic Limited Individual* with supplementary data from *LinkedIn.com*, *Bloomberg*, *Reuters*, and *Marquis Who's Who* databases. M&A sample is drawn from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database. We exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry and year fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

Panel A: Target selection and Synergies

	Combined CARs [-2,+2]	Combined CARs [-63,+126]	Combined Dollar Synergy Gain [-2,+2]	Combined Dollar Synergy Gain [-63,+126]	EPS accretion announcement
	Model 1	Model 2	Model 3	Model 4	Model 5
BUL- Industry experience	0.163	-0.162	1.956	-18.046	0.941
	(1.466)	(-0.516)	(0.504)	(-0.889)	(1.591)
BUL - M&A Experience	-0.342	-3.379	25.526	51.264	6.428
	(-0.442)	(-1.535)	(0.670)	(0.441)	(1.239)
BUL – Prof linked to CEO	-2.848*	1.236	-47.276	228.354	1.045
	(-1.884)	(0.212)	(-0.921)	(0.974)	(0.135)
BUL – Edu linked to CEO	0.859	-12.026	5.558	-199.408	-15.860
	(0.467)	(-1.648)	(0.088)	(-0.742)	(-1.572)
BUL – IB experience	-3.408	0.541	13.125	-486.006	-2.758
	(-1.331)	(0.034)	(0.099)	(-0.530)	(-0.171)
BUL – Fin experience	-1.439	-2.687	3.916	-76.146	2.223
	(-0.931)	(-0.701)	(0.058)	(-0.560)	(0.339)
Firm-specific controls	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y
R-Square	53.79%	54.18%	44.61%	48.06%	38.25%
Number of Observations	802	801	802	801	975

Panel B: Target selection and Cultural distance between Acquirer and Target

	Cultural Distance - innovation	Cultural Distance - integrity	Cultural Distance - quality	Cultural Distance - respect	Cultural Distance - teamwork
	Model 1	Model 2	Model 3	Model 4	Model 5
BUL- Industry experience	0.081	0.014	0.099	0.002	-0.002
	(0.226)	(0.326)	(0.840)	(0.024)	(-0.035)
BUL - M&A Experience	3.158	0.475	1.054	0.390	0.079
	(1.145)	(1.256)	(1.280)	(0.803)	(0.266)
BUL – Prof linked to CEO	-4.200	-0.440	-0.478	-1.284**	0.187
	(-1.395)	(-1.172)	(-0.393)	(-2.016)	(0.429)
BUL – Edu linked to CEO	6.699*	0.374	0.452	0.786	-0.189
	(1.680)	(0.751)	(0.327)	(1.118)	(-0.338)
BUL – IB experience	21.912	-0.698	-0.729	-3.032*	5.413
	(1.340)	(-0.810)	(-0.181)	(-1.946)	(1.463)
BUL – Fin experience	-1.086	0.052	0.343	0.336	-0.138
	(-0.446)	(0.184)	(0.359)	(0.583)	(-0.392)
Firm-specific controls	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y
R-Square	58.71%	61.10%	65.11%	63.74%	59.17%
Number of Observations	975	975	975	975	975

Panel C. Negotiation: Takeover Premiums and Acquirer's Share of Synergy Gains

	M&A Premium (Target's Price at day -42)	M&A Premium (Target's Price at day -63)	M&A Premium (Target's Price at day -105)	Acquirer's Share of Synergy Gains
	Model 1	Model 2	Model 3	Model 4
BUL- Industry experience	-2.279	-2.174	-1.437	10.918
	(-1.116)	(-1.101)	(-0.823)	(1.594)
BUL - M&A Experience	-18.195	-13.687	-1.044	7.225
	(-0.981)	(-0.642)	(-0.055)	(0.139)
BUL – Prof linked to CEO	17.134	10.470	11.160	-44.974
	(0.971)	(0.453)	(0.447)	(-0.727)
BUL – Edu linked to CEO	-9.724	-1.490	61.946*	18.717
	(-0.499)	(-0.049)	(1.890)	(0.241)
BUL – IB experience	9.953	-21.612	-34.342	-31.135
	(0.334)	(-0.355)	(-0.358)	(-0.285)
BUL – Fin experience	1.670	-4.296	13.006	73.031
	(0.160)	(-0.265)	(0.830)	(1.550)
Firm-specific controls	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y
R-Square	34.43%	27.68%	34.42%	34.47%
Number of Observations	766	763	759	802

Table 9. Business unit leaders and Due Diligence (DD) Process

Panel A investigates the association between BULs and due diligence process. Columns 1 estimates linear probability regressions where the dependent variable equals one if the acquirer announces integration plan during the transaction process in M&A press releases, regulatory filings and M&A conference call transcripts. Columns 2 and 3 estimate ordinary least squares (OLS) regression analyses where the dependent variable equals the number of days between deal announcement and effective date (*Days Due Diligence*). Transactions in which announcement and effective dates overlap are excluded. Information on *BUL* is from *Boardex of Management Diagnostic Limited Individual* with supplementary data from *LinkedIn.com*, *Bloomberg*, *Reuters*, and *Marquis Who's Who* databases. M&A sample is drawn from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database. We exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry and year fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

	Integration Plan Announcement	Days in DD	Log (1+Days in DD)
	Model 1	Model 2	Model 3
BUL- Industry experience	0.756***	1.056***	0.014***
	(4.145)	(2.735)	(3.003)
BUL - M&A experience	2.178	-5.420	-0.058
	(1.039)	(-1.456)	(-1.382)
BUL – Prof linked to CEO	-2.366	-6.389	-0.044
	(-1.091)	(-1.466)	(-0.772)
BUL – Edu linked to CEO	2.227	11.750*	0.102
	(0.712)	(1.821)	(1.213)
BUL – IB experience	-5.572	-12.232	-0.208
	(-0.507)	(-0.512)	(-0.983)
BUL – Fin experience	-1.626	2.338	0.024
	(-0.487)	(0.426)	(0.309)
Stock Price Runup	-1.022	2.640	0.053
	(-0.825)	(0.908)	(1.228)
Sigma	105.844	-225.876	-1.410
	(1.546)	(-1.497)	(-0.549)
Ln (Acquirer Size)	2.224***	4.409***	0.068***
	(3.022)	(2.677)	(3.481)
Relative Size	14.256***	41.875***	0.530***
	(4.967)	(6.215)	(8.064)
Private	-9.665***	-27.411***	-0.559***
	(-5.844)	(-7.897)	(-13.134)
Subsidiary	-7.161***	-18.081***	-0.314***
	(-4.149)	(-4.778)	(-6.879)
Hostile	-6.353	151.726***	0.633***
	(-0.330)	(6.034)	(4.878)
Leverage	-2.423	11.907	0.175
	(-0.575)	(1.364)	(1.573)
Tobin's Q	-0.513*	-0.968	-0.020*
	(-1.749)	(-1.545)	(-1.814)
ROA	5.571	5.413	-0.009
	(0.499)	(0.239)	(-0.027)
Cash Flows-to-Equity	-3.696	-2.529	-0.080
	(-0.427)	(-0.165)	(-0.310)
Top tier Advisor	3.808**	5.170	0.111**
	(2.039)	(1.388)	(2.585)
No of Advisors	0.679	5.892**	0.067**
	(0.514)	(2.067)	(2.202)
Payment-All Cash	1.901*	-5.842*	-0.022
	(1.810)	(-1.656)	(-0.567)
Payment-Includes Stock	12.763***	19.978***	0.287***
	(6.828)	(4.879)	(5.503)
No of M&As (past 10 years)	-0.131***	-0.109	0.000
	(-2.639)	(-1.361)	(0.428)
High Tech	0.766	-3.254	-0.081

	(0.365)	(-0.833)	(-1.513)
Diversifying	1.120	-3.827	-0.021
	(0.880)	(-1.439)	(-0.580)
Institutional Holding	2.449	4.221	0.151**
	(0.860)	(0.770)	(2.007)
No of Analysts	-0.162	0.281	0.002
	(-1.601)	(1.274)	(0.836)
NWC	0.000	0.000	0.000
	(0.790)	(0.899)	(-0.093)
R&D	-19.314	15.981	0.184
	(-1.394)	(0.602)	(0.440)
Specialized M&A Staff	2.496	-5.147*	-0.030
	(1.625)	(-1.872)	(-0.806)
*Industry * Year FE*	Y	Y	Y
R-Square	29.88%	43.07%	45.02%
Number of Observations	5,371	3,460	3,460

Table 10. Business Unit Leaders and Post-Acquisition Career Outcomes

This table reports results from linear probability regression analyses of BUL post-acquisition career outcomes on BUL-, acquirer- and transaction-level characteristics. Dismissal equals one if BUL is dismissed from the firm—excluding departures related to exogenous events such as death or poor health—within three years following an acquisition completion, zero otherwise. Promotion equals one if BUL is appointed to relatively senior executive positions with consequential managerial responsibilities within the current firm or at a new employer within three years following an acquisition completion, zero otherwise. Information on *BUL* is from *Boardex of Management Diagnostic Limited Individual* with supplementary data from *LinkedIn.com*, *Bloomberg*, *Reuters*, and *Marquis Who's Who* databases. M&A sample is drawn from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database. We exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry and year fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

	Dismissals		Promotions	
	Model 1	Model 2	Model 3	Model 4
BUL- Industry experience	-0.592**	-0.540**	0.231**	0.186**
	(-2.477)	(-2.245)	(2.438)	(2.022)
BUL - M&A experience	4.001	3.973	1.064	1.088
	(1.609)	(1.602)	(1.079)	(1.112)
BUL – Prof linked to CEO	-2.964	-2.970	1.115	1.120
	(-0.997)	(-1.000)	(0.740)	(0.743)
BUL – Edu linked to CEO	-3.459	-3.400	0.929	0.878
	(-0.828)	(-0.814)	(0.509)	(0.482)
BUL – IB experience	21.850	21.002	1.297	2.029
	(1.633)	(1.550)	(0.251)	(0.385)
BUL – Fin experience	3.386	3.381	2.348	2.352
	(0.862)	(0.859)	(1.483)	(1.481)
CAR [-2, +2]	-54.748***	-21.148	56.186***	27.196***
	(-4.258)	(-1.043)	(7.061)	(2.670)
*CAR [-2, +2] * BUL- Industry experience*		-6.242**		5.386***
		(-2.272)		(3.024)
Stock Price Runup	-3.555	-3.433	0.761	0.656
	(-1.557)	(-1.505)	(0.850)	(0.739)
Sigma	250.251**	259.051**	18.652	11.059
	(2.222)	(2.307)	(0.408)	(0.243)
Ln (Acquirer Size)	3.105***	3.125***	0.367	0.350
	(3.001)	(3.037)	(0.823)	(0.791)
Relative Size	-5.972*	-5.133	2.541	1.817
	(-1.759)	(-1.503)	(1.381)	(0.989)
Private	-1.473	-1.452	-0.872	-0.890
	(-0.579)	(-0.572)	(-0.792)	(-0.815)
Subsidiary	0.052	0.092	-1.228	-1.262
	(0.022)	(0.039)	(-1.112)	(-1.151)
Hostile	-1.155	-0.927	-6.488**	-6.685**
	(-0.056)	(-0.045)	(-2.416)	(-2.539)

Leverage	-2.681	-2.909	1.696	1.893
	(-0.509)	(-0.552)	(0.712)	(0.798)
Tobin's Q	-0.282	-0.233	0.219	0.177
	(-0.421)	(-0.347)	(0.709)	(0.572)
ROA	-12.022	-11.943	0.824	0.756
	(-0.798)	(-0.796)	(0.123)	(0.115)
Cash Flows-to-Equity	3.075	2.631	10.127	10.510
	(0.296)	(0.254)	(1.517)	(1.586)
Top tier Advisor	1.451	1.616	0.665	0.522
	(0.575)	(0.641)	(0.550)	(0.433)
No of Advisors	-0.339	-0.428	-0.149	-0.073
	(-0.190)	(-0.239)	(-0.176)	(-0.087)
Payment-All Cash	0.120	0.231	-0.081	-0.177
	(0.065)	(0.124)	(-0.112)	(-0.247)
Payment-Includes Stock	-0.850	-0.727	1.437	1.331
	(-0.327)	(-0.280)	(1.010)	(0.951)
No of M&As (past 10 years)	-0.009	-0.009	0.001	0.000
	(-0.135)	(-0.127)	(0.033)	(-0.003)
High Tech	4.057	4.157	1.824**	1.739*
	(1.553)	(1.599)	(2.039)	(1.963)
Diversifying	0.521	0.737	2.010**	1.824**
	(0.318)	(0.450)	(2.380)	(2.205)
Institutional Holding	1.818	2.069	0.871	0.654
	(0.515)	(0.586)	(0.611)	(0.458)
No of Analysts	-0.033	-0.040	-0.131***	-0.125**
	(-0.210)	(-0.256)	(-2.705)	(-2.592)
NWC	0.000	0.000	0.000	0.000
	(0.671)	(0.666)	(-0.911)	(-0.886)
R&D	-8.172	-8.595	8.509	8.873
	(-0.410)	(-0.432)	(0.827)	(0.864)
Specialized M&A Staff	4.900***	4.725***	-0.445	-0.295
	(2.763)	(2.670)	(-0.652)	(-0.437)
BUL - Age				
BUL - Female				
*Industry * Year FE*	Y	Y	Y	Y
R-Square	18.35%	18.42%	13.64%	13.90%
Number of Observations	7,602	7,602	7,602	7,602

Internet Appendix for

"When Does Acquisition Integration Succeed? Evidence from Inside the Integration Black Box"

Sinan Gokkaya, Xi Liu, and René M. Stulz

April 2026

Appendix Table 1. Business Unit Leaders, Acquirer and Transaction Characteristics

This table reports mean and median values for acquirer-level characteristics (Panel A) and transaction -level characteristics (Panel B). Statistical tests for differences in means and equality of medians for each characteristic between subsamples divided by median level of BUL target-industry experience are also presented. Differences in means are based on a *t*-test. Differences in medians are based on Wilcoxon rank sum test. BULs and their associated operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are identified based on four-digit SIC industry code of BUL's operating segment and target firm, goodwill allocation disclosures management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. M&A sample is drawn from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Variable definitions are provided in the Appendix.

Panel A. Acquirer Characteristics

	BUL Industry Experience-High		BUL Industry Experience-Low		p-value of the differences	
Variable	Mean	Median	Mean	Median	Mean	Median
Stock Price Runup	0.074	0.014	0.111	0.037	0.001	0.001
Sigma	0.022	0.019	0.023	0.020	0.142	0.408
Acquirer Size	14.742	14.566	14.922	14.865	0.001	<.0001
Leverage	0.238	0.218	0.248	0.230	0.051	0.051
Tobin's Q	2.119	1.673	2.299	1.742	0.001	0.003
ROA	0.121	0.120	0.131	0.130	0.000	<.0001
Cash Flows-to-Equity	0.062	0.071	0.068	0.077	0.034	0.000
No of M&As (past 10 years)	16.385	9.000	15.394	10.000	0.062	0.011
High Tech	0.258	0.000	0.334	0.000	<.0001	<.0001
Institutional Holding	0.709	0.781	0.709	0.771	0.983	0.274
No of Analysts	13.397	10.000	14.481	12.000	0.000	<.0001
NWC	1009.960	128.371	1012.870	193.787	0.969	<.0001
R&D	0.034	0.003	0.040	0.009	<.0001	<.0001
Specialized M&A Staff	0.389	0.000	0.379	0.000	0.449	0.448

Panel B: Acquisition Characteristics

Variable	BUL Industry Experience-High		BUL Industry Experience-Low		p-value of the differences	
	Mean	Median	Mean	Median	Mean	Median
Relative Size	0.138	0.044	0.127	0.037	0.119	0.010
Private	0.509	1.000	0.464	0.000	0.001	0.001
Public	0.174	0.000	0.187	0.000	0.185	0.186
Subsidiary	0.317	0.000	0.349	0.000	0.013	0.013
Hostile	0.001	0.000	0.001	0.000	0.891	0.890
Diversifying	0.440	0.000	0.335	0.000	<.0001	<.0001
Payment-All Cash	0.395	0.000	0.385	0.000	0.476	0.475
Payment-Includes Stock	0.180	0.000	0.174	0.000	0.536	0.535
No of Advisors	0.443	0.000	0.451	0.000	0.672	0.997
Top tier Advisor	0.254	0.000	0.250	0.000	0.727	0.726

Appendix Table 2. Business unit leaders, Post-Acquisition Integration Outcomes, Acquisition Performance and Due Diligence Process: Alternative Industry Experience Measure

This table presents robustness analyses of Post-Acquisition Integration Outcomes, Acquisition Performance and Due Diligence Process on BUL-, acquirer- and acquisition-level characteristics using alternative BUL industry experience defined as prior professional experience in the same four-digit SIC industry as the target firm. To implement this test, former private employers of BULs are manually assigned into 4-digit SICs, whenever possible, based on business descriptions in the firm's official website, Securities and Exchange Commission (SEC) Edgar, Linkedin, Zominfo, and other business news websites such as Bloomberg, BusinessWeek, Factiva, and Reuters. Information on *BUL* is from *Boardex of Management Diagnostic Limited Individual* with supplementary data from *LinkedIn.com*, *Bloomberg*, *Reuters*, and *Marquis Who's Who* databases. M&A sample is drawn from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database. We exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry and year fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

	Integration Failure +3 Years	Integration Success +3 Years	Transaction Synergy Success +3 years	Transaction Synergy Failure +3 years	Goodwill write-off- (indicator)	Goodwill write-off/ Total Assets	Revenue Synergy Success +3 years	Revenue Synergy Failure +3 years
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
BUL-industry experience (4-digit SIC)	-0.585***	1.553***	0.511**	-0.984**	-0.609**	-0.098**	1.356***	-0.728**
	(-2.982)	(4.633)	(2.494)	(-2.571)	(-2.309)	(-1.983)	(4.551)	(-2.127)
Firm-specific controls	Y	Y	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y	Y	Y
Bul-specific controls	Y	Y	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	37.40%	37.18%	46.92%	30.81%	35.10%	34.82%	30.97%	35.89%
Number of Observations	2,473	2,473	2,473	2,473	2,473	2,473	2,473	2,473

	Raw sales growth [-1, +3]	Ind adj sales growth [-1, +3]	Cost Synergy Success 3 years	Cost Synergy Failure 3 years	Cogs /sales [-1, +3]	Opex /sales [-1, +3]	CAR [-2, +2]	Integration Plan Announcement	Days in DD
	Model 9	Model 10	Model 11	Model 12	Model 13	Model 14	Model 15	Model 16	Model 17
BUL-industry experience (4-digit SIC)	0.453*	0.447*	0.683**	-1.012***	-0.143*	-0.221**	0.187***	0.915***	1.082*
	(1.788)	(1.724)	(2.434)	(-2.818)	(-1.696)	(-2.575)	(3.982)	(3.330)	(1.705)
Firm-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
Bul-specific controls	Y	Y	Y	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	44.48%	36.53%	27.10%	34.54%	35.63%	40.63%	29.59%	39.64%	50.22%
Number of Observations	2,159	2,159	2,473	2,473	2,091	2,045	2,473	2,473	1,723

Appendix Table 3. Business unit leaders (BULs) and Post-Acquisition Integration Outcomes: Additional BUL characteristics

This table reports results from linear probability regressions and ordinary least squares (OLS) regressions of post-acquisition integration outcomes on BUL-, acquirer- and acquisition-level characteristics. In Panel A, the dependent variables are *Post-Acquisition Transaction Synergy Failure*/*Success* (Models 1-6) within one, two and three years following deal completion and *Goodwill write-off* (Model 7) indicator and *Goodwill write-off/Total Assets* within three years following deal completion. In Panel B, the dependent variables are *Post-Acquisition Revenue Synergy Failure*/*Success* (Models 1-6) indicators, raw and industry-adjusted revenue growth from the pre-acquisition year to one, two, and three years post-acquisition (Models 7-12). In Panel C, dependent variables are *Post-Acquisition Cost Synergy Failure*/*Success* indicators (Models 1-6), changes in *Cogs/Sales* and *Opex/Sales* over the same horizons (Models (7-12). *Post-Acquisition Transaction/Revenue/Cost Synergy Failure/Success* are created using NLP analyses of management disclosures regarding transaction synergy outcomes in the acquirer's earnings conference calls and institutional investor conferences, and are explained in Section 3.2. BULs and their corresponding operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are manually identified using target's four-digit SIC industry code, goodwill allocation information and management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. Full-text transcripts of earnings conference calls and institutional investor conferences are obtained from the *Refinitiv StreetEvents* database. M&A sample is from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry-year paired fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

Panel A: Post-Acquisition Transaction Synergies: Success, Failure and Goodwill write-offs

	Transaction Synergy Success +1 year	Transaction Synergy Success +2 years	Transaction Synergy Success +3 years	Transaction Synergy Failure +1 year	Transaction Synergy Failure +2 years	Transaction Synergy Failure +3 years	Goodwill write-off- (indicator)	Goodwill write-off/ Total Assets
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
BUL - Industry experience	0.534***	0.733***	0.806***	-0.243***	-0.294***	-0.311***	-0.516***	-0.077**
	(3.290)	(3.522)	(3.724)	(-2.945)	(-3.548)	(-3.376)	(-2.624)	(-2.540)
BUL - M&A experience	1.498	1.056	2.043	-0.076	-0.306	-0.124	-0.935	0.173
	(0.967)	(0.578)	(1.120)	(-0.112)	(-0.438)	(-0.168)	(-0.535)	(0.563)
BUL – Prof linked to CEO	1.375	2.319	2.811	0.075	0.031	0.157	-1.864	0.617
	(0.819)	(1.219)	(1.444)	(0.123)	(0.050)	(0.218)	(-0.786)	(1.246)
BUL – Edu linked to CEO	2.780	1.866	2.222	0.891	0.287	0.782	0.587	-0.515
	(1.268)	(0.776)	(0.872)	(0.961)	(0.321)	(0.731)	(0.163)	(-0.909)
BUL – IB experience	2.291	3.776	0.055	9.718	9.479	14.043	-1.741	-0.073
	(0.224)	(0.321)	(0.005)	(1.000)	(0.992)	(1.347)	(-0.160)	(-0.054)
BUL – Fin experience	2.172	1.961	0.494	-0.057	-0.238	-0.351	2.399	0.845
	(1.208)	(0.974)	(0.231)	(-0.064)	(-0.272)	(-0.379)	(0.840)	(1.318)
BUL - Age	0.060	0.016	-0.003	0.022	0.014	0.004	0.152	-0.003
	(0.992)	(0.222)	(-0.033)	(0.829)	(0.474)	(0.112)	(1.514)	(-0.159)
BUL - Female	-1.491	-1.758	-2.885	1.326	0.951	1.037	6.300*	0.987
	(-0.681)	(-0.723)	(-1.150)	(1.136)	(0.817)	(0.872)	(1.958)	(1.369)
BUL – Ivy School Grad	-2.065	-2.727	-2.639	-0.231	-0.447	0.235	3.664	0.041
	(-1.352)	(-1.445)	(-1.290)	(-0.261)	(-0.567)	(0.223)	(1.196)	(0.091)
BUL - Fast Track	-2.927	-2.365	-2.343	-0.048	0.474	-0.351	-0.876	-0.217
	(-1.560)	(-1.019)	(-0.987)	(-0.074)	(0.666)	(-0.425)	(-0.345)	(-1.116)
BUL - Recession Grad	0.918	2.182	-0.261	0.220	0.193	-0.276	-0.448	0.251
	(0.607)	(1.066)	(-0.137)	(0.395)	(0.345)	(-0.433)	(-0.158)	(0.484)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	24.25%	27.74%	27.82%	23.17%	22.69%	21.90%	32.13%	36.38%

Number of Observations	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626	4,626

Panel B: Post-Acquisition Revenue Synergies: Success, Failure and Revenue Growth

	Revenue Synergy Success +1 year	Revenue Synergy Success +2 years	Revenue Synergy Success +3 years	Revenue Synergy Failure +1 year	Revenue Synergy Failure +2 years	Revenue Synergy Failure +3 years	Raw sales growth [-1, +1]	Raw sales growth [-1, +2]	Raw sales growth [-1, +3]	Ind adj sales growth [-1, +1]	Ind adj sales growth [-1, +2]	Ind adj sales growth [-1, +3]
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
BUL - Industry experience	0.365**	0.505***	0.403*	-0.149**	-0.260***	-0.222***	0.732***	0.682***	0.861***	0.711***	0.708***	0.844***
	(1.985)	(2.665)	(1.965)	(-2.026)	(-3.385)	(-2.960)	(3.083)	(2.939)	(4.171)	(3.007)	(2.960)	(3.976)
BUL - M&A Experience	1.678	0.714	2.639	0.207	0.408	0.320	-2.721	-3.739*	-0.606	-2.664	-3.735*	-0.691
	(1.044)	(0.455)	(1.482)	(0.327)	(0.651)	(0.537)	(-1.213)	(-1.892)	(-0.296)	(-1.184)	(-1.843)	(-0.333)
BUL – Prof linked to CEO	-1.164	-1.189	-1.940	-0.501	-0.505	-0.857	-2.286	-5.381*	-3.619	-2.200	-5.380*	-3.520
	(-0.681)	(-0.641)	(-0.968)	(-0.812)	(-0.813)	(-1.587)	(-0.785)	(-1.815)	(-1.205)	(-0.765)	(-1.795)	(-1.156)
BUL – Edu linked to CEO	1.500	1.589	1.500	0.737	-0.512	-0.372	5.691	4.344	1.127	5.507	3.994	1.011
	(0.628)	(0.582)	(0.519)	(0.991)	(-0.637)	(-0.560)	(1.458)	(1.126)	(0.260)	(1.398)	(0.982)	(0.229)
BUL – IB experience	-9.153	-10.658	10.260	2.856	9.031	-3.174*	-7.493	-8.681	-7.765	-7.260	-8.783	-8.428
	(-1.121)	(-1.259)	(0.702)	(0.505)	(1.298)	(-1.920)	(-0.799)	(-0.879)	(-0.941)	(-0.770)	(-0.887)	(-0.994)
BUL – Fin experience	2.698	2.837	3.623	0.017	0.295	0.315	-4.527	-6.477*	-6.924*	-4.694	-6.454*	-7.061*
	(1.352)	(1.341)	(1.528)	(0.022)	(0.243)	(0.268)	(-1.418)	(-1.814)	(-1.943)	(-1.428)	(-1.780)	(-1.907)
BUL - Age	-0.036	-0.083	-0.107	-0.005	-0.016	-0.015	0.170*	0.041	0.150	0.159	0.026	0.116
	(-0.481)	(-1.091)	(-1.279)	(-0.208)	(-0.579)	(-0.583)	(1.657)	(0.382)	(1.374)	(1.579)	(0.239)	(1.058)
BUL - Female	-3.643	-3.389	-5.015*	-0.495	0.225	0.164	-0.844	1.874	3.292	-0.746	2.407	3.341
	(-1.324)	(-1.218)	(-1.752)	(-0.616)	(0.233)	(0.170)	(-0.267)	(0.430)	(0.891)	(-0.241)	(0.556)	(0.906)
BUL – Ivy School Grad	-3.342*	-3.045	-4.799**	-0.266	0.852	0.698	2.464	-1.986	-2.882	2.161	-2.076	-2.934
	(-1.799)	(-1.456)	(-2.074)	(-0.441)	(0.812)	(0.659)	(0.828)	(-0.617)	(-0.946)	(0.718)	(-0.626)	(-0.936)
BUL - Fast Track	-1.830	-0.662	-2.396	-0.864*	0.560	0.405	-1.067	0.643	1.861	0.355	1.980	2.821
	(-0.944)	(-0.301)	(-1.026)	(-1.751)	(0.743)	(0.471)	(-0.468)	(0.266)	(0.863)	(0.155)	(0.814)	(1.258)
BUL - Recession Grad	0.809	2.805	2.888	0.131	0.121	-0.283	0.445	2.280	3.510	0.508	1.776	3.617
	(0.481)	(1.414)	(1.333)	(0.230)	(0.183)	(-0.503)	(0.166)	(0.828)	(1.477)	(0.190)	(0.640)	(1.502)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	21.72%	22.20%	23.94%	16.60%	20.87%	21.22%	40.61%	42.20%	41.55%	31.62%	33.04%	33.95%
Number of Observations	4,626	4,626	4,626	4,626	4,626	4,626	4,364	4,168	3,932	4,364	4,168	3,932

Panel C: Post-Acquisition Cost Synergies: Success, Failure, Changes in Cogs/Sales and Opex/Sales

	Cost Synergy Success 1 year	Cost Synergy Success 2 years	Cost Synergy Success 3 years	Cost Synergy Failure 1 year	Cost Synergy Failure 2 years	Cost Synergy Failure 3 years	Cogs /sales [-1, +1]	Cogs /sales [-1, +2]	Cogs /sales [-1, +3]	Opex /sales [-1, +1]	Opex /sales [-1, +2]	Opex /sales [-1, +3]
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
BUL - Industry experience	0.403**	0.339*	0.000***	-0.087***	-0.179**	-0.224**	-0.089**	-0.191***	-0.238***	-0.116*	-0.147**	-0.181**
	(2.472)	(1.933)	#DIV/0!	(-2.639)	(-2.110)	(-2.505)	(-2.147)	(-3.486)	(-3.735)	(-1.799)	(-2.002)	(-2.262)
BUL - M&A Experience	0.220	0.937	0.422**	-0.345	-0.364	0.175	-0.037	0.068	-0.392	0.633	0.314	0.448
	(0.154)	(0.628)	(2.354)	(-1.478)	(-0.908)	(0.349)	(-0.083)	(0.131)	(-0.675)	(0.999)	(0.553)	(0.759)
BUL – Prof linked to CEO	0.382	0.673	1.214	0.155	0.261	0.070	-0.171	-0.307	0.018	-0.658	0.774	1.067
	(0.219)	(0.344)	(0.795)	(0.358)	(0.413)	(0.107)	(-0.267)	(-0.450)	(0.022)	(-0.678)	(1.177)	(1.586)
BUL – Edu linked to CEO	-0.500	0.016	0.000	-0.162	-0.716	-0.938	0.127	0.448	1.287	0.968	1.165	1.092
	(-0.237)	(0.006)	(0.000)	(-0.401)	(-1.339)	(-1.643)	(0.151)	(0.455)	(1.085)	(0.760)	(1.143)	(1.142)
BUL – IB experience	-7.653	0.437	2.151	2.432	6.072	5.778	-4.098	-0.349	-3.777	-6.097	-1.547	-5.388
	(-1.107)	(0.039)	(0.815)	(0.818)	(0.763)	(0.717)	(-1.280)	(-0.138)	(-1.295)	(-1.467)	(-0.590)	(-1.440)
BUL – Fin experience	0.564	-0.860	-0.681	0.405	0.546	0.253	0.886	-0.314	0.336	0.874	-0.186	0.071
	(0.330)	(-0.437)	(-0.061)	(0.931)	(0.844)	(0.372)	(1.277)	(-0.405)	(0.369)	(0.930)	(-0.192)	(0.065)
BUL - Age	0.075	0.022	0.123	0.019	0.004	0.000	-0.004	0.027	0.042	-0.005	0.002	0.026
	(1.208)	(0.309)	(0.059)	(1.360)	(0.221)	(-0.004)	(-0.166)	(0.907)	(1.021)	(-0.143)	(0.059)	(0.707)
BUL - Female	-1.505	-1.693	0.032	-0.483*	0.000	0.120	0.003	-0.299	-0.456	1.452	1.246	0.889
	(-0.640)	(-0.686)	(0.446)	(-1.798)	(0.000)	(0.178)	(0.004)	(-0.268)	(-0.340)	(1.091)	(0.817)	(0.565)
BUL – Ivy School Grad	-0.850	-2.026	-2.163	0.003	-0.494	-0.295	0.523	0.344	-0.172	-1.271	-1.192	-1.287
	(-0.464)	(-1.033)	(-0.855)	(0.004)	(-0.733)	(-0.387)	(0.660)	(0.338)	(-0.141)	(-1.395)	(-1.095)	(-1.107)
BUL - Fast Track	-0.940	-0.936	-1.982	-0.031	-0.431	-0.067	0.017	0.495	-0.101	-0.489	-0.233	-0.619
	(-0.477)	(-0.445)	(-0.985)	(-0.065)	(-0.718)	(-0.100)	(0.037)	(0.722)	(-0.128)	(-0.700)	(-0.271)	(-0.729)
BUL - Recession Grad	0.369	-0.327	-0.705	0.239	-0.240	-0.352	-0.620	-0.997	-0.208	0.408	-1.516	-0.200
	(0.222)	(-0.177)	(-0.328)	(0.512)	(-0.460)	(-0.667)	(-0.965)	(-1.256)	(-0.212)	(0.448)	(-1.632)	(-0.221)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	21.76%	22.09%	23.19%	21.86%	25.38%	23.54%	26.30%	27.90%	29.77%	34.28%	36.52%	36.67%
Number of Observations	4,626	4,626	4,626	4,626	4,626	4,626	4,254	4,063	3,839	4,200	3,964	3,733

Appendix Table 4. Business unit leaders (BULs) and Alternative measures of acquisition performance: Additional BUL characteristics

This table presents robustness analyses of alternative measures of M&A performance on BUL-, acquirer- and acquisition-level characteristics. In Columns 1, 2, and 3, the dependent variable is market model-adjusted CARs over the [-21, + 2] ([-42, + 2]) event window surrounding the M&A announcement date and CARs over the [announcement-2, close+2], respectively. In Columns 4, 5, and 6, the dependent variable is the characteristic-adjusted DGTW buy-and-hold abnormal returns (BHAR) over the [-2, + 252], [-2, + 504] and [-2, + 756] event windows surrounding the M&A announcement dates. In Columns 7, 8, and 9, the dependent variable is the change in industry-adjusted ROA for the acquiring firms from the pre-acquisition year to one, two, and three years following the deal completion. In Column 10, we estimate a linear probability regression where the dependent variable is a binary indicator that equals one if the acquirer makes a divestiture in the same four-digit SIC industry as the target within three years following an acquisition's effective closing date, zero otherwise. In Column 11, the dependent variable is the change in analyst consensus EPS forecasts between six months preceding the M&A announcement date and six months following the closing date. In Column 12, we estimate a linear probability regression where the dependent variable is a binary indicator that equals one if revision in analyst consensus EPS forecast is positive, zero otherwise. BULs and their corresponding operating segments are identified using *Boardex Individual, LinkedIn, Bloomberg, Reuters*, and *Marquis Who's Who, Compustat segment*, and company filings and websites. BULs responsible for integrating acquired targets are manually identified using target's four-digit SIC industry code, goodwill allocation information and management discussions in Form 10-K filings, M&A press releases and M&A conference call transcripts. M&A sample is from the *Thomson One Platinum Securities Data Company* (*SDC*) M&A database where we exclude 1) acquisition transactions categorized as spinoffs, recapitalizations, exchange offers, repurchases, minority stake purchases, privatizations, and divestiture, 2) non-US target firms. We only keep transactions that involve change of control in the target firm. Refer to the Appendix for a detailed description of variables. *T*-statistics are in parentheses and standard errors are clustered at the acquirer level. Industry-year paired fixed effects are included. *, **, and *** indicate statistical significance at 10%, 5%, and 1%, respectively.

	CAR [-21,+2]	CAR [-42,+2]	CAR [-2, Close+2]	DGTW BHAR [-2, +252]	DGTW BHAR [-2, +504]	DGTW BHAR [-2, +756]
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
BUL - Industry experience	0.266***	0.295***	0.175**	0.681***	1.074***	1.050**
	(4.722)	(4.125)	(2.391)	(2.991)	(2.799)	(1.968)
BUL - M&A experience	0.280	0.081	0.738	-0.426	-2.752	0.618
	(0.517)	(0.136)	(1.146)	(-0.253)	(-1.080)	(0.172)
BUL – Prof linked to CEO	-0.275	-0.176	0.150	-2.181	-4.751	-5.867
	(-0.415)	(-0.207)	(0.190)	(-0.861)	(-1.199)	(-1.080)
BUL – Edu linked to CEO	0.781	1.169	1.055	-4.539	-1.357	0.258
	(0.723)	(0.917)	(0.908)	(-1.203)	(-0.242)	(0.034)
BUL – IB experience	2.417	2.664	-4.963	11.472	21.058	17.740
	(0.800)	(0.746)	(-1.394)	(0.871)	(1.173)	(0.603)
BUL – Fin experience	-0.533	-1.057	-1.112	-3.873	-6.873	-11.068*
	(-0.644)	(-1.003)	(-1.394)	(-1.418)	(-1.604)	(-1.862)
BUL - Age	0.001	-0.037	-0.008	0.105	0.274	0.307
	(0.042)	(-0.974)	(-0.219)	(0.935)	(1.515)	(1.310)
BUL - Female	0.639	-0.447	0.452	4.935	4.861	1.265
	(0.789)	(-0.407)	(0.447)	(1.192)	(0.753)	(0.137)
BUL – Ivy School Grad	0.852	-0.148	0.650	4.417	5.574	6.835
	(1.149)	(-0.148)	(0.740)	(1.547)	(1.238)	(1.113)
BUL - Fast Track	0.528	-0.030	-0.536	1.441	-0.719	2.437
	(0.810)	(-0.034)	(-0.657)	(0.542)	(-0.166)	(0.416)
BUL - Recession Grad	-0.232	-0.581	0.519	0.167	-4.347	-2.931
	(-0.317)	(-0.616)	(0.551)	(0.057)	(-1.080)	(-0.528)
Firm-specific controls	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y
BUL-specific controls	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	23.70%	29.32%	24.87%	28.09%	31.56%	34.23%
Number of Observations	4,626	4,626	4,626	3,725	3,725	3,725

	Change in Ind adj ROA [-1, +1]	Change in Ind adj ROA [-1,+2]	Change in Ind adj ROA [-1, +3]	Divestment	Change in Analyst Consensus EPS forecast [-6 months, + 6 months]	Positive EPS revisions [-6 months, + 6 months]
	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
BUL - Industry experience	0.168**	0.136**	0.207**	-1.311***	0.247***	1.009***
	(2.393)	(2.004)	(2.231)	(-4.519)	(4.887)	(3.235)
BUL - M&A experience	-0.947	-0.798	0.005	5.458*	0.313	2.603
	(-1.080)	(-0.959)	(0.006)	(1.667)	(0.839)	(1.030)
BUL – Prof linked to CEO	0.706	0.379	-0.164	-2.028	-0.327	-3.339
	(0.538)	(0.318)	(-0.125)	(-0.555)	(-0.564)	(-1.017)
BUL – Edu linked to CEO	-2.538*	-0.591	-1.092	-8.130	-0.643	-6.324
	(-1.650)	(-0.475)	(-0.662)	(-1.517)	(-0.774)	(-1.466)
BUL – IB experience	3.544	1.563	1.473	7.833	2.810	11.615
	(1.164)	(0.612)	(0.213)	(0.415)	(1.261)	(0.631)
BUL – Fin experience	-0.079	-0.640	-0.394	0.477	0.229	-3.131
	(-0.077)	(-0.562)	(-0.357)	(0.089)	(0.350)	(-0.803)
BUL - Age	0.004	0.040	0.011	-0.065	-0.019	-0.120
	(0.095)	(1.018)	(0.222)	(-0.444)	(-0.731)	(-0.941)
BUL - Female	-1.007	-1.172	-1.718	-8.182	0.978	2.415
	(-0.761)	(-0.759)	(-1.188)	(-1.593)	(1.335)	(0.557)
BUL – Ivy School Grad	0.871	0.921	0.026	0.647	0.628	-1.731
	(0.804)	(0.978)	(0.025)	(0.158)	(1.189)	(-0.536)
BUL - Fast Track	-0.355	-0.066	0.665	2.884	0.154	1.594
	(-0.466)	(-0.075)	(0.514)	(0.767)	(0.231)	(0.437)
BUL - Recession Grad	0.266	0.115	-0.663	2.595	-0.026	2.016
	(0.244)	(0.118)	(-0.375)	(0.667)	(-0.044)	(0.600)
Firm-specific controls	Y	Y	Y	Y	Y	Y
Deal-specific controls	Y	Y	Y	Y	Y	Y
BUL-specific controls	Y	Y	Y	Y	Y	Y
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	30.80%	34.00%	32.06%	32.24%	33.68%	20.79%
Number of Observations	4,288	4,106	3,883	4,628	4,273	4,273

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