Do Business Unit Leaders Matter for Mergers and Acquisitions?

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

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Abstract

We penetrate the black box of post-acquisition integration process by examining whether business unit leaders (BULs) —executives responsible for integrating and operating acquired targets— shape integration outcomes. Using text-based and financial measures, we find that BUL target-industry experience increases (decreases) integration success (failures) through superior realization of revenue and cost synergies. Other BUL attributes are unrelated to integration outcomes. Consistent with the importance of integration for acquisition success, BUL target-industry experience enhances acquisition performance, with effects most pronounced when integration challenges are greatest. BULs add no value at earlier transaction stages, except through integration planning and more extensive due diligence.

[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 effects on firm value and shareholder wealth. Yet, a longstanding view among academics as well as among M&A practitioners is that a substantial share of acquisitions fail, often due to integration difficulties (see Renneboog and Vansteenkinste, 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, however, 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 M&A 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 successful post-merger 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, private 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 competency 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 report on the integration progress to satisfy investor demand for transparent, forward-looking information about acquisition execution (McKinsey, 2017). Consistent with the view that integration-related disclosures convey economically meaningful signals, Hoberg and Philips (2016) exploit post-acquisition integration disclosures in their study of ex-ante product integration risk and subsequent acquisition outcomes. Accordingly, we follow Hoberg and Philips (2016) and construct text-based measures

of post-acquisition integration outcomes by conducting a systematic textual analysis of acquirers' Form 10-K filings to identify managerial disclosures of post-acquisition integration failures and successes. In multivariate 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 post-acquisition integration failures. Economically, a one-standard deviation increase in the BUL's target-industry experience reduces the probability of post-acquisition integration failures by 3.0% (2.9%) within one (two) year (s) following acquisition completion, corresponding to roughly a 50% (46.77%) reduction relative to the unconditional mean. Conversely, BUL target-industry experience is positively associated with successful post-acquisition integrations. 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 textual analyses of acquirers' Form 10-K filings, we create text-based measures of transaction-level synergy outcomes and find that BUL target-industry experience increases (decreases) the probability of meeting (missing) transaction-specific synergy targets. We corroborate these findings using financial accounting-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 text-based measures of revenue- and cost- synergy outcomes, we find that BUL

industry experience within the target's industry translates into a greater probability capturing revenue and cost synergies. Such BUL experience is likewise negatively associated with failures in capturing these operational synergies. Complementing these findings with financial accounting-based measures of operational performance, we find that acquirers exhibit higher post-acquisition revenue growth and greater reductions in their 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 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 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 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 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 target firm's industry improves acquisition performance, we next examine whether this effect varies with 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 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 acquisition process in U.S. markets (see Gokkaya, Liu and Stulz, 2023; Aktas and Boone, 2024). In doing so, we also contribute 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 integration challenges are most severe. Specifically, BUL experience in the target's industry is the first-order 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 nascent 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, Graham, Harvey, and Puri (2015)'s survey among more than 1,000 U.S CEOs documents that more reputable and confident divisional managers receive greater 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 statistics

In this section, we describe BUL-specific individual attributes that are plausibly related to post-acquisition integration capabilities, describe 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 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, this section discusses individual attributes that may influence their effectiveness in performing this critical acquisition role.

We begin with BULs' experience within 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 competitive environment is a defining capability effective integration

leaders. Similarly, practitioner surveys of 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 BUL's 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 targets' 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 deal-making process. However, whether BULs' prior acquisition experience (in the target's industry) improves post-integration capabilities remains less clear. On the one hand, McKinsey

[2] The primary reason for using two-digit SICs is to *fully* capture prior work experience of BULs — subset of the former employers in a BUL's employment histories are private firms for which finer industry classification are not available. While two-digit SIC code overlap between BULs' industry work experience and the target's industry provides meaningful differentiation based on relatedness, in Internet Appendix Table 2, we conduct robustness analyses using 4-digit SIC codes for the subset of BUL 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 4-digit SIC industries whenever possible, based on detailed business descriptions in the firm's official website, Securities and Exchange Commission (SEC) Edgar, Linkedin, Zoominfo, and other business news websites such as Bloomberg, BusinessWeek, Factiva, and Reuters. Our results remain robust.

(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 and strategy, 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, takeover pricing, thereby enhancing value creation. In contrast, Guner, Malmendier and Tate (2008) and Field and Mkrtchyan (2017) find that such expertise either has no effect or can even destroy value in acquisitions. For BULs, financial expertise may improve post-acquisition integration capabilities by enabling more accurate modeling of synergy realizations, integration plans and financial targets. However, excessive reliance on financial expertise — without sufficient operational or industry understanding — may potentially undermine effective integration execution.

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 potentially strengthen BULs' effectiveness in managing 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 ident-ified by the National Bureau of Economic Research (NBER), and (iii) fast-track career progressions, measured by the age at which the individual first attained the 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 executives' industry-specific experience is more important than general managerial skills in M&As.

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 *Boardex of Management Diagnostic Limited Individual* (*Boardex Individual)* by parsing the "Rolename" 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 from *LinkedIn.com, Bloomberg, Reuters*, *Notable Names* and *Marquis Who's Who,* and information from company filings and 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

[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.

(e.g., Duchin and Sosyura, 2013; Ishii and Xuan, 2014; Gokkaya, Liu, Stulz, 2023). We match BULs to their companies and operating units with text-matching scores using information contained in *Boardex Individual* and *Compustat segment.*[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 labeling of business units from *Compustat segment*. In such cases, we manually reconcile differences to establish a clear correspondence using information from Form 10-K reports*,* DEF-14a proxy statements*,* company websites, *LinkedIn.com, Bloomberg, Reuters*, *Notable Names*, *Marquis Who's Who,* and company websites *(*e.g., Duchin and Sosyura, 2013).[5] We take the view that if a BUL has any of above aforementioned titles for a given business unit, she has direct responsibility over that business unit over her employment dates.[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 *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, to December 31, 2021. As is common in M&A

[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.

[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).

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 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 assume responsibility for the acquired target. For acquirers with multiple business units, we assume that the BULs overseeing the acquirer's existing unit within the target's four-digit SIC industry oversee 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 Form 8-K filings, 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 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 then subsequently verify all BUL-target assignments through goodwill allocations disclosures and management discussions in aforementioned resources.[9] For acquisitions in which the target's four-, three- or two-digit SIC code does not match any of

[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 unit 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

the acquirer's existing business units, we retain only those observations where goodwill allocation information enables an unambiguous identification of integrating BULs. Pursuant to the implementation of these sample construction procedures and applications 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). 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, exhibit 24.3% Leverage, 12.6% ROA, 2.2 Tobin's Q, 6.5% cash flow-to-equity and 3.7% R&D expenditure to total assets ratios at the fiscal year-end preceding acquisition announcements. The average acquirer has 70.9% institutional ownership and 14 analyst following 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 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-specific characteristics are broadly similar in economic magnitude between acquirers with below- and above-median BUL target industry experience.

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 indicate that acquirers typically allocate oversight of a new industry line to the BUL of an adjacent or strategically proximate business unit.

Panel C reports transaction-specific characteristics. The mean deal size relative to the acquirer 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 better (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 use mixed or alternative methods. On average, acquirers retain 0.45 external financial advisors, with top-tier investment banks representing over 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 generally 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 not common. 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 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 M&A 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 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 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 our empirical measures of post-acquisition integration failure and success and estimate determinants of these 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 post-acquisition integration process.

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

To develop a text-based measure of integration success or failure, we conduct textual analyses of managerial disclosures of post-acquisition integration progress to provide *direct* ex-post evidence on the association between BULs and *realized* integration outcomes following acquisition completion. Acquiring firms report on their integration progress in their public filings to reinforce investor confidence and satisfy institutional demand for transparent, forward-looking strategic information about acquisition execution. For instance, McKinsey (2017) state that "When companies update investors on progress during integration,

they build trust and confidence in their skills as stewards of investor resources." Therefore, following Hoberg and Philips (2016), we develop text-based measures of post-acquisition integration outcomes derived from the full-text of acquirers' 10-Ks . Consistent with prior textual research, we exclude boilerplate language and the risk factors section to isolate realized integration outcomes rather than generic forward-looking statements (e.g., Li, 2010; Hoberg & Phillips, 2016). To ensure that post-integration-related discussions pertain to *specific* acquisition transactions (and eliminate spurious matches), we incorporate target firm identifiers (i.e., target's name or ticker) into the parsing process. Because that integration process may take up to three years (e.g., Aktas, Croci and Signori, 2025), we examine managerial disclosures of integration progress within one, two, or three years after deal completion. *Integration Failure* equals one if management explicitly discloses integration challenges such as execution delays, shortcomings, setbacks or failures. *Integration Success* equals one if management instead highlights favorable integration progress or successful integration execution or completion.[10] Appendix A provides summarized examples of managerial discussions of integration challenges and success during the post-acquisition integration phase.

In untabulated univariate analyses using our text-based measures of post-acquisition integration outcomes, we find that 5.9% of acquirers disclose post-acquisition integration failures within one year of acquisition completion. Partitioning the sample by the median of BUL target industry experience, we find that only 4.0% of acquisitions integrated by above-median target industry experienced BULs disclose such failures, compared with 8.0% for those integrated by other BULs. The differences are significant at 1% level. Turning to integration success, 8.1% of acquirers disclose successful post-acquisition integration

[10] Text-based measures of post-acquisition integration failures and successes are identified using a structured keyword-based search. For integration failures, three keyword lists are jointly employed: List 1 includes merger- and acquisition-related terms ("merger," "mergers," "merged," "acquisition," "acquisitions," "acquire"); List 2 captures integration-related terms ("integration," "integrate," "integrating"); and List 3 contains failure-related terms ("challenge," "challenging," "difficulties," "difficulty," "failure," "unsuccessful," "delays," "costs," "setbacks," "disruptions", along with their variants). For integration successes, the same keywords in Lists 1 and 2 are used, while List 3 is replaced with success-related terms ("success," "successful," "succeed," "achieve," "accomplish," "meet," "exceed," "progress", and their variants). An observation is classified as an integration difficulty or success if at least one keyword from each of the three lists jointly appears within the same sub-section along with the name of target firm. Moreover, we define integration failure and success within the same post-acquisition year as mutually exclusive outcomes and discard observations in which acquirers simultaneously discuss both integration success and failure to avoid ambiguity.

outcomes, overall; this rate rises to 12.0% for acquisitions integrated by BULs with above-median target industry experience versus only 3.7% for others — a difference significant at the 1% level.

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 stock 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 Models 1 of Panel A, we find that BUL industry experience within the target's industry is negatively associated with post-acquisition integration failures. Economically, one standard deviation increase in BUL's industry experience reduces the probability of management disclosing post-acquisition integration failures by 3.0% (2.9%) within one (two) year following acquisition completion. Given an unconditional integration failure rate of 5.9% (6.2%) in our sample one (two) year(s) following acquisition completion, the estimated effect corresponds to approximately a 50% (46.77%) reduction in the probability of integration failure relative to the unconditional mean. Models 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 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 due to data availability. Once again, we find no evidence that these characteristics show 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) 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 *Integration Success* indicator as our dependent variable. Consistent with earlier findings from Panel A, BUL target industry experience is positively associated with post-acquisition integration success. For instance, one standard deviation increase in BUL's industry experience raises the probability of managerial disclosures indicating successful integration by 8.1% (8.0%) one (two) year (s) after deal completion, which corresponds to an approximately a 100% (84.92%) 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 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 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 revenue- and cost-related synergies are 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 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 success in realizing post-acquisition transaction synergies. In Table 3, we extend our textual analyses of Form 10-K filings to construct text-based measures of transaction-level synergy outcomes by exploiting the rich detail in post-transaction managerial disclosures. Specifically, we construct two text-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 were met or exceeded or progressing (as expected) in a given post-acquisition year. *Transaction Synergy Failure* equals one if managers acknowledge missing or failing to meet synergy targets.[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.

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

[11] We use the following keyword list to identify managerial discussions of Synergy Failures. *List 1*: merger or mergers or merged or acquisition or acquisitions or acquire; *List 2*: synergy or synergies; and *List 3*: miss or unrealize or unsuccessful or shortfall or challenge or challenging or difficulties or failure or delays or costs or setbacks or disruptions, along with their variants. For Synergy success, we use the same keywords in lists 1 and 2 but use the following keywords for List 3: meet or realize or achieve or exceed or overachieve or execute or successful or attain or progress or accomplish or accelerate or deliver, along with their variants. As earlier, we use target firm identifiers in textual-parsing process to ensure that managerial discussions are transaction-specific. We define an observation as managerial discussions of synergy failures/success if one word from each of these three lists to jointly appear in a sub-section together with the target firm's name. To avoid ambiguity, we discard observations in which both synergy failure and success are discussed within the same post-acquisition year.

industry experience decreases the likelihood of missing transaction synergy targets. For instance, *Transaction Synergy Success (Failure)* disclosures by acquirer's management increase (decrease) by 3.6% (6.2%) in one year following deal completion for a one standard deviation increase BUL industry experience (Models 1 (4)). Results are similar when we examine transaction synergy outcomes two and 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 text-based evidence, we examine goodwill impairments as an accounting-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. We first use textual analyses to identify managerial disclosures of *Revenue Synergy Success* and *Revenue Synergy Failure* during the post-acquisition period from 10-K filings.[13] Our linear probability regression estimates from Panel B of Table 3

[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.

[13] To identify managerial discussions of Revenue Synergy Success and Failures, we use the following keyword list. *List 1* contains merger-and acquisition-related terms (merger or mergers or merged or acquisition or acquisitions or acquire); *List 2* captures revenue-related synergies: ("revenue synergy," "revenue synergies," "sales synergy," "sales synergies," "cross-selling," "cross sell," "top-line," "revenue growth", and their variants). List 3 include outcome-specific terms. Keywords indicating success are meet or realize or achieve or exceed or overachieve or execute or successful or attain or progress or accomplish or accelerate or deliver (and their variants), whereas failure is captured by "miss," "unrealize," "unsuccessful," "shortfall," "challenge," "challenging," "difficulties," "failure," "delays," "costs," "setbacks," or "disruptions, as well as their variants. Target firm identifiers are incorporated into the textual

indicate that BULs target industry experience is significantly associated with 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 4.2% (5.8%) and decreases the probability of missing revenue synergy goals by 5.5% (4.9%) within one (two) year (s) of acquisition completion.

We now turn to financial accounting-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 Philips, 2016), which represents the primary revenue-related performance metrics emphasized by acquirers in survey evidence (PwC, 2023). If greater target industry experienced BULs 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 realizations of revenue synergies.

In Panel C of Table 3, we shift our focus to post-acquisition cost synergy capture. Building on our earlier textual analyses of 10-K filings, we first identify and classify references to *Cost Synergy Success* and *Cost Synergy Failures* after acquisition completions.[15] In Models 1 through 6, we find that BUL industry

parsing procedure to ensure that identified disclosures can be credibly attributed to a specific acquisition transaction. An observation is defined as a disclosure of revenue synergy success or failure if at least one word (or their variants) from each of these three lists jointly appear within the same sub-section as the target firm's name, and the acquiring firm does not disclose both revenue synergy success and failure within the same post-acquisition year.

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

[15] Text-based measures of cost synergy success and failures are identified using the following keyword list. *List 1* contains merger-and acquisition-related terms (merger or mergers or merged or acquisition or acquisitions or acquire); *List 2* captures cost-related synergies ("cost synergy," "cost synergies," "cost savings," "expense savings," "expense reduction," "cost reduction," "operating efficiency," "efficiency gains," "margin improvement", and their variants). List 3 captures outcome-related terms, with success and failure defined using the same keyword sets (and their variants) employed for revenue synergy measures. As in prior analyses, target firm identifier are embedded into textual parsing algorithm to ensure that identified disclosures pertain to a specific transaction and observations containing mentions of both success and failure are discarded.

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 post-acquisition integration phase. Other BUL-specific characteristics are not significantly related to the realizations 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 accounting-based measures that reflect the financial consequences post-acquisition integration arising from superior realization of cost synergies. Acquisitions integrated by greater 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, Hshieh 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.

Taken together, the textual- and financial accounting-based evidence paints a consistent picture—BUL experience within target's industry systematically enhances post-acquisition integration outcomes, primarily through superior realization of overall transaction, as well as revenue and cost synergies during 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 target's industry, then acquisitions integrated by BULs with greater target-industry experience should generate incrementally greater

acquisition performance. To test this hypothesis, Section 4.1. examines abnormal market reactions to acquisition announcements along with a comprehensive set of alternative acquisition performance measures. Section 4.2 addresses potential concerns of 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 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 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 of -0.83). The difference in CARs is economically important and statistically significant at 1% level (t-statistic of 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 industry of the target 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 post-acquisition integration process (i.e., *back-end* of 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, 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 stock subscripts are omitted):

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

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 acquisition 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 stock returns (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 biasing our estimates on 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 and unobserved BUL heterogeneity. To this end, we only focus on BULs who oversee multiple operating segments and integrate at least one acquisition in each at 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. Next, 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, in Model 3, 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 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 remains positively associated with BUL experience in 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 greater 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 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 mostly 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 only 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.

Next, we exploit 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 provides 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 regarding target industry experience, we find that acquisition performance is superior when BULs have longer 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 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 and 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 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 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 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 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 greater 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 BULs from 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 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 Section 3 evidence shows that relatively larger transactions are more (less) likely to experience integration difficulties (success) during post-acquisition integration phase. Accordingly, if BUL target industry experience adds value primarily through superior integration capability, its effect should be

particularly more 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 for 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). 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) indicate 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 competitive dynamics to identify potential targets consistent with their business-unit strategy, iii) assessing the strategic fit of candidate targets, 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 on 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 only 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 six months prior to 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 obtained from *Refinitiv Streetevents* — 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 suggest 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 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 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, 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 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 disclosure such plans. This result underscores the role of BUL target industry experience in shaping 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).[16] 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 a 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 BUL's 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 value created in acquisitions integrated by BULs.

[16] 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 *Boardex Individual*. In a similar spirit to Lehn and Zhao (2006), we construct observations at the acquirer-BUL level and define *Promotions* as indicator equal to one if the acquiring firm's BUL responsible for post-acquisition integration is subsequently appointed to relatively senior executive positions (with consequential managerial responsibilities within the current firm or at a new employer) within three years of the acquisition's completion. [17] *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-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

[17] 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 BUL industry experience and *CAR [-2, +2]*.[18]

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 into the *black box* of 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 stakeholders in M&A transactions. To evaluate their influence on acquisition outcomes, we construct a comprehensive sample of BULs and their associated operating segments over 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 outcom9es measured through textual analyses of managerial disclosures concerning integration progress following acquisition completions, we document that BUL experience in 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 general managerial ability—do not display significant associations with post-

[18] 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.

acquisition integration outcomes. To provide sharper insights into these dynamics, we examine whether BULs facilitate the realization of transaction synergies. Extending our textual analysis, we find that BUL experience in the target's industry materially improves the realizations of transaction-specific synergy goals. Accounting-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 transaction synergy realizations. Both text-based and financial accounting-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 completions. Other BUL-specific attributes again exhibit no significant relation to synergy outcomes during 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 greater industry experienced BULs deliver superior performance. We find that BUL target industry experience is one of the most economically important and incremental predictor 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 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 similarities. Similarly, BULs do not appear to significantly influence negotiation outcomes during the transaction process, including takeover premiums or 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 process when BULs possess greater target industry experience.

Finally, we study the career implications of post-acquisition integration effectiveness for BUL, 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 +1/+2/+3 Years	Indicator variable equals one if management explicitly discloses integration challenges such as execution delays, shortcomings, setbacks or failures in Form-10K filings within one, two, or three years after deal completion, zero otherwise. To ensure that integration-related discussions pertain to specific acquisition transactions and to avoid ambiguity, we incorporate target firm identifiers (i.e., target's name or ticker) into the textual parsing process and discard observations in which both failure and success are discussed within the same post-acquisition year. The information on acquisition completion date is obtained from Thomson One Platinum Securities Data Comp. Section 3.1 provides the keywords list and a detailed description of methodology.
Integration Success +1/+2/+3 Years	Indicator variable equals one if management explicitly discloses favorable integration progress or successful integration execution or completion in Form-10K filings within one, two, or three years after deal completion, zero otherwise. To ensure that integration-related discussions pertain to specific acquisition transactions and to avoid ambiguity, we incorporate target firm identifiers (i.e., target's name or ticker) into the textual parsing process discard observations in which both failure and success are discussed within the same post-acquisition year. The information on acquisition completion is obtained from *Thomson One Platinum Securities Data Comp.* Section 3.1 provides the keywords list and a detailed description of methodology
Transaction Synergy Success +1/+2/+3 Years	Indicator variable equals one if management discloses that post-acquisition synergies were met or exceeded or progressing (as expected) in Form-10K filings within one, two, or three years after deal completion, zero otherwise. To ensure that integration-related discussions pertain to specific acquisition transactions and to avoid ambiguity, we incorporate target firm identifiers (i.e.,

	target's name or ticker) into the textual parsing process discard observations in which both failure and success are discussed within the same post-acquisition year. The information on acquisition completion is obtained from *Thomson One Platinum Securities Data Comp.* Section 3.2 provides the keywords list and a detailed description of methodology.
Transaction Synergy Failure +1/+2/+3 Years	Indicator variable equals one if management acknowledges missing or failing to meet synergy targets in Form-10K filings within one, two, or three years after deal completion, zero otherwise. To ensure that integration-related discussions pertain to specific acquisition transactions and to avoid ambiguity, we incorporate target firm identifiers (i.e., target's name or ticker) into the textual parsing process discard observations in which both failure and success are discussed within the same post-acquisition year. The information on acquisition completion is obtained from *Thomson One Platinum Securities Data Comp.* Section 3.2 provides the keywords list and a detailed description of methodology
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.*
Revenue Synergy Success (Failure) +1/+2/+3 Years	Indicator variable equals one if management discloses that post-acquisition revenue synergies were met or exceeded or progressing (acknowledges missing or failing to meet revenue synergy targets) in Form-10K filings within one, two, or three years after deal completion, zero otherwise. To ensure that integration-related discussions pertain to specific acquisition transactions and to avoid ambiguity, we incorporate target firm identifiers (i.e., target's name or ticker) into the textual parsing process discard observations in which both failure and success are discussed within the same post-acquisition year. The information on acquisition completion is obtained from *Thomson One Platinum Securities Data Comp.* Section 3.2 provides the keywords list and a detailed description of methodology.
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*.
Cost Synergy Success (Failure)+1/+2/+3 Years	Indicator variable equals one if management discloses that post-acquisition cost synergies were met or exceeded or progressing (acknowledges missing or failing to meet revenue synergy targets) in Form-10K filings within one, two, or three years after deal completion, zero otherwise. To ensure that integration-

	related discussions pertain to specific acquisition transactions and to avoid ambiguity, we incorporate target firm identifiers (i.e., target's name or ticker) into the textual parsing process discard observations in which both failure and success are discussed within the same post-acquisition year. The information on acquisition completion is obtained from *Thomson One Platinum Securities Data Comp.* Section 3.2 provides the keywords list and a detailed description of methodology.
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	Thermo Fisher Scientific/ Life Technologies	We have successfully integrated Life Technologies, realizing significant cost synergies in procurement, shared services, and manufacturing operations. In addition, the combined commercial organizations are providing us with greater cross-selling opportunities across our life sciences customer base, which contributed to mid-single-digit revenue growth in the segment in 2015. The Life Technologies integration also expanded our R&D capabilities and strengthened our product portfolio, further supporting top-line growth.	Success	Success	Success	Success
2019	Cintas/ G&K	Integration activities associated with the G&K acquisition were substantially completed in fiscal 2019. We achieved targeted cost savings primarily through route optimization,plant consolidation, and SG&A expense reductions, totaling more than $130 million annually. In addition, we leveraged the combined customer base to achieve cross-selling synergies in uniform rentals and facility services, further supporting revenue growth.	Success	Success	Success	Success
2011	Stanley Works/Black & Decker	The Company has substantially completed the integration of the Black & Decker operations and has achieved approximately $350 million of cost synergies, exceeding original estimates. These synergies were primarily realized in the areas of supply chain, SG&A efficiencies, and facility consolidation.The Company remains on track to deliver its targeted $450 million in annual cost savings by 2012.	Success	Success	N/A	Success

2020	BlackBerry/ Cylance	We recorded a non-cash, pre-tax goodwill impairment charge of $594 million related to the BlackBerry Spark reporting unit. The impairment charge was primarily due to the length and complexity of the integration of the Cylance sales force into the BlackBerry sales organization. As a result, we experienced lower than previously forecasted revenue. These challenges in integrating the go-to-market functions contributed to disruptions in the sales pipeline.	Failure	Failure	Failure	N/A
2019	H.J. Heinz Co/Kraft Foods Group.	The integration of the Kraft and Heinz businesses has been more complex than originally anticipated, requiring greater resources and delaying the realization of certain synergies.	Failure	Failure	N/A	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*). *Post-Acquisition Integration Failure* equals one if acquirer's Form 10-K filings 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. 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. *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	-0.650***	-0.577***	-0.633***	-0.558***	-0.640***	-0.565***
	(-4.780)	(-4.280)	(-4.645)	(-4.118)	(-4.691)	(-4.167)
BUL - M&A experience	-0.608	-0.086	-0.634	-0.092	-0.595	-0.003
	(-0.632)	(-0.085)	(-0.656)	(-0.091)	(-0.612)	(-0.003)
BUL – Prof linked to CEO	-1.276	-1.024	-1.799	-1.534	-1.761	-1.562
	(-0.886)	(-0.667)	(-1.229)	(-0.972)	(-1.197)	(-0.983)
BUL – Edu linked to CEO	3.137	4.392*	3.614	4.940*	3.671	4.855*
	(1.342)	(1.685)	(1.516)	(1.854)	(1.536)	(1.817)
BUL – IB experience	10.614	10.421	10.580	10.521	10.465	10.546
	(0.982)	(0.997)	(0.980)	(1.003)	(0.969)	(1.005)
BUL – Fin experience	1.203	1.551	1.208	1.159	1.118	1.034
	(0.633)	(0.763)	(0.624)	(0.563)	(0.579)	(0.506)
Stock Price Runup	-0.783	-1.447	-0.495	-1.103	-0.580	-1.098
	(-0.717)	(-1.154)	(-0.445)	(-0.860)	(-0.520)	(-0.854)
Sigma	-22.946	-20.637	-41.890	-34.764	-65.066	-63.714
	(-0.372)	(-0.296)	(-0.671)	(-0.494)	(-1.014)	(-0.879)
Ln (Acquirer Size)	-0.801*	-0.644	-0.849*	-0.684	-0.923*	-0.915*
	(-1.766)	(-1.333)	(-1.847)	(-1.379)	(-1.908)	(-1.783)
Relative Size	17.605***	17.476***	17.433***	17.462***	17.283***	17.256***
	(6.222)	(5.849)	(6.147)	(5.839)	(6.105)	(5.772)
Private	-5.667***	-5.361***	-5.606***	-5.109***	-5.958***	-5.433***
	(-4.259)	(-3.849)	(-4.145)	(-3.608)	(-4.389)	(-3.846)
Subsidiary	-5.950***	-5.543***	-5.988***	-5.422***	-6.343***	-5.699***
	(-4.420)	(-4.081)	(-4.350)	(-3.878)	(-4.592)	(-4.106)
Hostile	62.120**	53.407*	61.571**	52.753*	61.349**	52.652*
	(2.511)	(1.767)	(2.482)	(1.743)	(2.471)	(1.735)
Leverage	-1.123	-0.403	-1.839	-1.031	-1.647	-0.746
	(-0.494)	(-0.166)	(-0.792)	(-0.416)	(-0.705)	(-0.298)
Tobin's Q	0.113	0.217	0.082	0.193	0.186	0.335
	(0.292)	(0.470)	(0.209)	(0.417)	(0.454)	(0.679)
ROA	6.673	8.365	3.159	6.686	2.531	5.215
	(1.021)	(1.258)	(0.454)	(0.961)	(0.356)	(0.731)
Cash Flows-to-Equity	-0.205	-4.710	1.666	-4.509	1.911	-3.972
	(-0.040)	(-0.959)	(0.301)	(-0.835)	(0.347)	(-0.738)
Top tier Advisor	-1.976	-2.183	-1.533	-1.628	-1.095	-1.094
	(-1.423)	(-1.574)	(-1.090)	(-1.152)	(-0.772)	(-0.765)

No of Advisors	1.628	1.767*	1.520	1.597	1.228	1.316
	(1.556)	(1.706)	(1.437)	(1.523)	(1.157)	(1.254)
Payment-All Cash	-1.243	-1.008	-1.503*	-1.290	-1.541*	-1.231
	(-1.482)	(-1.243)	(-1.751)	(-1.538)	(-1.785)	(-1.461)
Payment-Includes Stock	-1.283	-1.495	-1.277	-1.602	-1.446	-1.728
	(-1.100)	(-1.195)	(-1.075)	(-1.260)	(-1.217)	(-1.357)
No of M&As (past 10 years)	0.031	0.010	0.035	0.015	0.033	0.018
	(0.536)	(0.198)	(0.596)	(0.301)	(0.569)	(0.361)
High Tech	1.505	2.562*	1.569	2.638*	1.515	2.356
	(1.036)	(1.816)	(1.065)	(1.834)	(1.019)	(1.624)
Diversifying	3.972***	3.881***	4.083***	4.043***	4.187***	4.183***
	(4.090)	(3.923)	(4.140)	(4.014)	(4.216)	(4.111)
Institutional Holding	4.278**	3.889**	4.286**	4.047**	3.753**	3.713**
	(2.573)	(2.280)	(2.526)	(2.322)	(2.178)	(2.108)
No of Analysts	-0.043	0.009	-0.055	-0.001	-0.061	0.009
	(-0.729)	(0.152)	(-0.921)	(-0.012)	(-0.984)	(0.153)
NWC	0.000	0.000	0.000	0.000	0.000	0.000
	(0.488)	(-0.290)	(0.555)	(-0.154)	(0.659)	(-0.100)
R&D	-2.270	-5.976	-4.765	-9.047	-5.947	-10.522
	(-0.221)	(-0.591)	(-0.462)	(-0.892)	(-0.573)	(-1.024)
Specialized M&A Staff	-1.039	-0.928	-1.049	-1.136	-1.187	-1.276
	(-1.127)	(-1.047)	(-1.111)	(-1.245)	(-1.250)	(-1.387)
BUL - Age		0.072		0.072		0.074
		(1.236)		(1.193)		(1.202)
BUL - Female		0.243		0.299		0.282
		(0.126)		(0.152)		(0.144)
BUL – Ivy School Grad		-1.494		-0.660		-0.777
		(-0.919)		(-0.392)		(-0.463)
BUL - Fast Track		-0.802		-0.401		-0.387
		(-0.462)		(-0.226)		(-0.218)
BUL - Recession Grad		-1.419		-1.646		-1.773
		(-0.925)		(-1.059)		(-1.138)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	28.07%	30.55%	28.11%	30.00%	31.73%	34.56%
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	1.669***	2.058***	1.648***	2.084***	1.663***	2.100***
	(7.424)	(7.867)	(7.250)	(7.852)	(7.325)	(7.922)
BUL - M&A experience	-1.568	-1.241	-2.100	-1.480	-2.346	-1.655
	(-0.775)	(-0.581)	(-1.021)	(-0.679)	(-1.140)	(-0.760)
BUL – Prof linked to CEO	1.105	1.913	1.404	2.129	1.164	1.813
	(0.492)	(0.803)	(0.610)	(0.875)	(0.504)	(0.745)
BUL – Edu linked to CEO	0.983	2.324	1.636	2.889	2.605	3.995
	(0.412)	(0.857)	(0.652)	(1.029)	(1.012)	(1.374)
BUL – IB experience	-7.709	-8.476	-3.470	-0.914	-3.646	-0.786
	(-1.507)	(-1.400)	(-0.393)	(-0.086)	(-0.416)	(-0.074)
BUL – Fin experience	-2.963	-3.719*	-2.989	-3.754*	-2.912	-4.087*
	(-1.599)	(-1.838)	(-1.589)	(-1.809)	(-1.521)	(-1.952)
Stock Price Runup	-0.313	-1.642	-0.021	-1.760	0.342	-1.304
	(-0.297)	(-1.591)	(-0.018)	(-1.621)	(0.288)	(-1.129)
Sigma	-5.722	34.631	-26.564	-1.309	-31.390	0.415
	(-0.093)	(0.543)	(-0.415)	(-0.019)	(-0.487)	(0.006)
Ln (Acquirer Size)	-0.214	-0.155	-0.219	-0.269	-0.063	-0.097
	(-0.388)	(-0.266)	(-0.354)	(-0.419)	(-0.101)	(-0.149)
Relative Size	-3.405**	-2.959*	-3.559*	-2.906	-2.800	-1.695
	(-2.187)	(-1.795)	(-1.897)	(-1.385)	(-1.376)	(-0.746)

Private	0.722	-0.632	-0.861	-1.912	-1.623	-2.473
	(0.501)	(-0.416)	(-0.569)	(-1.246)	(-1.062)	(-1.586)
Subsidiary	3.775**	2.679*	2.298	1.642	1.598	1.207
	(2.472)	(1.768)	(1.420)	(1.044)	(0.987)	(0.762)
Hostile	1.709	-2.691	24.544	-3.986	24.053	-4.401
	(0.418)	(-0.513)	(1.048)	(-0.707)	(1.034)	(-0.825)
Leverage	-2.800	-5.142	-2.949	-5.043	-2.882	-5.210
	(-0.729)	(-1.356)	(-0.753)	(-1.298)	(-0.733)	(-1.338)
Tobin's Q	0.760	0.095	0.702	0.083	0.648	0.028
	(1.551)	(0.264)	(1.458)	(0.198)	(1.371)	(0.061)
ROA	-9.598	-4.664	-8.738	-4.333	-10.179	-3.527
	(-1.055)	(-0.454)	(-0.923)	(-0.405)	(-1.041)	(-0.329)
Cash Flows-to-Equity	9.387*	9.233	8.964	7.822	7.869	4.813
	(1.737)	(1.482)	(1.558)	(1.188)	(1.265)	(0.687)
Top tier Advisor	-1.445	-0.936	-2.108	-1.426	-2.777*	-1.913
	(-1.009)	(-0.630)	(-1.415)	(-0.910)	(-1.835)	(-1.206)
No of Advisors	-0.102	-0.201	1.098	0.808	1.368	0.848
	(-0.101)	(-0.181)	(1.004)	(0.674)	(1.240)	(0.703)
Payment-All Cash	-1.409	-1.277	-1.384	-1.307	-1.699	-1.570
	(-1.351)	(-1.150)	(-1.257)	(-1.113)	(-1.536)	(-1.327)
Payment-Includes Stock	-0.960	-0.977	-1.116	-1.210	-1.464	-1.692
	(-0.755)	(-0.695)	(-0.844)	(-0.840)	(-1.088)	(-1.163)
No of M&As (past 10 years)	0.153**	0.136*	0.145**	0.128*	0.141*	0.125
	(2.195)	(1.843)	(2.018)	(1.670)	(1.965)	(1.636)
High Tech	0.524	1.298	0.218	1.167	0.582	1.439
	(0.219)	(0.470)	(0.090)	(0.418)	(0.238)	(0.514)
Diversifying	-2.811***	-3.408***	-3.427***	-3.873***	-3.446***	-3.861***
	(-2.973)	(-3.247)	(-3.453)	(-3.547)	(-3.450)	(-3.527)
Institutional Holding	5.375**	4.921*	5.019**	4.620*	5.277**	5.063*
	(2.215)	(1.866)	(2.049)	(1.729)	(2.142)	(1.888)
No of Analysts	-0.002	0.022	-0.011	0.049	-0.033	0.029
	(-0.017)	(0.189)	(-0.100)	(0.395)	(-0.297)	(0.232)
NWC	0.000	0.000	0.000	0.000	0.000	0.000
	(0.043)	(-0.409)	(0.077)	(-0.355)	(0.057)	(-0.338)
R&D	2.551	-0.672	6.604	4.045	5.328	2.525
	(0.206)	(-0.047)	(0.501)	(0.259)	(0.396)	(0.158)
Specialized M&A Staff	0.870	0.917	0.807	0.760	0.899	0.794
	(0.708)	(0.702)	(0.638)	(0.570)	(0.704)	(0.592)
BUL - Age		0.034		0.038		0.013
		(0.396)		(0.438)		(0.150)
BUL - Female		5.103		4.736		4.892
		(1.503)		(1.385)		(1.429)
BUL – Ivy School Grad		-0.729		-1.191		-1.091
		(-0.303)		(-0.482)		(-0.439)
BUL - Fast Track		4.931*		3.593		3.201
		(1.703)		(1.205)		(1.071)
BUL - Recession Grad		-2.433		-3.206		-3.420
		(-1.191)		(-1.537)		(-1.647)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y
R-Square	29.38%	32.47%	28.69%	31.46%	28.72%	31.27%
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). *Post-Acquisition Transaction/Revenue/Cost Synergy Failure/Success* are created using textual analyses of management disclosures of transaction synergy outcomes in Form-10K filings and explained in Section 3.2. 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. *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	0.751***	0.803***	0.900***	-1.363***	-1.470***	-1.532***	-0.484***	-0.093***
	(6.222)	(4.960)	(5.381)	(-5.273)	(-5.624)	(-5.786)	(-2.969)	(-3.259)
BUL - M&A experience	1.342	0.270	-0.184	0.924	1.086	2.663	-1.551	0.036
	(1.403)	(0.210)	(-0.138)	(0.290)	(0.338)	(0.823)	(-0.934)	(0.125)
BUL – Prof linked to CEO	-1.054	-0.424	-0.442	-2.963	-2.658	-3.159	-1.469	0.665
	(-1.106)	(-0.289)	(-0.302)	(-1.089)	(-0.952)	(-1.125)	(-0.662)	(1.416)
BUL – Edu linked to CEO	-0.725	-0.255	-0.491	2.042	1.611	1.786	-0.106	-0.686
	(-0.734)	(-0.168)	(-0.321)	(0.562)	(0.436)	(0.482)	(-0.035)	(-1.391)
BUL – IB experience	0.476	-0.098	-0.328	-9.462	-11.389	-12.460	-6.969	-2.100
	(0.112)	(-0.019)	(-0.066)	(-0.797)	(-0.956)	(-1.042)	(-0.689)	(-1.077)
BUL – Fin experience	1.255	0.973	1.401	-1.158	0.998	2.814	0.660	0.643
	(0.706)	(0.436)	(0.616)	(-0.365)	(0.303)	(0.826)	(0.264)	(1.144)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	20.14%	39.15%	40.19%	27.53%	26.96%	26.64%	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: 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	0.874***	1.213***	1.336***	-1.212***	-1.077***	-1.083***	0.618***	0.591***	0.651***	0.600***	0.653***	0.637***
	(5.596)	(6.531)	(6.648)	(-5.586)	(-4.846)	(-4.836)	(3.215)	(3.141)	(3.626)	(3.124)	(3.320)	(3.492)
BUL - M&A Exp	0.507	1.351	1.435	2.296	2.159	1.901	-2.507	-3.541*	-1.499	-2.651	-4.223**	-1.682
	(0.353)	(0.764)	(0.682)	(0.973)	(0.849)	(0.721)	(-1.148)	(-1.897)	(-0.739)	(-1.209)	(-2.144)	(-0.817)
BUL – Prof linked to CEO	-0.982	-0.244	1.009	2.151	2.362	2.463	-0.929	-3.230	-1.995	-0.906	-3.047	-1.934
	(-0.670)	(-0.123)	(0.451)	(0.721)	(0.772)	(0.769)	(-0.295)	(-1.109)	(-0.679)	(-0.290)	(-1.030)	(-0.650)
BUL – Edu linked to CEO	-2.438	-2.100	-4.203	1.401	-0.083	-0.640	0.793	2.734	-0.857	0.979	2.629	-0.796
	(-1.398)	(-0.776)	(-1.395)	(0.311)	(-0.018)	(-0.126)	(0.155)	(0.717)	(-0.216)	(0.191)	(0.673)	(-0.198)
BUL – IB experience	6.889	0.759	-1.078	-8.049	-3.716	-4.107	-7.273	-8.180	-11.664	-7.159	-7.947	-12.434*
	(0.786)	(0.073)	(-0.102)	(-0.800)	(-0.393)	(-0.430)	(-0.946)	(-0.984)	(-1.631)	(-0.936)	(-0.971)	(-1.681)
BUL – Fin experience	2.392	5.645*	4.758	-0.127	2.321	1.210	-1.740	-4.435	-1.917	-1.883	-4.456	-2.189
	(1.210)	(1.716)	(1.535)	(-0.037)	(0.663)	(0.345)	(-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	22.57%	22.16%	22.73%	26.05%	27.01%	28.84%	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: 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	0.757***	0.840***	0.811***	-1.232***	-1.140***	-1.167***	-0.129***	-0.135***	-0.165***	-0.221***	-0.203***	-0.236***
	(5.010)	(4.816)	(4.244)	(-5.541)	(-4.963)	(-5.080)	(-3.177)	(-2.916)	(-3.041)	(-3.523)	(-3.034)	(-3.347)
BUL - M&A Exp	-0.159	0.379	-0.911	4.067*	3.652	3.358	-0.222	-0.062	-0.426	0.474	0.055	0.033
	(-0.116)	(0.221)	(-0.434)	(1.775)	(1.493)	(1.296)	(-0.509)	(-0.119)	(-0.743)	(0.676)	(0.098)	(0.057)
BUL – Prof linked to CEO	-0.957	-0.840	0.361	2.591	3.345	3.578	-0.477	-0.626	-0.241	-1.768	-0.535	0.149
	(-0.621)	(-0.441)	(0.169)	(0.897)	(1.125)	(1.174)	(-0.789)	(-1.013)	(-0.317)	(-1.588)	(-0.532)	(0.202)
BUL – Edu linked to CEO	-2.800*	-3.849*	-3.484	5.493	4.953	4.199	0.690	0.807	1.672*	2.690	3.473	2.494*
	(-1.712)	(-1.691)	(-1.293)	(1.346)	(1.218)	(1.004)	(0.882)	(0.984)	(1.695)	(1.389)	(1.520)	(1.809)
BUL – IB experience	11.622	10.274	6.262	0.617	6.436	6.118	-5.117*	-1.001	-3.907	-7.052*	-3.120	-5.890*
	(1.379)	(1.152)	(0.703)	(0.050)	(0.516)	(0.489)	(-1.805)	(-0.443)	(-1.615)	(-1.851)	(-1.306)	(-1.871)
BUL – Fin experience	1.020	2.343	2.625	-0.254	2.356	0.962	1.327*	0.003	0.787	0.820	0.287	0.569
	(0.592)	(0.984)	(0.908)	(-0.078)	(0.718)	(0.295)	(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	21.66%	19.35%	19.00%	26.76%	27.77%	29.63%	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

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 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. *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 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. *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 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 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 "Do Business unit Leaders matter for Acquisitions?"

Sinan Gokkaya, Xi Liu, and René M. Stulz

December 2025

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 textual analyses of management disclosures of transaction synergy outcomes in Form-10K filings and explained in Section 3.2. 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. *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	0.806***	0.895***	1.000***	-1.095***	-1.116***	-1.148***	-0.516***	-0.077**
	(5.764)	(4.650)	(5.089)	(-3.180)	(-3.223)	(-3.297)	(-2.624)	(-2.540)
BUL - M&A experience	1.595	0.268	-0.152	0.519	1.041	2.798	-0.935	0.173
	(1.602)	(0.200)	(-0.109)	(0.153)	(0.302)	(0.800)	(-0.535)	(0.563)
BUL – Prof linked to CEO	-1.067	-0.614	-0.510	-2.474	-1.887	-2.312	-1.864	0.617
	(-0.993)	(-0.379)	(-0.317)	(-0.791)	(-0.588)	(-0.716)	(-0.786)	(1.246)
BUL – Edu linked to CEO	-1.158	-0.681	-1.095	1.287	0.523	0.947	0.587	-0.515
	(-0.991)	(-0.403)	(-0.644)	(0.304)	(0.123)	(0.222)	(0.163)	(-0.909)
BUL – IB experience	1.352	0.974	0.918	-16.528	-18.415*	-18.818*	-1.741	-0.073
	(0.282)	(0.155)	(0.145)	(-1.541)	(-1.726)	(-1.769)	(-0.160)	(-0.054)
BUL – Fin experience	1.113	0.875	1.211	-2.932	-1.514	-0.378	2.399	0.845
	(0.762)	(0.467)	(0.628)	(-0.885)	(-0.437)	(-0.108)	(0.840)	(1.318)
BUL - Age	-0.013	0.055	0.074	0.151	0.163	0.177	0.152	-0.003
	(-0.279)	(0.824)	(1.088)	(1.080)	(1.168)	(1.252)	(1.514)	(-0.159)
BUL - Female	-2.054	-1.855	-2.346	1.790	0.683	0.606	6.300*	0.987
	(-1.243)	(-0.834)	(-1.064)	(0.316)	(0.121)	(0.107)	(1.958)	(1.369)
BUL – Ivy School Grad	1.142	1.000	0.715	0.557	0.461	0.381	3.664	0.041
	(0.757)	(0.496)	(0.360)	(0.154)	(0.126)	(0.104)	(1.196)	(0.091)
BUL - Fast Track	-0.431	-1.970	-2.357	0.713	1.236	1.371	-0.876	-0.217
	(-0.245)	(-0.917)	(-1.074)	(0.191)	(0.329)	(0.365)	(-0.345)	(-1.116)
BUL - Recession Grad	-0.073	0.661	0.643	1.230	1.781	1.443	-0.448	0.251
	(-0.048)	(0.388)	(0.362)	(0.404)	(0.572)	(0.465)	(-0.158)	(0.484)
*Industry * Year FE*	Y	Y	Y	Y	Y	Y	Y	Y
R-Square	23.10%	41.18%	42.61%	29.09%	28.47%	28.04%	32.13%	36.38%
Number of Observations	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	0.862***	1.245***	1.351***	-1.028***	-1.028***	-0.910***	0.732***	0.682***	0.861***	0.711***	0.708***	0.844***
	(4.627)	(5.652)	(5.501)	(-3.883)	(-3.883)	(-3.364)	(3.083)	(2.939)	(4.171)	(3.007)	(2.960)	(3.976)
BUL - M&A Experience	0.573	1.785	1.405	1.725	1.725	1.183	-2.721	-3.739*	-0.606	-2.664	-3.735*	-0.691
	(0.376)	(0.962)	(0.637)	(0.703)	(0.703)	(0.431)	(-1.213)	(-1.892)	(-0.296)	(-1.184)	(-1.843)	(-0.333)
BUL – Prof linked to CEO	0.047	1.089	2.014	2.231	2.231	2.339	-2.286	-5.381*	-3.619	-2.200	-5.380*	-3.520
	(0.030)	(0.513)	(0.838)	(0.731)	(0.731)	(0.734)	(-0.785)	(-1.815)	(-1.205)	(-0.765)	(-1.795)	(-1.156)
BUL – Edu linked to CEO	-3.885*	-3.297	-4.280	3.772	3.772	3.234	5.691	4.344	1.127	5.507	3.994	1.011
	(-1.893)	(-1.057)	(-1.257)	(0.805)	(0.805)	(0.690)	(1.458)	(1.126)	(0.260)	(1.398)	(0.982)	(0.229)
BUL – IB experience	7.073	3.739	-0.335	-15.981	-15.981	-9.149	-7.493	-8.681	-7.765	-7.260	-8.783	-8.428
	(0.647)	(0.318)	(-0.027)	(-1.634)	(-1.634)	(-0.911)	(-0.799)	(-0.879)	(-0.941)	(-0.770)	(-0.887)	(-0.994)
BUL – Fin experience	2.440	4.052	5.760	-1.577	-1.577	0.124	-4.527	-6.477*	-6.924*	-4.694	-6.454*	-7.061*
	(1.031)	(1.296)	(1.590)	(-0.409)	(-0.409)	(0.032)	(-1.418)	(-1.814)	(-1.943)	(-1.428)	(-1.780)	(-1.907)
BUL - Age	-0.124	-0.119	-0.017	0.122	0.122	0.216	0.170*	0.041	0.150	0.159	0.026	0.116
	(-1.383)	(-1.092)	(-0.142)	(0.899)	(0.899)	(1.475)	(1.657)	(0.382)	(1.374)	(1.579)	(0.239)	(1.058)
BUL - Female	-2.791	-4.047	-1.580	-6.532	-6.532	-4.799	-0.844	1.874	3.292	-0.746	2.407	3.341
	(-1.231)	(-1.371)	(-0.463)	(-1.613)	(-1.613)	(-1.084)	(-0.267)	(0.430)	(0.891)	(-0.241)	(0.556)	(0.906)
BUL – Ivy School Grad	0.015	-1.356	-2.671	2.463	2.463	-0.520	2.464	-1.986	-2.882	2.161	-2.076	-2.934
	(0.008)	(-0.535)	(-0.927)	(0.728)	(0.728)	(-0.147)	(0.828)	(-0.617)	(-0.946)	(0.718)	(-0.626)	(-0.936)
BUL - Fast Track	2.771	4.813**	4.123	-0.391	-0.391	-0.526	-1.067	0.643	1.861	0.355	1.980	2.821
	(1.307)	(1.991)	(1.512)	(-0.141)	(-0.141)	(-0.184)	(-0.468)	(0.266)	(0.863)	(0.155)	(0.814)	(1.258)
BUL - Recession Grad	1.472	2.929	0.678	-1.433	-1.433	-0.349	0.445	2.280	3.510	0.508	1.776	3.617
	(0.724)	(1.067)	(0.215)	(-0.442)	(-0.442)	(-0.096)	(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	25.31%	24.67%	25.24%	27.79%	29.02%	30.80%	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	0.833***	0.966***	0.930***	-0.962***	-0.848***	-0.878***	-0.089**	-0.191***	-0.238***	-0.116*	-0.147**	-0.181**
	(4.551)	(4.647)	(4.174)	(-3.684)	(-3.140)	(-3.250)	(-2.147)	(-3.486)	(-3.735)	(-1.799)	(-2.002)	(-2.262)
BUL - M&A Experience	-0.440	-0.032	-1.096	4.153*	3.209	3.067	-0.037	0.068	-0.392	0.633	0.314	0.448
	(-0.296)	(-0.018)	(-0.504)	(1.712)	(1.237)	(1.128)	(-0.083)	(0.131)	(-0.675)	(0.999)	(0.553)	(0.759)
BUL – Prof linked to CEO	-0.439	-0.172	0.345	2.199	3.171	2.945	-0.171	-0.307	0.018	-0.658	0.774	1.067
	(-0.258)	(-0.084)	(0.150)	(0.716)	(0.990)	(0.909)	(-0.267)	(-0.450)	(0.022)	(-0.678)	(1.177)	(1.586)
BUL – Edu linked to CEO	-3.393*	-4.778*	-5.432*	5.701	5.879	5.846	0.127	0.448	1.287	0.968	1.165	1.092
	(-1.698)	(-1.888)	(-1.860)	(1.210)	(1.259)	(1.250)	(0.151)	(0.455)	(1.085)	(0.760)	(1.143)	(1.142)
BUL – IB experience	8.619	7.907	4.138	-1.378	4.452	3.176	-4.098	-0.349	-3.777	-6.097	-1.547	-5.388
	(0.916)	(0.774)	(0.419)	(-0.111)	(0.371)	(0.263)	(-1.280)	(-0.138)	(-1.295)	(-1.467)	(-0.590)	(-1.440)
BUL – Fin experience	1.374	0.651	1.038	-1.698	1.571	0.204	0.886	-0.314	0.336	0.874	-0.186	0.071
	(0.696)	(0.273)	(0.361)	(-0.455)	(0.420)	(0.055)	(1.277)	(-0.405)	(0.369)	(0.930)	(-0.192)	(0.065)
BUL - Age	0.071	0.110	0.161	-0.108	-0.021	-0.013	-0.004	0.027	0.042	-0.005	0.002	0.026
	(1.284)	(1.325)	(1.583)	(-0.760)	(-0.140)	(-0.086)	(-0.166)	(0.907)	(1.021)	(-0.143)	(0.059)	(0.707)
BUL - Female	-0.894	-1.996	-2.384	-5.262	-5.520	-3.309	0.003	-0.299	-0.456	1.452	1.246	0.889
	(-0.387)	(-0.690)	(-0.760)	(-1.286)	(-1.292)	(-0.760)	(0.004)	(-0.268)	(-0.340)	(1.091)	(0.817)	(0.565)
BUL – Ivy School Grad	1.988	1.081	0.490	1.704	-0.015	-0.725	0.523	0.344	-0.172	-1.271	-1.192	-1.287
	(0.954)	(0.393)	(0.163)	(0.493)	(-0.004)	(-0.202)	(0.660)	(0.338)	(-0.141)	(-1.395)	(-1.095)	(-1.107)
BUL - Fast Track	2.998	4.421*	3.943	-2.796	-2.655	-3.234	0.017	0.495	-0.101	-0.489	-0.233	-0.619
	(1.489)	(1.895)	(1.523)	(-0.967)	(-0.880)	(-1.065)	(0.037)	(0.722)	(-0.128)	(-0.700)	(-0.271)	(-0.729)
BUL - Recession Grad	2.879	4.389	2.964	-2.748	-2.248	-1.331	-0.620	-0.997	-0.208	0.408	-1.516	-0.200
	(1.492)	(1.637)	(0.967)	(-0.841)	(-0.647)	(-0.359)	(-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	23.49%	21.34%	20.71%	28.52%	29.79%	31.61%	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 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. *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