

METHODOLOGY | STRATEGY EXECUTION

The Execution Gap: Why M&A Synergies and Strategic Plans Fail at the Same Point — and How to Close It

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Most companies do not have a strategy problem; they have an execution-discipline problem. The strategy deck makes it through the board meeting. The strategy plan stalls in the operating cadence. The difference is not analytical rigor — it is the working system around the strategy.

The data on this point is unambiguous and has remained so across decades. Twenty years ago, I gave a lecture at Duke University in Professor Jeannette Song's Operations class on just this topic. Shortly after, I gave a similar talk at the Lean Six Sigma conference on "Linking Strategy to Execution". I can confirm that the issues I discussed back then are still the same today. The Balanced Scorecard Collaborative identified that 90 percent of organizations fail to execute their strategies successfully, and that 95 percent of the workforce does not understand their company's strategy at any meaningful level. (Kaplan & Norton, Balanced Scorecard Collaborative) An earlier analysis found that eight of the ten largest mergers over the prior decade had failed, destroying \$789 billion in shareholder value, while Gartner estimated \$75 billion was spent annually on failed technology projects — with poor management, not poor technology, as the primary culprit.

The M&A evidence is equally stark. KPMG's 2025 analysis of more than 3,000 public-to-public acquisitions valued above \$100 million found that 57.2 percent of acquirers ultimately destroyed shareholder value — despite those same deals generating an average 13.2 percent in total shareholder return above market benchmarks in the months before closing. (KPMG, "The M&A Dance," 2025) Bain & Company's research across more than 22,000 companies found that 70 percent of acquirers announce synergy estimates that exceed what scale economics alone would justify, and overestimating synergies was identified as the single most common root cause of disappointing deal outcomes across a survey of 352 global executives. (Bain & Company, "Why Some Merging Companies Become Synergy Overachievers," 2014) McKinsey's analysis of its merger database found that nearly 70 percent of deals failed to achieve the revenue synergies projected at announcement — the very synergies that formed the stated strategic rationale for the transaction. (McKinsey & Company, "Where Mergers Go Wrong")

These figures describe a structural condition — not a deal-selection problem or an intelligence failure. The gap between what a strategy or acquisition is designed to deliver and what it actually delivers is persistent, well-documented, and almost always traceable to the same execution failures.

In more than 25 years of CEO and President-level operating experience — including five global executive tenures, two PE-backed acquisitions run from inside the operating seat, and board service across founder-led and sponsor-backed companies — I have encountered this gap

consistently, across industries and company sizes. The failure patterns are not random. They are structural, and they are solvable.

In this article, I walk through the three failure patterns I see most consistently — vague ownership and accountability, quietly drifting milestones, and a refresh loop that never gets scheduled — and explain how the GrowthSpaces[®] methodology is built to prevent each one. I also describe the “Dust in the Closets” approach we use to surface hidden value, and close with what I believe is the central advantage of the GrowthSpaces[®] consulting model: the ability to compress time-to-execution while building the organizational alignment that makes results stick.

The Three Failure Patterns

Failure Pattern 1 — Vague Ownership and Accountability

Strategy requires decisions. And decisions require someone to own them. Yet the most under-specified element of most strategic plans is who, exactly, is empowered to make which call — and under what conditions escalation is required.

Research on the critical factors that inhibit strategy implementation consistently ranks lack of clear expectations and lack of authorizing sponsor commitment near the top. These are not soft concerns. They manifest as hard delays: initiatives stall at department boundaries, momentum is lost in committee review, and the plan that looked crisp in the boardroom becomes a coordination exercise in the operating calendar.

In one of two PE-backed acquisitions I led with contrasting integration approaches, the absence of a written ownership and accountability map in the first 90 days created nearly four months of unnecessary delay — not because people were unwilling to execute, but because they were uncertain who was authorized to act. No one announced the problem. They simply waited.

Failure Pattern 2 — Milestones That Drift Quietly

Milestone drift rarely announces itself. There is no meeting where someone declares the plan behind schedule. Instead, a series of individually reasonable adjustments accumulate — a delayed hire, a market signal that seems worth waiting on, a Q3 priority shift — until the plan is six months behind and no one can identify the moment it happened.

The failure here is structural, not motivational. When milestone reviews are informal, infrequent, or untethered from a written baseline, small variances do not surface until they have compounded into material shortfalls. By the time performance data reflects the problem, the corrective window has often passed.

The irony: milestone drift is detectable months before it appears in performance results — if anyone is systematically looking. Organizational research on change implementation identifies “pressure to meet schedule” and competing organizational priorities as consistent inhibitors of plan execution. The implication is direct: without a structured cadence that surfaces these pressures early, they compound quietly until they become crises.

Failure Pattern 3 — The Refresh Loop That Never Gets Scheduled

Strategy is not a document. It is an ongoing operating discipline. But most strategic plans are designed as static artifacts — produced, approved, and shelved until the next annual planning cycle. The world changes; the plan does not. The team executes against assumptions that the market has invalidated months earlier.

The Balanced Scorecard Collaborative's finding that 90 percent of companies fail to execute strategy successfully is partly explained by this pattern. A plan that is never formally revisited cannot adapt to what the market is teaching the organization. It becomes a historical record, not an operating guide.

The scheduled strategy refresh — a structured, calendared annual review of actual results against the plan and current market signals — is what separates a living plan from an archived one. It is also among the most consistently skipped elements of a strategy process, for one simple reason: it was never formally scheduled, so it never formally happened.

How the GrowthSpaces[®] Methodology Prevents Each One

The GrowthSpaces[®] Strategy Development System is a five-phase, operator-built framework — Assess, Identify, Prioritize, Execute, and Optimize — designed not to produce a better presentation, but to produce a plan that actually gets executed. The design of each phase reflects hard-won operating experience with how plans fail.

Against Ownership and Accountability: Phase 4 — Execute

Phase 4 does not begin with a task list. It begins with an ownership and accountability map — a written specification of who owns each initiative, what decisions they are empowered to make independently, and when escalation to senior leadership or the board is required.

This mapping is completed before implementation begins, not discovered after ambiguity has already caused delay. The Phase 4 deliverables include 90-day, 1-year, and 3-year implementation

plans with named owners, a KPI and reporting framework, and the operating-partner check-in cadence that keeps the decision infrastructure active throughout execution. Where relevant, this framework draws on Balanced Scorecard architecture — financial, customer, internal process, and learning and growth perspectives — to ensure that performance tracking is connected to strategic objectives, not just operational outputs.

Against Milestone Drift: The Quarterly Milestone Framework

The GrowthSpaces[®] system builds a formal quarterly milestone review directly into Phase 4. This is not a progress-update meeting. It is a structured review of actual performance against a written baseline, with variance commentary, accountability to named owners, and a forward-looking assessment of what adjustments are required.

Research on implementation success consistently identifies a reinforcing sponsor — someone with genuine authority who actively monitors and supports the plan — as the single most important accelerating factor (rated 4.81 out of 5.0 in a Change Agent Survey of implementation leaders). The GrowthSpaces[®] milestone framework is explicitly designed to give senior leadership the visibility required to play this role: surfacing leading indicators of drift before they compound into performance shortfalls.

For PE-backed companies, the board reporting cadence is integrated into this framework from the outset. The sponsor should never be surprised by a variance that the operating team has known about for two quarters.

Against the Missing Refresh Loop: Phase 5 — Optimize

Phase 5 closes the loop. It is the scheduled strategy refresh — an annual, structured review of performance against the plan, an honest assessment of what the market has taught the organization since the last cycle, and the formal setup of the next planning iteration.

It is not optional, and it is not informal. It is calendared from day one of the engagement and sequenced into the operating rhythm of the business. Phase 5 produces an updated road map and capital plan, a lessons-learned and adjustment log, and the scoped work for the next cycle. For clients engaged as Strategic Operating Partners, all five phases run on an annual cadence — strategy as a living operating discipline, not a one-time exercise.

“Dust in the Closets” — Uncovering Hidden Value

Beyond the core five-phase methodology, GrowthSpaces[®] deploys a distinctive approach for identifying value that existing leadership teams routinely overlook: the “Dust in the Closets” model.

The failure to capture M&A synergies is not primarily a deal-selection problem. It is an execution problem — and specifically, an execution-discipline problem of the kind this article describes. McKinsey's research shows that acquirers routinely transfer much of the deal's expected value to the seller before integration begins, paying premiums of 10 to 35 percent of pre-announcement market value. What remains must be captured through disciplined execution. Deloitte research demonstrates that acquirers who track synergies systematically from Day 1 achieve success rates of 92 percent — a dramatic contrast to the 57.2 percent that KPMG found destroy value in aggregate. The difference is not the deal. It is the working system around the deal.

Every operating company has under-performing assets — licensing arrangements that have lapsed, intellectual property that has never been monetized, operational processes that have not been benchmarked against current alternatives, and competitive intelligence gaps that quietly distort strategic assumptions. In acquired companies, these under-realized assets are frequently the “synergies” that appeared in the deal thesis and never materialized. They sit in the corners of the combined organization, not because they lack value, but because no one has been assigned to look — and no structured process exists to find them.

A cross-functional team of senior sector operators evaluates these assets against five dimensions:

- Operational efficiency and process improvement opportunities
- Financial restructuring and capital redeployment potential
- Licensing and intellectual property monetization pathways
- Competitive intelligence gaps distorting current strategic assumptions
- Human resources, legal, environmental, and patent considerations

Assets identified through this review can be sold, combined with adjacent units, repositioned for joint ventures, or redeployed as productive capital within the core business. Initial reviews are scoped to travel costs; deeper due diligence is triggered only for opportunities with material upside.

For PE-backed companies, this analysis often surfaces value creation opportunities not visible in the original investment thesis — and actionable within the existing holding period. For owner-operated businesses preparing for a liquidity event, it can materially improve the quality of the asset narrative presented to prospective buyers.

The GrowthSpaces[®] Consulting Advantage

Strategy consulting firms typically produce plans. The GrowthSpaces[®] model produces execution. The distinction is structural, and it drives three outcomes clients consistently report: faster

implementation, stronger organizational alignment, and results visible within the first operating period.

Speed: The Operator Credibility Effect

The most consistent friction in strategy execution is the lag between external recommendation and internal acceptance. When a strategy is developed by consultants who have never operated in the relevant sector, the management team instinctively raises implementation objections — often correctly. Those objections slow adoption, and the lag between plan approval and operational movement can stretch to quarters.

GrowthSpaces[®] engagements are led by operators who have held P&L responsibility in the relevant sectors, made the same decisions our clients are facing, and lived with the outcomes. This matters in a specific way: the credibility of the recommendation determines the speed of adoption. When recommendations come from someone who has sat in the same operating seat, the friction of institutional skepticism largely disappears. The organization moves faster.

My experience leading two PE-backed acquisitions — one with an immediate leadership transition, one with leadership held in place for seven months before a transition — reinforced this directly. In both cases, the speed with which the organization began executing against the new strategic direction was a direct function of how quickly the operating team believed that the direction was credible and achievable. Operator credibility compresses that belief cycle.

Organizational Buy-In: Built Into the Process

Organizational resistance to strategy is not irrational. It is often the operating team's best assessment that the plan was developed without adequate understanding of their reality. The solution is not better communication after the fact — it is better co-development during the process.

Implementation research identifies clear communication processes and stable management as critical accelerating factors. The GrowthSpaces[®] five-phase system is explicitly structured to build organizational alignment at each stage. Phase 1 (Assess) produces a capability and constraint heat map grounded in the team's operational reality. Phase 3 (Prioritize) includes a management bandwidth check that prevents the plan from outrunning the organization's capacity to execute. Phase 4 (Execute) assigns ownership at the individual level — linking personal objectives directly to the strategic initiatives that support them — before implementation begins.

The result is a plan that the operating team recognizes as theirs: built with their input, sized to their capacity, and owned at the level where execution actually happens. This is the organizational alignment that converts a strategy document into operating behavior. All actions must align with company strategy or they are wasted resources — and buy-in is what ensures that alignment holds under the pressure of day-to-day operations.

Top Management Support: Board-Ready at Every Stage

GrowthSpaces[®] engagements are designed to run alongside board and senior leadership processes, not in parallel to them. Phase 1 produces a pre-strategy briefing for the board. Phase 3 produces a board-ready strategic presentation and a decision log of what the team said no to — a document often as valuable as the road map itself. Phase 4 includes a formal board reporting cadence.

For PE-backed companies, this integration into the sponsor's governance rhythm is a value creation lever, not a courtesy. A portfolio company that presents a credible, milestone-tracked, ownership-and-accountability-mapped strategy to its sponsor board at every quarterly review is positioned to attract continued capital support, resolve strategic ambiguity faster, and execute against the value creation plan with institutional backing. Public and PE-backed companies are increasingly being rewarded for demonstrated execution discipline — and penalized when it is absent.

Results: What the System Delivers

The outputs of a GrowthSpaces[®] engagement are concrete operating infrastructure: a 3–5 year strategic road map with resource and capital plan, a quarterly milestone framework, an ownership and accountability map, a KPI and reporting structure, and an annual strategy refresh cycle.

57%

of acquirers destroy shareholder value post-close (KPMG, 2025)

70%

of deals fail to achieve projected revenue synergies (McKinsey)

90%

of organizations fail to execute strategy successfully (BSC Collaborative)

These figures describe the baseline condition GrowthSpaces[®] exists to improve. For companies that engage us as a Strategic Operating Partner — with all five phases running on an annual cadence alongside active board and interim executive availability — the compounding effect is substantial. Each cycle improves the strategy, strengthens the execution infrastructure, and builds organizational capability to operate with discipline.

Across more than 25 years of applying this methodology inside operating companies, the pattern is clear: organizations that treat strategy as a living operating discipline — with the working system to support it — outperform those that treat it as an annual planning event. The gap between those two postures is what GrowthSpaces[®] is designed to close.

Four Principles That Distinguish Execution from Planning:

Clear, consistent, real-time communication is the engine of strategy execution — not the announcement of it.

Focus on what is important and stop doing pet projects. Leaders must monitor and follow up.

All actions must align with company strategy — or they are wasted resources.
People must be linked individually to the company strategy, not just to their functional objectives.

Research References

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