BCG

Weekly Brief

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How AI Changes Post-Merger Integration—and Beyond

I have supported more than a dozen post-merger integrations (PMIs) in my career. The PMI phase is when a deal's logic—whether strategic reset, growth, innovation, or simply cost synergies—starts to become reality or falls apart.

AI can play a crucial role. A new BCG analysis finds that AI can reduce the overall time spent by up to 15% and up to 50% for specific tasks in a PMI's technology workstream. And the tech workstream can account for up to two-thirds of a PMI's effort.

But there is so much more potential for AI in PMIs.

Where the Real Opportunity Lies

Many companies are beginning to deploy AI to facilitate execution—automating repetitive tasks such as tracking whether synergies are realized, reviewing contracts, and mapping dependencies among systems.

Farsighted companies use AI to transform how the new company will operate. Here are some of the ways:

Retaining Customers. When companies merge, the customer base is vulnerable to poaching from competitors. But the merged company also has an opportunity to cross-sell products and services if they act swiftly. By committing early to a single AI-enabled platform for CRM and (where relevant) e-commerce, AI can analyze customer conversations and previous transactions to spot opportunities: Which customers are likely to churn and need targeted communications? Which customers might buy more? AI agents can also help stabilize service quality faster than a manual transition plan, protecting revenue when it's most exposed.

Accelerating Platform Development and Software Engineering. Merging technology systems is a prime reason PMIs can be so complex and expensive. AI is changing what's possible by accelerating in-house software engineering for internal IT systems. One client we are working with is using a PMI to restructure how it develops and tests these systems and how it staffs internal development teams. The upside is twofold: lower PMI costs and stronger in-house development.

Embedding an AI-first Operating Model. It often takes a merged company two to three years to combine support functions and achieve the target operating model. The PMI team can move much faster to create AI-first operating models for these functions, building them around humans and agents.

AI Accelerates Full-Potential PMIs

Integrating two companies is one of the most complex leadership challenges and inflection points a CEO faces. Most deals close on time. Far fewer actually create value.

The companies that get the most from M&A use the exercise to accomplish more. They engage in what we call "full-potential PMI." Rather than focusing mostly on cost reduction targets, this approach integrates traditional PMI elements with high-impact initiatives, such as commercial portfolio realignment or innovation-driven revenue growth. AI is an invaluable tool in this aspiration.

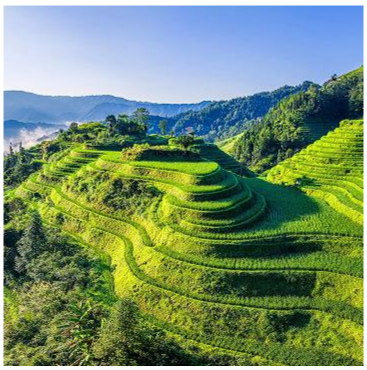
By treating PMI as both an integration and a transformation and by using AI for more than efficiency gains, companies can maintain growth momentum and also hit cost and synergy targets.

Until next time,

Christoph

Christoph Schweizer
Chief Executive Officer

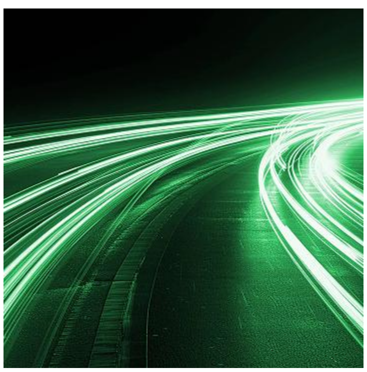
Further Insights



AI Is Rewriting M&A's Tech and Digital Playbook

AI enhances the M&A technology workstream by reducing effort, improving risk visibility, and strengthening execution.

STRENGTHEN M&A EXECUTION



CEOs Can't Settle for Anything Less Than Full-Potential PMI

Combining post-merger integration with transformation allows companies to achieve operational synergies while embedding the capabilities needed for future growth.

UNLOCK FULL-POTENTIAL PMI

Post-Merger Integration Ignite by BCG X

This AI-enabled platform transforms complex mergers into coordinated, value-driven efforts that deliver outcomes starting at closing.

ACCELERATE PMI WITH AI