

Alliances & Mergers

AI in M&A: Why Faster Deals Mean More Pressure on Senior Judgment

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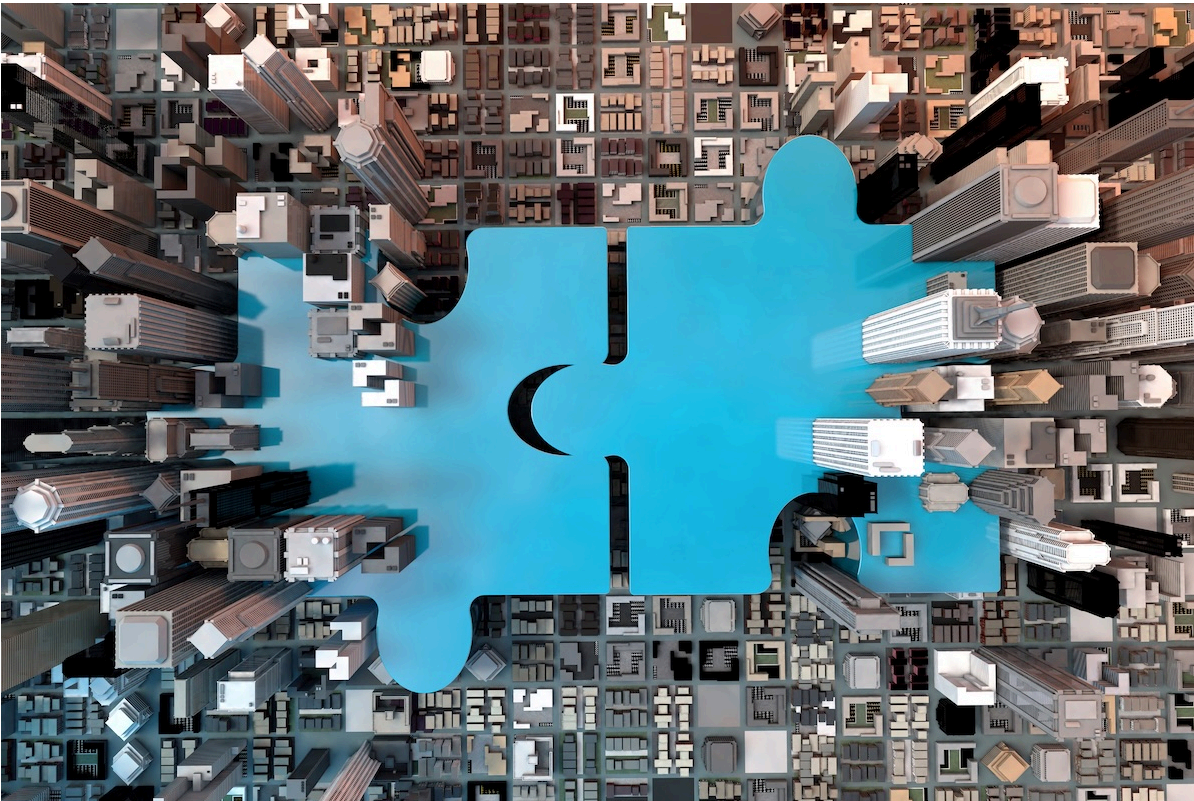


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The central managerial challenge is therefore not AI adoption, but redesigning M&A processes, staffing models, governance, and integration capability to not outpace decision quality and execution capacity.

Summary: Artificial intelligence has become a routine feature of mergers and acquisitions, widely deployed for target screening, valuation support, and due diligence. While industry commentary often frames this diffusion as the automation of dealmaking, its practical consequences for how M&A work is performed remain poorly understood. Drawing on interviews with senior M&A practitioners and industry evidence, this article examines how AI reshapes dealmaking by reweighting effort, time pressure, and risk across the deal lifecycle. We show that AI delivers large efficiency gains (40-45%) in the analytical work at the front end of deals, substantially compressing preparation time. In contrast, we find that the impact on judgment-, governance-, and leadership-intensive work in negotiation and post-merger integration is limited. As a result, AI is not eliminating complexity in M&A, but it is relocating it: analytical delays disappear while uncertainty, accountability, and execution challenges remain. The net effect is faster movement from opportunity identification to commitment, increasing the exposure of senior judgment and integration capacity. We argue that the central managerial challenge is therefore not AI adoption, but redesigning M&A processes, staffing models, governance, and integration capability so that analytical acceleration does not outpace decision quality and execution capacity.

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Artificial intelligence (AI) is routinely used in the mergers and acquisitions (M&A). It is used by investment banks, consulting firms, and law firms for target screening, valuation support, and due diligence to the point, one expert told us, it “is part of the plumbing.”

This rapid adoption has triggered a familiar narrative. AI is increasingly presented as a general-purpose technology that will “have a greater impact on deal execution than any technology in recent memory,” and surveys suggest that **64% of C-suite executives expect, therefore, that AI to “revolutionize” mergers and acquisitions in the coming years¹.**

Yet this narrative glosses over a more uncomfortable question: does AI merely make M&A faster, or does it improve the parts of the process that determine success?

The central argument of this article is that AI reshapes M&A not by eliminating complexity, but by relocating it. AI compresses analytical preparation time while leaving judgment, authority, and execution capacity largely unchanged. Decisions arrive sooner, with fewer natural pauses for deliberation. The consequence is not simpler decision-making, but more time-pressured decision-making, in which errors surface faster and are harder to contain. And decades of research suggest that these sorts of effects do not improve mergers and acquisition performance. After all, acquisitions rarely fail because organizations lack information or analytical sophistication, they fail managers don’t manage people well.

To make this shift visible, we examine how deal work is performed in mergers and acquisitions in practice. Distinguishing between analytical-, judgment-, and leadership-intensive work, we show that AI delivers substantial efficiency gains in the front end of the

deal, where analytical and document-heavy tasks dominate, while having a far more limited impact in the back end, where negotiation, governance, and post-merger integration depend on human judgment and leadership. Because it is in these later stages that value is ultimately realized, the core sources of M&A risk remain stubbornly resistant to automation.

This redistribution of effort within the process has important consequences. For advisory, AI undermines junior-heavy business models and exposes senior judgment more directly. For corporate acquirers, it expands opportunity flow without expanding execution capacity. In both cases, the challenge, therefore, is no longer whether AI can accelerate M&A, but whether organizations can adapt to absorb that speed responsibly.

Managers therefore face a strategic choice: to use AI as a tool to do the same things faster, or to redesign how M&A work is organized, governed, and led. The first path risks amplifying existing weaknesses. The second requires recognizing where human judgment remains indispensable and deliberately protecting, developing, and deploying it.

How Deal Work Actually Gets Done

To understand the role of AI in M&A it is useful to understand the typical M&A stages: from strategy, to screening, valuation, diligence, negotiation, approval and, finally, to integration (see Figure 1). To understand where AI can help, however, it is more important, to understand the type of work that is involved within and across these stages.

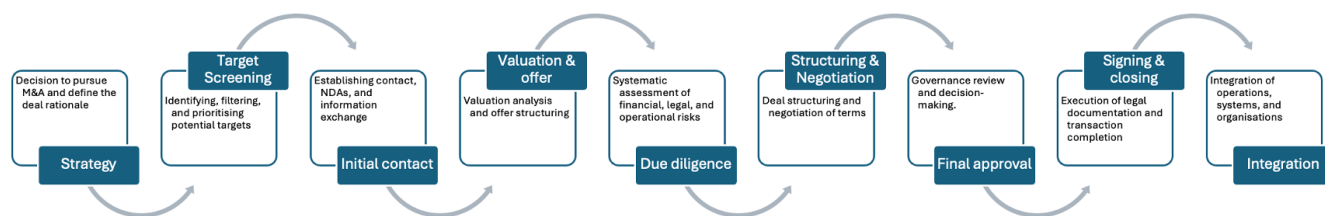


Figure 1. The M&A Process

For example, in the front end of the deal – which encompasses the screening, valuation, and due diligence stages – the dominant work is analytical in nature. These stages require large volumes of data to be collected, processed, structured, and compared in order to identify potential targets, assess strategic and financial fit, build valuation models, and review extensive documentation. The work is repetitive, data-heavy, and scale-dependent, and has historically been carried out by large, junior-heavy teams within advisory firms and corporate development functions. It is precisely these characteristics that make front-end deal work highly susceptible to automation and augmentation through AI.

By contrast, in the back end of the deal – which encompasses negotiation, governance approval, and post-merger integration – the dominant work is judgment- and leadership-intensive. These stages hinge on interpreting incomplete and contested information, resolving trade-offs among competing objectives, aligning stakeholders with divergent interests, and exercising authority under uncertainty. The work depends on contextual understanding, credibility, and accountability rather than on speed, scale, or consistency. And the decisions cannot be automated without stripping them of responsibility. As a result, back-end deal work remains concentrated among senior managers, partners, board members, and integration leaders and is, as a result, far less susceptible to standardization or automation.

Task Category	Example Activities	AI Tools	Capabilities / How Used in M&A
Analytical-Intensive	Target screening & research	AlphaSense, Sentieo, CB Insights, Bloomberg GPT	Automated search, pattern detection, summarisation across news, filings, sector data; flags target signals and trends.
	Valuation & benchmarking	FactSet, Capital IQ, Alteryx, Excel Copilot	Extracts relevant comparables, automates data refresh in models, accelerates scenario analysis and data prep.
	Legal due diligence (contract analytics)	Luminance, Kira Systems (Litera), Eigen, Diligen, Seal (DocuSign Insight)	Contract review, clause extraction, anomaly highlighting, term classification, risk flagging across large document sets.
	Financial & operational due diligence	MindBridge Ai Auditor, CaseWare Analytics, Aclaro AI	Anomaly detection in accounting data, automated analytics for financial trends and risk indicators.
	Document organisation & workflow	HighQ (Thomson Reuters), Brainspace, Everlaw	Clustering, relevance ranking, concept search, tagging and filtering of large document collections in data rooms.
Judgment-Intensive	Scenario briefs, negotiation prep	ChatGPT Enterprise, Microsoft Copilot, Google Gemini/Vertex AI, Notion AI	Summarisation of documents, first-draft memoranda, synthesis of research — <i>assistance for human evaluative work.</i>
Leadership-Intensive	KPI tracking & integration dashboards	Power BI (AI visuals), Tableau (AI augmentations), Workday Prism	Presents automated integration KPIs, visualises performance against targets; supports monitoring, not decision-making.

Table 1. AI tools per task

Table 1 summarizes the main categories of work involved in mergers and acquisitions, provides illustrative examples of AI-enabled tools referenced in the literature and in our interviews, and describes how these tools are used in practice.

How AI Reweights Effort and Risk

To gauge the magnitude of the gains associated with AI, and to locate where in the deal process those gains arise, we draw on industry estimates and interviews with senior practitioners. Consistent with the work-based distinction introduced in the previous section, a clear and recurring pattern emerged across all sources.

Front-End Acceleration: Less Effort, More Momentum

We find consistent evidence that AI is materially reshaping target screening. Deal teams are using AI-augmented data platforms to scan large universes of potential targets, to automate long-list creation, to flag adverse signals, and to surface sector patterns. Interviewees consistently reported that, because of this, screening cycles are being compressed from weeks to days and even hours. And industry estimates suggest total efficiency improvements in screening of roughly 30–40 percent². As one expert put it, *“screening used to be constrained by how many people we had; now it’s constrained by how quickly we’re willing to decide what matters.”*

Valuation follows a similar pattern: AI is not replacing it, but it is accelerating the mechanics that support it. Interviewees described using AI-enabled features embedded in platforms that allow them to refresh models, run sensitivity analyses, and to reconcile assumptions in near real time. Because of this, industry estimates suggest that 30–50 percent less time is being spent on modelling and scenario analysis³. The benefit, as one manager noted, is *“we’re not deciding less, we’re deciding more often, because the model is almost immediately available and always ready.”*

The most pronounced effects of AI, however, appear in due diligence. Here, AI-enabled document analytics tools are being widely used to process large amounts of documents and to flag anomalies. The gains are significant: legal and financial diligence teams, for

example, report that AI offers efficiency gains of 40–70 percent, depending on deal complexity and data quality⁴. As one expert observed, “*diligence isn’t about being clever: it’s about not missing things. And AI is very good at not missing things.*”

Taken together, these gains substantially compress front-end processes. Aggregating task-level estimates across screening, valuation support, and diligence suggests that front-end labour input in a typical mid-market deal can be reduced by approximately 40–45 percent⁵.

Back-End Inertia: Where AI Largely Stops

By contrast, AI’s influence weakens sharply in the later phases of the deal lifecycle. In negotiation, for example, we hear that AI is being used to summarize information, draft briefs, and rehearse scenarios, but the bargaining itself – where most of the work is – remains interpersonal and adaptive. As one expert put it: “*AI helps you walk into the room better prepared, but it doesn’t do the talking for you.*” There is little evidence, therefore, that AI meaningfully reduces the time or the complexity of negotiation in the deals process.

The same pattern holds for governance and approval. AI is being used to support consistency checks and materials preparation, but investment committees and boards are not willing to delegate accountability for capital allocation decisions. Deliberation remains human. As an interviewee put it, “*no algorithm is going to raise its hand, take responsibility, and explain to shareholders why this deal went wrong.*”

Post-merger integration is, however, where AI’s limits are most visible. Research suggests that AI analytics and dashboards are being used to improve visibility into KPIs and milestones, but integration success depends on leadership, coordination, and the management of organizational frictions. Interviewees reported modest efficiency gains in reporting and tracking, typically in the range of 20–40 percent⁶, but little reduction in the time or effort required for cultural alignment, conflict resolution, or change management. As one partner put it, “*the spreadsheets get better, but the people problems don’t go away.*”

The Net Effect

Table 2 provides illustrative estimates of how AI-enabled tools affect labor input across the stages of the M&A process. It reports approximate full-time equivalent (FTE) months associated with key activities in a typical mid-market transaction and indicative ranges of efficiency gains where AI is currently deployed. The numbers are based on industry estimates. It reports that AI-enabled efficiency gains in the front-end range from **30–70%**, **but in the back end the effects are negligible**. Aggregated across these stages, the total gain is roughly **25–30%**, equivalent to more than a year of junior-level effort in a typical transaction.

Stage	Process	Type (A=Analytical, J=Judgement, L=Leadership)	Approx FTE- Months	Savings
Strategy	Portfolio & gap analysis	A	1.00	10-20%
	Strategic intent, deal thesis, guardrails,	J/L	2.00	~ 0%
Target Screening	Data gathering & long-list creation	A	2.00	40-60%
	Filtering & red-flag scanning	A	1.00	30-50%
	Strategic prioritisation & contact planning	J/L	1.50	~ 0%
Initial Contact	Relationship building, NDA, information	J/L	0.50	~ 0%
Valuation & Offer	Financial modelling & sensitivities	A	2.00	30-50%
	Synergies, structure logic, offer design	J/A	1.00	10-20%
Due Diligence	Data collection & organisation	A	2.00	40-60%
	Financial Due diligence	A	3.00	30-50%
	Legal Due diligence	A	4.00	50-70%
	Tax Due diligence	A	2.00	30-50%
	Commercial Due diligence	A	4.00	20-40%
	HR, culture, synthesis & judgment	A/J	1.00	~ 0%
Structuring & Negotiation	Tax/legal structuring & drafting	A	3.50	20-40%
	Negotiation & escalation	J/L	3.00	~ 0%
Final Approval	Model checks & IC/board materials	A	1.00	20-40%
	Deliberation & decision	J/L	0.50	~ 0%
Signing & Closing	Documentation, compliance, tracking	A	1.50	20-40%
	Human coordination & execution	L	0.50	~ 0%
Integration	KPI tracking & reporting	A	3.00	20-40%
	Leadership, org design, culture, coordination	J/L	15.00	~ 0-5%
Totals			55.00	≈ 25-30%

Table 2. Estimated AI enabled Improvements

The New Bottleneck

The uneven impact of AI across the deal lifecycle produces a structural shift in where risk resides. Historically, M&A processes were slowed by analytical work. Data gathering, modelling, and diligence absorbed time and effort, creating natural pauses between

opportunity identification and commitment. Those pauses provided space for informal deliberation, escalation, and second thoughts. AI removes many of them.

As analytical preparation accelerates, moments of commitment arrive sooner. Interviewees repeatedly emphasized that decisions are now reached faster, often with less informal discussion along the way. Judgment becomes more exposed, not because it is replaced, but because it must be exercised under tighter time constraints. Errors surface earlier and propagate more quickly. As one dealmaker put it, *“AI doesn’t change what can go wrong, but it does make it happen faster.”* The central risk, therefore, is not automation of judgment, but compression of the time available to exercise it.

This shift also reweights the importance of post-merger integration. As the distance between opportunity identification and execution shrinks, organizations place greater strain on senior leadership bandwidth and change-management capacity. Integration leaders are asked to absorb decisions that arrive faster, with less upstream digestion. As one manager told us, *“The bottleneck has moved in the last few years. We now spend less time analysing and much more time dealing with integration issues.”* Seen in this light, AI does not simplify M&A. It redistributes where effort, attention, and failure are most likely to occur.

Redesigning M&A for AI World

If AI primarily accelerates analytical work while leaving judgment and leadership intact, then the central managerial challenge is not adoption but redesign. Organizations that layer AI onto existing M&A processes risk moving faster without becoming better. Capturing value requires deliberate changes to how deals are staffed, governed, and integrated.

Redesigning Acquisition Processes: Slowing Down the Right Moments

The first redesign challenge concerns process architecture. AI removes friction from screening, modelling, and diligence, but it does not reduce uncertainty or resolve trade-offs. Managers must therefore resist the temptation to let analytical speed dictate decision

tempo. In practice, this means reintroducing deliberate pauses at key decision points. Investment committees, boards, and executive teams should not treat faster preparation as a signal to compress deliberation. On the contrary, as analytical bottlenecks disappear, organizations need clearer escalation rules, stronger decision protocols, and explicit checkpoints where assumptions are challenged and alternatives are surfaced. The goal is not to slow deals down arbitrarily, but to slow down the moments that matter. AI makes it easier to arrive at a recommendation. But, as of now, it does not make it easier to decide well.

Redesigning Deal Teams: Moving from More Leverage to More Judgment

AI also forces a rethink of how deal teams are staffed. Traditional M&A teams and advisory models were built around leverage. Large numbers of junior professionals processed information under the supervision of a small number of seniors. AI substitutes directly for much of that processing capacity. As a result, deal teams become leaner and more senior. This shift increases the leverage of experienced judgment but also concentrates risk. Fewer people see the full picture. Fewer opportunities exist for informal error detection. Managers must therefore be intentional about how responsibility is distributed and how dissent is surfaced. For advisors, this challenges the economic logic of junior-heavy pyramids and time-based billing models. For corporate acquirers, it implies a move toward smaller corporate development teams with deeper strategic and integration expertise. In both cases, the value proposition shifts from capacity to judgment.

Redesigning talent pipelines: protecting apprenticeship under automation

A less visible but more consequential issue concerns talent development. Junior analytical work has historically served as an apprenticeship mechanism through which future senior dealmakers learned how transactions unfold. As AI absorbs much of this work, that pipeline thins. Organizations that fail to address this risk may find themselves with experienced decision-makers today but insufficiently trained ones tomorrow. Protecting apprenticeship does not require preserving inefficient processes, but it does require

creating alternative learning paths. Shadowing senior decision-makers, rotating talent through integration roles, and exposing juniors to judgment-intensive tasks earlier become more important as traditional analytical entry points disappear. This challenge applies equally to advisory firms and corporate acquirers. AI may reduce the need for junior labour, but it does not reduce the need for experienced judgment. That judgment must still be developed.

Redesigning Governance: Aligning Speed with Accountability

As AI accelerates front-end activity, governance structures come under strain. Faster deal cycles increase the frequency with which major capital allocation decisions must be made. Without clear accountability, and cognitive capacity, organizations risk diffusing responsibility while amplifying exposure. Managers should therefore treat AI adoption as a governance issue, not just a technology investment. This includes clarifying who owns decisions, how escalation works, and how accountability is maintained when analytical preparation is automated. AI can support governance by improving transparency and consistency, but it cannot replace it. Well-designed governance absorbs speed without becoming brittle. Poorly designed governance amplifies it into failure.

Redesigning Integration Capability: Shifting Attention to the Back End

Finally, AI's uneven impact makes post-merger integration relatively more important. As the distance between opportunity identification and execution shrinks, organizations place greater strain on integration leaders, line managers, and operating units. Yet integration capability is often underdeveloped relative to front-end deal expertise. Managers should resist the impulse to invest disproportionately in screening and diligence tools while neglecting the leadership and coordination required after closing. If anything, faster deal cycles increase the need for integration discipline, not reduce it. Organizations that treat integration as an afterthought will experience AI as a force multiplier for failure. Those that invest deliberately in integration capability are more likely to benefit from acceleration upstream.

Conclusion

The evidence suggests, therefore, that artificial intelligence will revolutionize M&A. But the nature of that revolution is not the one most managers anticipate.

By sharply accelerating analytical preparation, AI removes delay rather than uncertainty. Screening, modelling, and diligence now consume far less time and labour, while judgment, accountability, and integration capacity remain largely unchanged. What disappears is the buffer that analytical work once provided. Decisions arrive sooner, with fewer natural pauses for deliberation, challenge, and coordination. In this sense, AI does not simplify dealmaking. It compresses it. This shift redistributes both effort and risk. Junior analytical work declines, deal teams flatten, and advisory models built on leverage come under strain. At the same time, senior decision-makers become more exposed. Commitments must be made earlier, under tighter time pressure, and with less organizational slack to absorb error. As one senior dealmaker put it, *“AI takes weeks out of the process, not risk.”*

The managerial implication is therefore not one of enthusiasm or resistance, but of design. Organizations that treat AI as a way to move faster through existing M&A processes risk amplifying their weakest points sooner and doing worse deals because of it. Those that recognize how AI reweights judgment, governance, and integration demands can use acceleration to their advantage, but only if they deliberately redesign decision rights, escalation protocols, and integration capability to absorb it. Seen this way, AI does revolutionize M&A. Not by automating the hard parts, but by exposing them.

References

1. See Accenture, Reinventing M&A with Generative AI, Accenture Strategy report (2024), based on a survey of C-suite executives with responsibility for mergers and acquisitions.
2. Industry estimates of screening efficiency gains in the range of 30–40% are reported in consulting and practitioner studies examining AI-enabled target identification and

filtering. See Bain & Company, *Global M&A Report 2024* (2024); Deloitte, *Generative AI in M&A* (2025); McKinsey & Company, *Gen AI in M&A: From Theory to Practice* (2024).

3. Estimates suggesting reductions of approximately 30–50% in time spent on financial modelling and scenario analysis are drawn from practitioner analyses. See Deloitte, *Generative AI in M&A* (2025); Brynjolfsson, Rock, and Syverson, “The Productivity J-Curve,” *American Economic Journal: Macroeconomics* 13, no. 1 (2021): 333–372.
4. Reported reductions in document review effort of 40–70% during due diligence reflect widespread use of AI-enabled contract analytics and anomaly detection tools in legal and financial diligence. See EY, *How AI Will Impact Due Diligence in M&A Transactions* (2023); Deloitte, *State of AI in the Enterprise*, 5th ed. (2024); Harvard Center on the Legal Profession, *The Impact of Artificial Intelligence on Law Firms’ Business Models* (2023).
5. Aggregate estimates suggesting overall front-end labour reductions of approximately 40–45% are derived by combining task-level efficiency gains reported for screening, valuation, and due diligence in mid-market transactions. These figures should be interpreted as order-of-magnitude estimates rather than precise forecasts. See Bain & Company, *Global M&A Report 2024* (2024); Deloitte, *Generative AI in M&A* (2025); McKinsey & Company, *Gen AI in M&A: From Theory to Practice* (2024).
6. Estimates suggesting modest efficiency gains of approximately 20–40% in post-merger integration reporting and tracking reflect the use of AI-enabled dashboards and analytics for monitoring KPIs, milestones, and integration progress, rather than improvements in integration outcomes themselves. See Deloitte, *State of AI in the Enterprise*, 5th ed. (2024); Bain & Company, *Global M&A Report 2024* (2024). Evidence that integration performance continues to depend primarily on leadership, coordination, and the management of organizational frictions is consistent with prior research on post-merger integration.



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