

# The M&A Cognitive Dissonance

Nordic's 5 market signals expose M&A's cognitive dissonance that despite a reputation for rigour, studies show 70–90% of deals fail.

For decades, the M&A practice has held a reputation for rigor and precision. But is it deserved? Seminal and recent studies agree that roughly 70% to 90% of deals fail to meet their objectives [1]. Would any other industry survive at this rate? Are beliefs and facts aligned?

## Nordic presents 5 Market Signals to rethink the narrative:

1- Most M&A assessments analyze what is concretely measurable and struggle with intangibles. The core issue is not arithmetic; it is a narrow perspective. Hyper specialization has reduced the number of generalists who connect dots across functions and contexts. [2]

2- There is a gap in social skills, with newer generations showing the sharpest decline; industry leaders state soft skills are as critical as technical skills, yet the field remains undertrained in these areas. [2][3]

3- The M&A industry is moving contrary to the evidence: More AI, fewer humans, "Meet your new investment banker: an AI chatbot" [4]. Agentic tools are joining deal execution, and the human side is neglected precisely where ambiguity demands a holistic judgment.

4- The n°1 issue when closing deals is agreeing on valuation [5]. Since traditional valuations do not guarantee accuracy, operational and cultural due diligence become compulsory and will decide the next decade's M&A winners and losers.

5- At Nordic, we are receiving an increasing number of existing customers demanding support in their M&A activity, with an explicit request for an operational and human-oriented approach.

To this day, the leading driver of M&A activity is still enabling growth in the core business [5], and that growth ambition collides with the 3 main reasons for failing to capture revenue synergies:

- (i) ineffective product-portfolio mix,
- (ii) unsuccessful go-to-market implementation, and
- (iii) inability to incentivize and mobilize the sales team [6].

**The real-world implication is clear:** go-to-market integrators, sales specialists, and distribution network experts are set to become the value-creation enablers that the M&A industry needs.

***"M&A credibility is threatened by the blind spot around culture and operations."***



## References:

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[2] Investment Professional of the Future (2019).

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[3] Why the Social and Verbal Skills of Some Gen Z Workers Have Declined.

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[5] 2025 M&A Deal Market Study (drivers of activity and top closing obstacles).

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[6] Bringing Science to the Art of Revenue Synergies (top challenges to capturing revenue synergies).

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