# Cost Synergy Leakage: Why Savings Disappear into Inflation, Dis-synergies and New Controls

*A Gross-to-Net Framework for Baselines, Timing, One-Time Cost, Reinvestment and Realised Cash*

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## Abstract

*Cost synergies can appear persuasive at signing and disappear during ownership. A gross saving may be measured against an obsolete baseline, inflated by price movement, delayed by dependencies, absorbed by implementation and severance, offset by stranded cost and customer disruption, or replaced by new expenditure on controls, resilience, data, compliance and operating capacity. This paper develops an evidence-led gross-to-net framework for underwriting and governing cost synergy. Every initiative receives a unique identifier, frozen baseline, indexed counterfactual, quantity and rate bridge, accountable owner, dependency map, action plan, cost to achieve, timing, cash profile and approved measurement rule. The framework separates sourcing benefit, demand and specification change, volume, inflation, foreign exchange, accounting classification and buyer action. It maps technology, data, cybersecurity, finance, people, organisation, compliance, customer, supplier, facilities, product, brand and transition-service costs. Stranded costs remain until contracts, roles, systems, leases and shared services actually exit. Dis-synergies include lost buying power, service degradation, revenue conflict, duplicated controls, tax leakage and transition inefficiency. Reinvestment required to preserve quality, safety, resilience and growth is charged to the same economic case. The board bridge distinguishes gross opportunity, executable plan, validated run-rate, recognised result, cumulative cash and sustainable net benefit. Five figures, five tables, eight frequently asked questions and twenty-six primary or authoritative references support implementation. Numerical values are illustrative analytical scenarios. Transaction conclusions require verified commercial, operational, technology, workforce, legal, regulatory, accounting, tax, treasury, valuation, financing and transaction evidence and authorised professional advice.*

JEL Classification: G32, G34, M21, M41, L22, D24

Keywords: cost synergies, synergy leakage, inflation, dis-synergies, implementation cost, reinvestment, M&A, realised cash, integration controls

## 1. Define the cost-synergy value question

Translate each headline saving into a controlled bridge from gross opportunity to sustainable net cash benefit.

The synergy economics team should reconcile investment case, diligence, operating models, forecasts and approvals. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a cost-synergy economics mandate.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 2. Set the gross-to-net synergy perimeter

Include baseline drift, volume and rate effects, inflation, foreign exchange, implementation, restructuring, stranded cost, dis-synergy, reinvestment, tax, contingency and cash timing.

The synergy economics team should reconcile purchase agreement, plans, ledgers, contracts, estimates and accounting policy. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a gross-to-net synergy taxonomy.

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## 3. Establish evidence integrity

Preserve source, date, scope, version, owner and limitation for every cost and benefit.

The synergy economics team should reconcile native records, contracts, workpapers, models, interviews and approvals. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an synergy-evidence register.

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## 4. Map the post-synergy operating model

Define processes, systems, people, locations, controls and service levels required after integration.

The synergy economics team should reconcile strategy, operating models, architecture, organisation and customer commitments. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a target operating blueprint.

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## 5. Map the savings-delivery architecture

Sequence Day One, stabilisation, migration, consolidation and optimisation across dependencies.

The synergy economics team should reconcile workstream plans, milestones, critical paths, cutovers and governance. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration transition map.

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## 6. Cost synergy governance

Estimate integration leadership, workstream, PMO, assurance, communications and reporting resources.

The synergy economics team should reconcile resourcing plan, rates, duration, governance and delivery model. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a programme-governance budget.

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## 7. Cost systems integration

Price applications, infrastructure, licences, interfaces, testing, migration, decommissioning and support.

The synergy economics team should reconcile inventories, contracts, architecture, vendor quotes and technical plans. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a systems integration budget.

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## 8. Cost data migration

Estimate extraction, cleansing, mapping, consent, retention, reconciliation, testing and archive needs.

The synergy economics team should reconcile data inventories, quality profiles, privacy records, volumes and designs. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a data migration budget.

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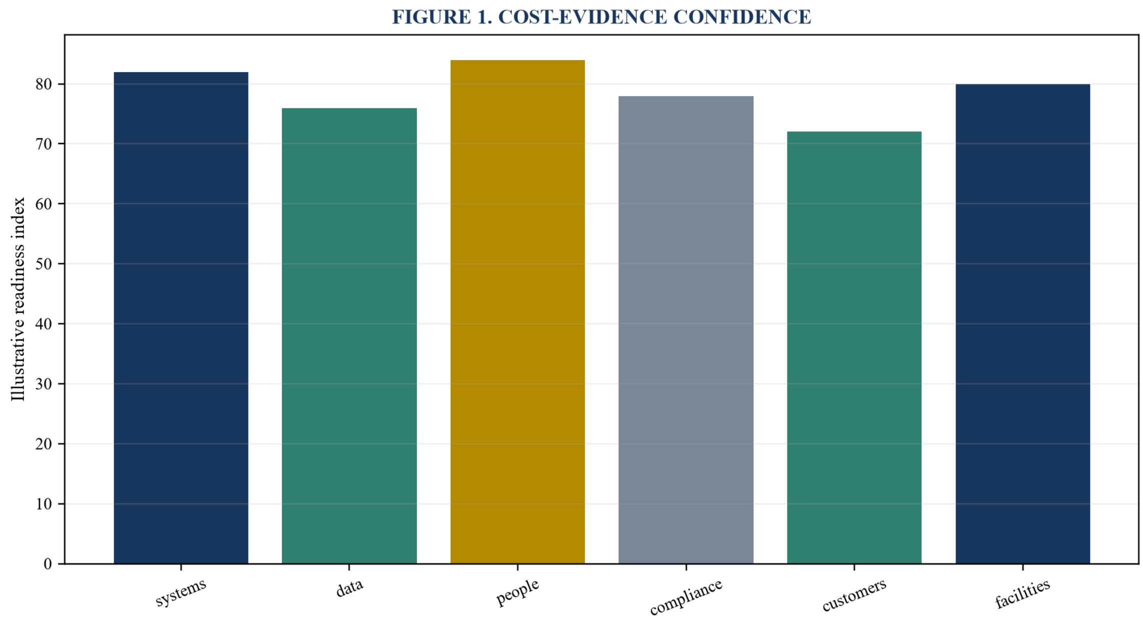
**Table 1. Integration cost taxonomy**

| Cost layer | Primary evidence | Decision use |
|---|---|---|
| systems | architecture and quotes | migration budget |
| people | workforce and terms | transition budget |
| compliance | obligations and gaps | remediation budget |
| customers | cohorts and service data | protection budget |

*Illustrative programme design; company-specific facts and authorised advice govern.*

**Figure 1. Cost-evidence confidence**




*Values are illustrative readiness indices and require company-specific evidence.*

## 9. Cost cybersecurity integration

Price identity, network, monitoring, remediation, resilience, incident readiness and secure cutover.

The synergy economics team should reconcile security assessments, architecture, tool contracts, tests and risk register. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a cyber integration budget.

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## 10. Cost finance integration

Estimate close, reporting, chart of accounts, consolidation, controls, treasury, tax and audit changes.

The synergy economics team should reconcile finance processes, systems, controls, calendars and adviser estimates. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a finance integration budget.

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## 11. Cost people transition

Price retention, severance, consultation, recruitment, mobility, benefits and payroll change.

The synergy economics team should reconcile workforce data, plans, contracts, law, benchmarks and advice. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a people transition budget.

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## 12. Cost organisation redesign

Estimate role design, selection, spans, layers, onboarding, training and productivity ramp.

The synergy economics team should reconcile organisation data, target model, talent evidence and transition plan. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an organisation change budget.

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## 13. Cost culture and communication

Fund leadership alignment, listening, communications, change networks and behaviour reinforcement.

The synergy economics team should reconcile culture evidence, stakeholder map, plan, channels and measurement. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a culture transition budget.

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## 14. Cost compliance integration

Price licences, filings, policies, remediation, testing, surveillance and regulatory engagement.

The synergy economics team should reconcile obligations, licences, gaps, regulator correspondence and plans. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a compliance integration budget.

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## 15. Cost customer continuity

Estimate account coverage, communications, contract changes, service protection and remediation.

The synergy economics team should reconcile CRM, contracts, service metrics, complaints, research and account plans. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a customer protection budget.

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## 16. Cost supplier transition

Price consent, novation, repricing, dual running, exit, onboarding and continuity protection.

The synergy economics team should reconcile supplier contracts, dependencies, spend, risks and procurement plan. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a supplier transition budget.

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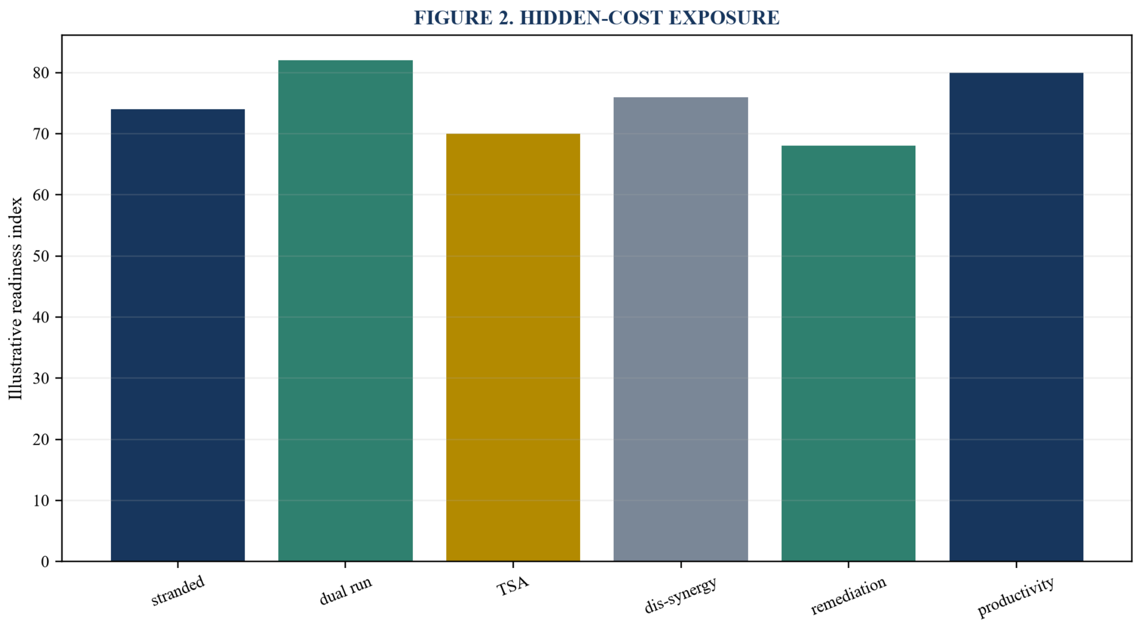
**Table 2. Hidden-cost register**

| Hidden item | Failure signal | Economic effect |
|---|---|---|
| stranded cost | cost does not exit | lower synergy |
| dual running | cutover delay | cash overrun |
| dis-synergy | lost scale or revenue | value leakage |
| remediation | service or control failure | unplanned spend |

*Illustrative programme design; company-specific facts and authorised advice govern.*

**Figure 2. Hidden-cost exposure**

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## 17. Cost facilities and operations

Estimate consolidation, fit-out, relocation, closure, impairment, logistics and productivity effects.

The synergy economics team should reconcile leases, assets, capacity, location plans, quotes and operating data. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a facilities integration budget.

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## 18. Cost product and brand migration

Price portfolio decisions, packaging, approvals, rebranding, channels and customer adoption.

The synergy economics team should reconcile product economics, IP, inventory, regulation, research and launch plans. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a product transition budget.

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## 19. Cost transaction-service arrangements

Model service scope, pricing, volumes, duration, exits, extensions and stranded dependencies.

The synergy economics team should reconcile TSA schedules, service baselines, contracts and separation plans. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a TSA cost-and-exit model.

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## 20. Keep stranded costs in the bridge

Locate residual people, systems, leases, vendors and shared services after planned synergies.

The synergy economics team should reconcile cost centres, allocations, contracts, capacity and separation evidence. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a stranded-cost register.

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## 21. Quantify dis-synergies

Estimate lost buying power, revenue conflict, tax leakage, duplicated controls and transition inefficiency.

The synergy economics team should reconcile commercial data, contracts, tax, operations and scenarios. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a dis-synergy schedule.

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## 22. Allocate benefit and cost ownership

Distinguish seller, buyer, target, shared, reimbursable and disputed obligations.

The synergy economics team should reconcile purchase agreement, TSA, employment terms, contracts and legal advice. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration cost responsibility matrix.

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## 23. Separate run-rate, accounting and cash timing

Map commitment, cash payment, accounting recognition, tax effect and benefit start by period.

The synergy economics team should reconcile contracts, project plan, accounting policy, tax advice and cash forecast. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration cash curve.

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## 24. Build the quantity-rate gross saving

Use quantities, rates, duration, dependencies and named assumptions for every work package.

The synergy economics team should reconcile work breakdown, vendor quotes, benchmarks, capacity and owner estimates. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a bottom-up integration estimate.

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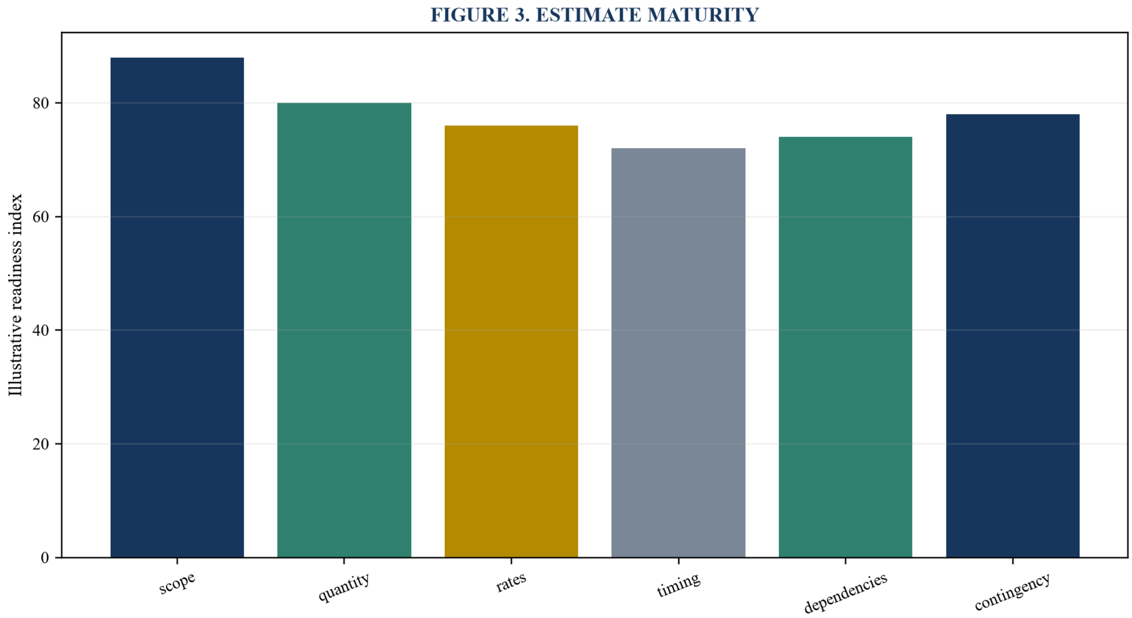
**Table 3. Estimate-control architecture**

| Control | Required evidence | Output |
|---|---|---|
| scope | work breakdown | complete perimeter |
| quantity | volume and duration | cost driver |
| rate | quote or benchmark | unit cost |
| contingency | risk and maturity | approved reserve |

*Illustrative programme design; company-specific facts and authorised advice govern.*

**Figure 3. Estimate maturity**




*Values are illustrative readiness indices and require company-specific evidence.*

## 25. Set contingency and confidence gates

Apply evidence-based uncertainty, correlation, maturity and decision-gate allowances without hiding scope.

The synergy economics team should reconcile risk register, estimate class, scenario data and governance. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration contingency model.

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## 26. Test accounting treatment

Separate acquisition consideration, transaction expense, restructuring, capitalisable spend and impairment.

The synergy economics team should reconcile IFRS or GAAP policy, contracts, plans, advice and audit evidence. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration accounting bridge.

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## 27. Test tax treatment

Assess deductibility, VAT or sales tax, payroll, withholding, transfer pricing and deferred tax.

The synergy economics team should reconcile cost taxonomy, jurisdictions, invoices, structures and tax advice. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration tax bridge.

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## 28. Test cumulative cash and liquidity

Connect payment timing, working capital, minimum cash, facilities and covenant definitions.

The synergy economics team should reconcile cash curve, financing model, facilities, covenants and treasury policy. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration liquidity bridge.

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## 29. Validate the gross saving

Require baseline, action, owner, timing, cost, dependency and measurement for every benefit.

The synergy economics team should reconcile value thesis, ledgers, operating data, plans and benchmarks. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a synergy evidence schedule.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 30. Calculate sustainable net synergy value

Bridge gross synergy to implementation cost, stranded cost, dis-synergy, disruption, tax and timing.

The synergy economics team should reconcile cost model, benefit schedule, valuation and discount rate. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a sustainable net synergy value bridge.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 31. Stress inflation, delay and reinvestment

Vary scope, delay, inflation, adoption, customer loss, productivity and financing conditions.

The synergy economics team should reconcile risk register, history, market evidence and integrated model. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration scenario library.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 32. Quantify customer disruption

Model churn, price leakage, service failures, delayed sales and remediation by cohort.

The synergy economics team should reconcile CRM, service data, contracts, complaints, pipeline and scenarios. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a customer revenue-at-risk model.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

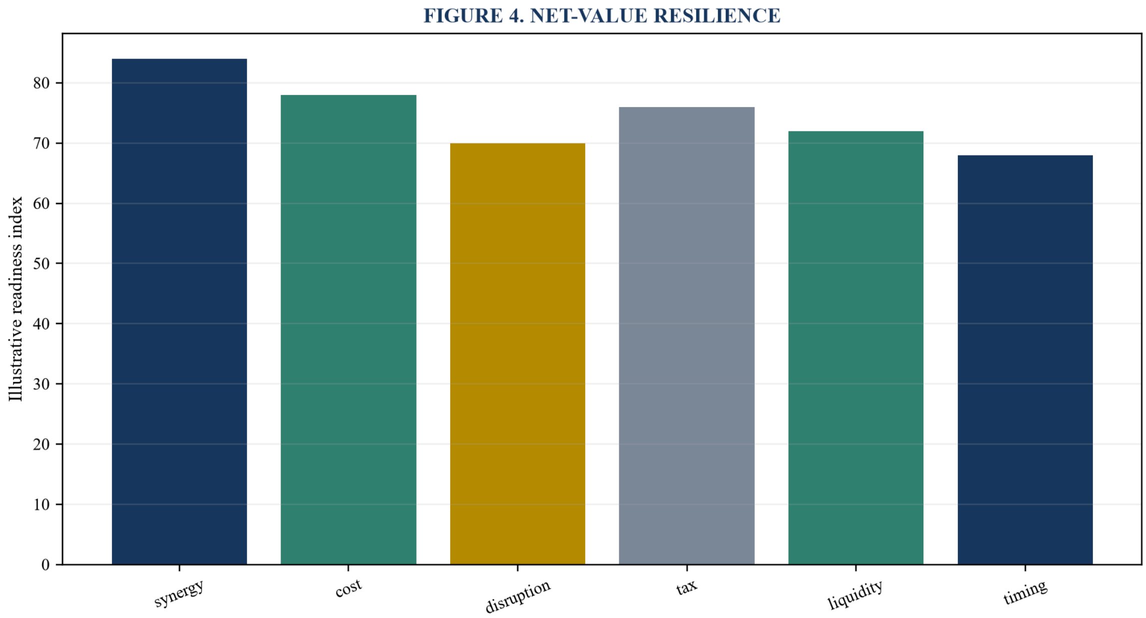
Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

**Table 4. Net-value bridge**

| Layer | Treatment | Control |
|---|---|---|
| gross synergy | benefit cash flow | baseline and owner |
| implementation | cash cost | work package |
| disruption | lost contribution | cohort model |
| timing | discount and delay | milestone gate |

*Illustrative programme design; company-specific facts and authorised advice govern.*

**Figure 4. Net-value resilience**




*Values are illustrative readiness indices and require company-specific evidence.*

## 33. Quantify productivity disruption

Estimate management distraction, vacancy, training, dual running, cutover and learning curves.

The synergy economics team should reconcile capacity, time records, transition plan, workforce data and benchmarks. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a productivity loss model.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 34. Quantify working-capital effects

Model billing, collections, inventory, supplier terms, cutover errors and cash controls.

The synergy economics team should reconcile ageing, inventory, terms, systems, forecasts and scenarios. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration working-capital bridge.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 35. Translate leakage into the financing case

Test liquidity, leverage, coverage, covenant headroom and refinancing after integration cash.

The synergy economics team should reconcile financing model, cost curve, downside cases and debt documents. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration debt-capacity stress.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 36. Design Day-One controls

Protect authority, cash, customers, people, systems, data, compliance and incident response.

The synergy economics team should reconcile Day-One plan, delegations, access, testing and escalation. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is a Day-One value-protection plan.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 37. Build the one-hundred-day synergy plan

Sequence critical integration actions, decisions, spending and benefit gates with owners.

The synergy economics team should reconcile transition map, budgets, milestones, dependencies and reporting. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration execution roadmap.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 38. Govern change and scope

Control baselines, change requests, approvals, forecasts, contingencies and benefit trade-offs.

The synergy economics team should reconcile PMO records, model, risk register, authority and audit trail. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration change-control system.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 39. Monitor gross-to-net value

Track commitments, cash, forecast at completion, synergies, disruption and net present value.

The synergy economics team should reconcile ledgers, contracts, PMO, operating data and dashboards. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration value-control dashboard.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

## 40. Issue the cost-synergy conclusion

State full cost, cash timing, net value, downside, funding, conditions and operating controls.

The synergy economics team should reconcile reconciled evidence, models, plans, advice and approvals. Each conclusion records the accountable owner, source, assessment date, model version, evidence, cash consequence, value effect, dependency, control and unresolved exception. The immediate output is an integration-economics certificate.

Cost synergy must be proved through operating evidence and realised cash after inflation, full implementation cost, stranded cost, dis-synergy, reinvestment and disruption. Reviewers test scope, quantities, rates, timing, dependencies, accounting, liquidity and benefit delivery against native records and observed performance. The investment case, target operating model, transaction documents and governing law control every conclusion.

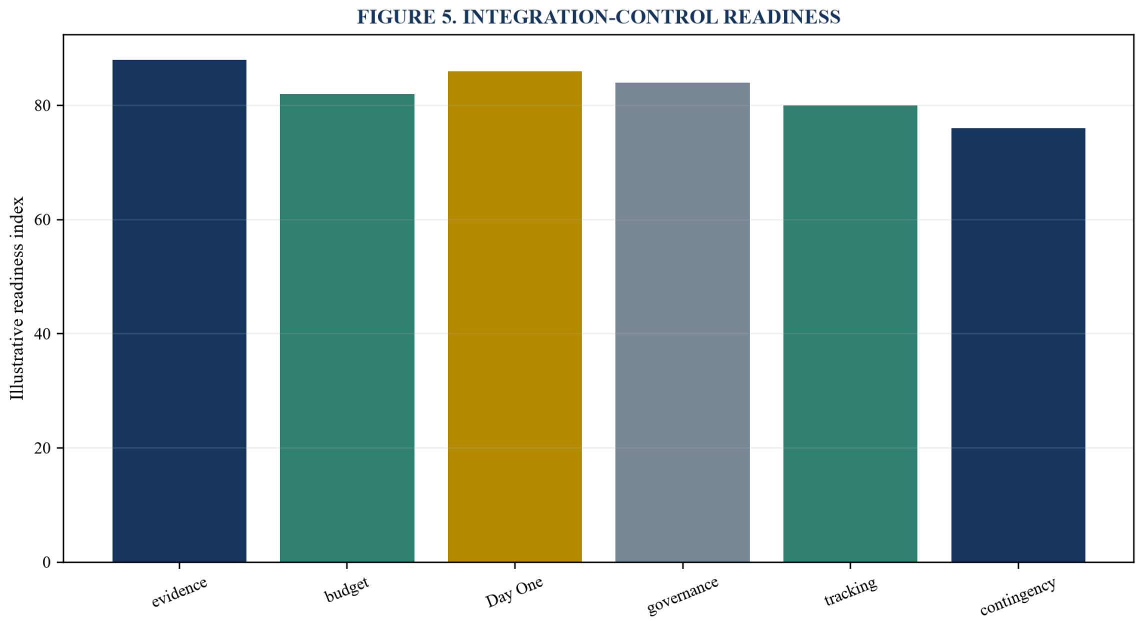
Material gaps require an owner, corrective action, estimate update, funding response, advice and decision date. Consequences flow through customers, delivery, cash, financing, value, controls and transaction timing. Residual risk remains visible until the cost perimeter is complete, contingencies are funded, benefits are measurable and authorised governing bodies approve the next gate.

**Table 5. Integration-economics certificate**

| Dimension | Required conclusion | Evidence |
|---|---|---|
| scope | full cost perimeter | taxonomy |
| cash | funded timing | cash curve |
| value | net downside value | value bridge |
| control | owners and gates | execution roadmap |

*Illustrative programme design; company-specific facts and authorised advice govern.*

**Figure 5. Integration-control readiness**




*Values are illustrative readiness indices and require company-specific evidence.*

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## About the Author

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Chennakeshav (CK) is a corporate finance and investment banking executive with 25+ years of global experience in deal origination, structuring and execution across M&A, growth capital and corporate strategy. He has led value-creation mandates for founders, corporates and funds — bridging the boardroom view to hands-on execution and close.

His career spans Morgan Stanley, HSBC, Lloyds Banking Group, EWEC, ADQ portfolio companies and Emirates Growth Fund, across TMT, real estate, fintech, deeptech, cleantech, infrastructure and energy. He has partnered with C-suite leaders, private equity and venture funds, sovereign wealth funds and family offices to finance complex fund raises and scale-up ventures, and has led M&A due diligence, post-merger integration and business-transformation initiatives to create value.

At Matchpoint Partners he is Managing Partner, leading the firm's corporate finance, M&A and capital-raising practice. He holds an MBA from London Business School, an engineering degree from VTU and a Master of Laws (LLM, in progress) from UCL London.

An active start-up mentor, CK mentors at Techstars, DIFC FinTech Hive, Startup Grind, Founder Institute and IN5, serves as Entrepreneur Mentor in Residence (EMiR) at London Business School, and judges the Entrepreneurship World Cup.