

Selection to Value Creation in Bolt-On Acquisitions: A Multi-Stage Configurational Framework

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Citation: Makkai, C. (2026). From selection to value creation in bolt-on acquisitions: A multi-stage configurational framework. *Cross-Cultural Management Journal*, 28(2), 175–186.

<https://doi.org/10.70147/c28175186>

Received: 9 August 2026

Revised: 4 September 2026

Accepted: 5 September 2026

Published: 7 September 2026



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Abstract: Despite decades of scholarly attention, mergers and acquisitions (M&A) continue to exhibit persistently high failure rates, with empirical estimates suggesting that approximately 60% of transactions fail to meet their stated objectives. While prior research has investigated strategic relatedness, integration processes, and organizational fit as independent determinants of M&A performance, the field lacks an integrative, process-oriented framework that connects pre-deal selection decisions to post-integration value creation — particularly in the context of bolt-on acquisitions, where knowledge-intensive, innovation-driven targets are acquired to augment the acquirer's existing capability portfolio. In this paper, the author summarizes the key contributors to M&A outcomes and develops a conceptual model that explains M&A performance as a dynamic capability development process rather than as the outcome of a discrete transaction. The author argues that bolt-on acquisition value creation is not a direct function of strategic selection decisions, but rather the outcome of a multi-stage process in which pre-deal information quality, organizational fit, integration configuration, and governance mechanisms jointly determine whether anticipated synergies are realized. The paper concludes by outlining an empirical research agenda.

Keywords: M&A, bolt-on acquisitions, post-merger integration, value creation, acquisition performance, organizational learning

JEL Classification: G34, L10, M10, O30

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INTRODUCTION

Mergers and acquisitions represent one of the most consequential strategic decisions available to corporate management, mobilizing more than three trillion US dollars in global asset transactions annually (Gordano & Torchia, 2026; Moeketsi, 2025). Within this broader landscape, bolt-on acquisitions—relatively small, knowledge-intensive transactions undertaken to augment the acquirer's existing capability portfolio—have become strategically important vehicles for growth, innovation, and capability renewal (Brueller, Carmeli, & Drori, 2014; Guncay, 2025). Yet the empirical record on M&A performance remains deeply discouraging. Meta-analytic evidence suggests that only a minority of acquisitions can be classified as genuinely successful, while the majority either underperform expectations or result in explicit value destruction for the acquiring firm (Hossain, 2021; King, Dalton, Daily, & Covin, 2004). This persistent tension between strategic popularity and disappointing performance constitutes the acquisition paradox that continues to animate the M&A literature.

A central reason this paradox remains unresolved is that the literature has produced substantial insight without cumulative integration. Existing research has examined strategic relatedness, resource complementarity, valuation, integration processes, cultural compatibility, and performance measurement, yet these constructs are typically treated as analytically separable rather than causally connected across the acquisition lifecycle. As a result, the field still lacks a process-oriented framework that explains how pre-deal assumptions are transformed into post-deal outcomes, why some acquisitions fail despite strong strategic logic, and how firms develop the capability to repeatedly manage acquisitions more effectively over time. The problem is particularly acute in bolt-on acquisitions, where target value is often embedded in tacit knowledge, human capital, innovation routines, and organizational identity - elements that are highly sensitive to information asymmetry, integration design, and post-acquisition execution quality.

Three gaps are especially important. First, the literature has not produced an integrative framework that links pre-deal selection quality to post-integration value realization in a causally coherent and empirically testable way. Research on strategic relatedness (Barney, 1988; Hitt, M. A., Ireland, D. R., & Hoskisson, R. E., 2023), organizational fit (Datta, 1991), cultural compatibility (Cartwright & Cooper, 1993), and post-merger integration design (Brueller, Carmeli, & Markman, 2018; Haspeslagh and Jemison, 1991) has generated important

insights, but largely in isolation. Second, the motive-definition process remains under-theorized despite growing evidence that acquisitions are frequently driven by multiple, heterogeneous, and sometimes conflicting motives. The literature rarely incorporates motive constructs explicitly, even though motive specificity is a prerequisite for meaningful post-acquisition evaluation and for distinguishing value-creating transactions from those driven by managerial or symbolic objectives (Hassan, Ghauri, & Mayrhofer, 2018; Hossain, 2021; Irwin, Armstrong, Drnevich, & Schijven, 2025). Third, the literature has insufficiently incorporated organizational learning and dynamic capability development (Vinocur, Kiymaz, and Loughry, 2022) into explanations of acquisition performance. Acquisitions are still more often treated as discrete events than as repeated organizational processes in which routines are articulated, codified, tested, revised, and transferred across deals over time (Abravanel, Biron, & Brueller, 2025; Zollo & Winter, 2002, Zollo and Singh, 2004).

These gaps are amplified by two mechanisms that emerge strongly from the broader literature but are rarely modeled together. The first is information asymmetry. Bolt-on targets are often young, innovation-driven firms whose value is difficult to observe and verify in advance. Under such conditions, transaction quality depends not only on strategic logic but also on the acquirer's capacity to generate and process pre-deal information. Prior work suggests that proactive information production, external signals, and alliance-based learning can reduce valuation uncertainty, discipline bid premiums, and improve selection effectiveness (Howell, 2025; Ragozzino & Reuer, 2007). The second is behavioral distortion. The hubris hypothesis implies that acquisition bids are systematically biased upward because only those deals in which managers' internal valuations exceed market price become observable. In this sense, overpayment is not an anomaly but the default risk condition of acquisition markets (Roll, 1986). Any theory of acquisition value creation must therefore explain not only how firms identify opportunity, but also how they suppress or counterbalance this structural tendency toward overvaluation.

At the same time, Hadi (2026) proposes that M&A success is a multilevel phenomenon, requiring alignment across institutional, organizational, and behavioral dimensions. This evolving literature suggests that acquisition performance is driven not by isolated factors, but by interactions across multiple stages and levels.

Despite these advances, a key limitation remains: existing research lacks an integrated framework that

connects pre-acquisition decisions with post-acquisition outcomes in a coherent way. In particular, the relationship between strategic selection criteria and integration success has not been systematically examined.

Accordingly, the purpose of this review is to synthesize the principal theoretical and empirical perspectives that explain value creation in bolt-on acquisitions. Drawing on research from resource-based theory, information asymmetry, organizational fit, post-merger integration, performance measurement, and organizational learning, the paper develops the Bolt-On Acquisition Value Creation (BAVC) Framework as an integrative representation of the acquisition lifecycle. Rather than proposing a new explanatory theory, the framework serves as a structured synthesis of existing knowledge, illustrating how different determinants of acquisition performance interact across sequential stages of value creation. By consolidating fragmented insights into a single process-oriented perspective, the review seeks to provide both a foundation for future research and a practical lens for understanding how value is created or lost in knowledge-intensive bolt-on acquisitions. The framework is primarily intended for capability-seeking, knowledge-intensive bolt-on acquisitions and is not designed to explain scale-driven consolidation transactions or purely financial acquisitions.

THEORETICAL FOUNDATIONS

The Strategic and Resource-Based Logic of Target Selection

The Resource-Based View (RBV) of the firm posits that sustainable competitive advantage derives from resources (tangible, intangible, human) and capabilities that are simultaneously valuable, rare, inimitable, and non-substitutable (Barney, 1991; Grant, 2019; Mailani, Hulu, Simamora & Kesuma 2024). Applied to mergers and acquisitions, this logic implies that the strategic rationale for target selection should be grounded in the acquisition of VRIN-qualified resources that cannot be efficiently replicated through internal development or market transactions (Barney, 1991; Hitt, Ireland, & Hoskisson, 2007).

A central question in the M&A literature concerns whether strategic relatedness translates into superior value creation. Barney (1988) demonstrated that related acquisitions generate abnormal returns only when the underlying strategic resources are uniquely valuable to a particular acquirer. When similar resource combinations are identifiable by multiple bidders, competitive auctions transfer most

economic rents to target shareholders through higher acquisition premiums. Consequently, value creation requires not only strategic relatedness, but also unique resource complementarity.

This argument is extended by Larsson and Finkelstein (1999), who conceptualize combination potential as the joint effect of strategic similarities and complementarities. Their distinction between “economies of sameness” and “economies of fitness” suggests that acquisition value is created not merely through resource overlap, but through the ability of firms to combine compatible yet differentiated capabilities into new configurations. Consistent with this view, Hossain's (2021) synthesis of 155 M&A studies identifies a “Goldilocks Principle” of relatedness: optimal value creation occurs at an intermediate level of similarity, where firms are sufficiently related to enable integration but sufficiently different to create meaningful synergies. Excessive similarity limits incremental value creation, while excessive distance impedes knowledge transfer and organizational integration.

Recent research further refines this logic by distinguishing between technological similarity and technological complementarity. Kavusan, Ates, and Nadolska (2022) argue that the identification of complementary resources depends on the acquiring firm's information-processing capacity, particularly the configuration of the top management team. Their findings suggest that acquisition value creation is influenced not only by the objective characteristics of target resources, but also by the acquirer's ability to recognize and evaluate potential complementarities.

For bolt-on acquisitions, where target value is typically embedded in intangible assets, tacit knowledge, and human capital, these insights imply that successful target selection depends not merely on identifying valuable resources, but on recognizing combinations of resources that can be effectively integrated and transformed into future capability development.

Pre-Deal Information Quality and Bid Premium Discipline

A critical but underexplored determinant of acquisition value creation is the quality of information available to the acquirer prior to target selection and valuation. Information asymmetry is particularly pronounced when target value is embedded in intangible assets, technological capabilities, organizational routines, and human capital rather than in observable financial assets. Under such circumstances, acquisition outcomes depend not only on the intrinsic quality of the target, but also on the acquirer's ability to generate,

interpret, and utilize relevant information before the transaction. Consequently, acquisition premiums frequently reflect residual uncertainty as much as expected strategic value.

Ragozzino and Reuer (2007) provide a foundational information-asymmetry perspective on acquisition decision-making. Applying Akerlof's "market for lemons" logic to M&A markets (Akerlof, 1970), they identify three primary consequences of information asymmetry: overpayment risk, transaction failure, and post-acquisition surprises. To mitigate these risks, they propose three categories of uncertainty-reduction mechanisms. First, credible external signals, such as venture capital backing and high-quality investment bank underwriting, provide indirect certification of target quality. Second, contingent payment mechanisms, particularly earnout structures, allow a portion of valuation risk to remain with the better-informed seller. Third, prior strategic alliances function as informational stepping stones by enabling acquirers to learn about target capabilities, routines, and tacit knowledge before committing to a full acquisition. Empirical evidence suggests that venture-capital-backed firms are acquired more frequently and that prior alliance experience substantially alters acquisition behavior, indicating that information quality influences both selection and transaction design.

Howell (2025) extends this argument by providing direct evidence that proactive information production improves acquisition outcomes. Examining public-company acquisitions between 2013 and 2020, Howell finds that acquirers conducting Non-Deal Roadshows (NDRs) in the six months preceding acquisition announcements achieved significantly higher announcement-period returns and paid substantially lower acquisition premiums than comparable firms. Importantly, these effects were strongest when targets exhibited characteristics associated with elevated information asymmetry, including high intangible asset intensity, high analyst forecast error, and high idiosyncratic uncertainty. The findings imply that information production is not merely a supporting due-diligence activity but a strategic capability that directly affects acquisition performance.

The relevance of these findings is particularly pronounced in bolt-on acquisitions. Typical bolt-on targets are young, innovation-driven firms whose value resides largely in proprietary knowledge, specialized talent, technological expertise, and organizational know-how. Because these resources are difficult to observe and evaluate externally, conventional financial due diligence may capture only a fraction of the target's true value architecture. Effective target assessment therefore requires

deeper information-generation mechanisms, including specialized technical due diligence, direct management interaction, capability assessment, and experiential learning through prior collaboration.

Additional evidence reinforces the central role of the information environment in acquisition pricing. Brixius, Perret, Schroeder, and Taujanskaitė (2025) show that acquisition premiums are systematically influenced by factors such as cross-border complexity, payment method, and sector-level deal activity, whereas traditional valuation indicators explain considerably less variation. Collectively, the evidence suggests that acquisition premiums can be understood as pre-committed claims on anticipated synergies whose magnitude depends heavily on the acquirer's ability to reduce uncertainty before deal completion.

The acquisition premium should not be viewed solely as a reflection of target quality. Rather, it represents a market-based estimate of expected future synergies adjusted for the uncertainty surrounding their realization. Consequently, firms with superior pre-deal information production capabilities are likely to pay more disciplined premiums because they can assess future value creation with greater confidence.

Motive Definition Quality and the Motive-Outcome Alignment Problem

A theoretically important but frequently overlooked antecedent of acquisition success is the quality with which the strategic rationale for an acquisition is defined before the transaction is undertaken. Drawing on evaluation theory, Hassan, Ghauri, and Mayrhofer (2018) demonstrate that the accuracy of post-merger outcome assessment depends fundamentally on the specificity and transparency of the pre-merger motive-definition process. When acquisition motives are expressed in broad aspirational terms, such as growth, innovation, or market expansion, the corresponding evaluation criteria become equally ambiguous, making it difficult to determine whether the acquisition has actually delivered the intended outcomes. Their comparative case analysis further reveals that none of the examined acquisitions was preceded by a rigorous assessment of the target's ability to fulfil the stated strategic objectives. This disconnect between acquisition rationale and performance evaluation creates what may be termed a motive–outcome alignment problem: the absence of a clear and measurable link between acquisition motives and the criteria subsequently used to evaluate acquisition success.

Hossain (2021) independently identifies target selection as an unresolved research problem and further observes that M&A studies frequently

examine acquisition motives and outcomes without adequately addressing the motive-definition process itself. He argues that acquisition objectives are often insufficiently defined and not consistently linked to outcome assessment, providing additional evidence for what can be termed the motive–outcome alignment problem.

Recent research suggests that this problem is substantially more pervasive than previously recognized. Irwin, Armstrong, Drnevich, and Schijven (2025), provide the most comprehensive evidence to date that acquisition motives are both more heterogeneous and less precisely specified than commonly assumed. Based on a review of 1,686 studies and a triangulated analysis of 387 high-technology acquisitions, they identify 227 motives grouped into eight categories and seventeen subcategories, demonstrating that acquisitions frequently combine multiple strategic objectives. Their findings imply that ambiguity in motive specification may represent a fundamental source of variation in post-acquisition outcomes, because unclear motives hinder both integration design and subsequent performance evaluation. More fundamentally, the taxonomy demonstrates that seemingly similar acquisitions may pursue fundamentally different value-creation objectives, implying that target selection criteria, integration approaches, and performance metrics should be motive-specific rather than transaction-type specific.

Hail, Leuz, and Wysocki (2010) provide an instructive institutional parallel. Their analysis of IFRS adoption suggests that formal frameworks generate performance benefits only when substantively implemented and supported by aligned incentives and enforcement mechanisms. By analogy, the mere existence of acquisition playbooks, selection frameworks, or KPI systems is unlikely to improve M&A outcomes unless motive definitions are translated into measurable objectives and embedded within governance and decision-making processes.

Organizational and Cultural Fit as Integration Prerequisites

The organizational fit literature provides compelling evidence that the quality of the managerial, cultural, and interpersonal interface between acquirer and target is a critical determinant of post-acquisition performance. Datta (1991) demonstrates that differences in management style consistently undermine acquisition outcomes, regardless of the formal level of integration adopted after the transaction. This finding challenges the common assumption that preserving target autonomy automatically protects acquired firms from cultural

disruption. Instead, organizational incompatibilities appear capable of affecting performance even when acquirers pursue ostensibly low-integration strategies.

This observation forms the basis of what may be termed the “low integration does not equal autonomy” paradox. Acquirers frequently announce intentions to preserve the target’s independence while simultaneously introducing reporting structures, compliance requirements, governance controls, HR policies, and decision-making routines originating from the parent organization. As a result, acquired firms may experience many of the organizational pressures associated with integration without benefiting from the coordination and synergy mechanisms that deeper integration is designed to provide. Evidence from Guncay’s (2025) longitudinal study of bolt-on acquisitions suggests that even formally light-touch integration approaches often evolve into substantial forms of organizational control through standardization of systems, processes, and governance practices.

The cultural compatibility perspective extends this argument. Cartwright and Cooper (1993) argue that acquisition outcomes are shaped not only by strategic fit but also by the way organizational cultures interact following the transaction. Their framework distinguishes among assimilation, integration, separation, and deculturation outcomes, emphasizing that cultural compatibility influences whether employees develop a shared organizational identity or remain divided along legacy organizational boundaries. Their work suggests that cultural misalignment can materially reduce acquisition effectiveness even when strategic objectives and economic logic appear sound. The acculturation perspective closely complements the integration approaches later formalized by Haspeslagh and Jemison (1991) and subsequently incorporated into configurational post-merger integration models.

The organizational behavior literature provides a further explanatory mechanism through Self-Determination Theory (SDT), Deci, Olafsen, & Ryan, (2017). Applying SDT to bolt-on acquisition contexts, Guncay (2025) argues that realization of acquisition value depends heavily on preserving three fundamental psychological needs among acquired employees: autonomy, competence, and relatedness. Acquisitions that disrupt these needs through role ambiguity, excessive compliance burdens, management replacement, or restricted decision authority risk eroding intrinsic motivation and reducing knowledge-sharing behaviors. This mechanism is particularly important in knowledge-intensive bolt-on acquisitions, where much of the acquired value resides in tacit expertise,

collaborative routines, and innovative capabilities that cannot be transferred through formal systems alone.

Collectively, these studies suggest that organizational and cultural fit should not be viewed as secondary implementation concerns but as foundational preconditions for successful integration and value creation. Strategic complementarity may determine whether potential synergies exist, but organizational compatibility largely determines whether those synergies can be realized in practice.

Integration Design: The Configurational Fit Imperative

The post-merger integration literature has progressively shifted from asking “how much integration?” to asking “which type of integration is appropriate for which type of acquisition?” This transition reflects a broader recognition that integration effectiveness depends less on individual integration practices and more on the alignment among acquisition strategy, integration mode, and organizational support systems. Brueller, Carmeli, and Markman (2018) provide the most comprehensive configurational treatment of this perspective, proposing that acquisition strategies, post-merger integration (PMI) modes, and Human Resource Management (HRM) systems must be designed as mutually reinforcing elements of a coherent organizational architecture. Their framework aligns annex-and-assimilate strategies with absorption, harvest-and-protect strategies with preservation, and link-and-promote strategies with symbiosis, each supported by distinct HRM bundles emphasizing ability, motivation, or opportunity enhancement. The central implication is that no integration approach is universally superior; effectiveness depends on the fit among strategic intent, integration design, and organizational context. This logic is consistent with the institutional complementarities perspective of Hail, Leuz, and Wysocki (2010), which suggests that organizational systems create value only when their constituent elements are mutually reinforcing.

Empirical evidence provides substantial support for this configurational perspective. Bauer, Matzler, and Wolf (2016) demonstrate that different forms of integration influence innovation performance through distinct mechanisms. While task integration facilitates knowledge recombination and synergy realization, extensive human integration may undermine innovative performance by disrupting established social networks and organizational routines. Their findings further indicate that national cultural distance shapes these relationships, suggesting that effective integration design must

account not only for acquisition motives but also for the context within which knowledge transfer occurs. Similarly, Larsson and Finkelstein (1999) identify organizational integration as one of the strongest predictors of synergy realization while documenting an “integration neglect” pattern in which firms fail to adequately integrate acquisitions despite possessing substantial value-creation potential. Together, these studies suggest that synergy realization depends not only on the existence of complementarities but also on the appropriateness and execution of integration choices.

The integration degree paradox identified by Guncay (2025) introduces an important boundary condition for bolt-on acquisitions. In knowledge-intensive targets, much of the acquired value resides in tacit knowledge, entrepreneurial routines, and informal coordination mechanisms that are difficult to preserve under traditional integration approaches. The administrative infrastructure of large acquiring firms—including compliance regimes, HR systems, IT architecture, and reporting requirements—is often structurally incompatible with the operating logic of smaller innovative organizations. Under such conditions, excessive integration may destroy the very capabilities that motivated the acquisition, whereas insufficient integration may generate governance gaps, duplication, and unrealized synergies. This paradox highlights the importance of absorptive capacity—the acquiring firm’s ability to recognize, assimilate, transform, and exploit external knowledge. As highlighted in Paucar Huacac’s (2025) bibliometric synthesis of technology M&A research, absorptive capacity represents one of the most frequently cited determinants of successful post-acquisition knowledge transfer and innovation outcomes. Effective integration therefore requires balancing value preservation and value extraction rather than maximizing either autonomy or control.

Finally, recent research increasingly conceptualizes integration not as a transaction-specific project but as an organizational capability that improves through learning and repetition. Abravanel, Biron, and Brueller (2025) show that organizations that systematically codify and refine their PMI routines develop progressively stronger integration capabilities across successive acquisitions. This finding closely aligns with Brueller, Carmeli, and Drori (2014), who argue that repeated bolt-on acquisitions contribute to the development of strategic agility through structured reflection, experience accumulation, and capability building. Consequently, integration design should be understood not only as a deal-specific choice but also as a configurational organizational capability through which firms repeatedly align acquisition

motives, integration approaches, knowledge-transfer mechanisms, and governance systems.

Integration Quality

Post-merger integration is the phase in which anticipated synergies are either realized or lost. While the M&A literature has devoted considerable attention to selecting appropriate integration modes, comparatively less attention has been given to the quality with which those designs are executed. This distinction is important because a well-designed integration strategy does not automatically generate superior outcomes. Integration quality therefore represents a distinct determinant of acquisition performance rather than a passive consequence of integration design.

The Human Resource Management perspective provides an important explanation for this relationship. Integration quality depends on the extent to which employees actually engage in knowledge sharing, knowledge transfer, and capability recombination during the post-acquisition period, Brueller, Carmeli, and Markman (2018). Under this perspective, integration quality is determined less by implementation speed or formal compliance and more by the extent to which organizational systems support collaboration and knowledge exchange. This view aligns with Guncay's (2025) application of Self-Determination Theory, which emphasizes the preservation of autonomy, competence, and relatedness as prerequisites for sustained knowledge-sharing behavior and synergy realization. Failure to preserve these conditions can undermine integration outcomes even when the selected integration strategy is otherwise appropriate.

A complementary knowledge-based perspective suggests that integration quality is ultimately reflected in an organization's ability to transfer, recombine, and apply acquired knowledge. Technology and capability acquisitions create value not when ownership changes, but when acquired expertise becomes embedded in organizational routines, decision-making processes, and innovation activities. Research on high-technology acquisitions demonstrates that innovation outcomes depend on the successful combination of complementary technologies and knowledge bases rather than on integration depth alone (Makri, Hitt, & Lane, 2010; Bauer, Matzler, & Wolf, 2016). Moreover, Paucar Huacac (2025) identifies absorptive capacity as one of the most prominent themes in technology M&A research, highlighting the importance of organizations' ability to recognize, assimilate, and utilize external knowledge.

Integration quality therefore depends not only on the selection of an appropriate integration design but

also on the disciplined execution of knowledge transfer, coordination, and capability-combination activities. Consistent with Larsson and Finkelstein (1999), acquisitions create value only when intended combinations of resources and capabilities are translated into realized synergies through effective implementation. Formal knowledge codification further strengthens this process by transforming experience into reusable organizational routines (Zollo & Singh, 2004).

Outcome Assessment

A persistent weakness in the M&A literature is the tendency to evaluate acquisitions using generic performance measures that are disconnected from the strategic motives underlying the transaction. Hassan, Ghauri, and Mayrhofer (2018) argue that meaningful post-acquisition evaluation depends fundamentally on the quality of motive definition established before the deal. When acquisition motives are vaguely specified, organizations struggle to define appropriate success criteria, creating a motive–outcome misalignment problem in which transactions are evaluated using metrics unrelated to their original strategic intent. This challenge is amplified by the findings of Irwin, Armstrong, Drnevich, and Schijven (2025), who demonstrate that acquisitions frequently pursue multiple simultaneous motives, each implying different integration requirements and performance expectations. Consequently, acquisition outcomes should be assessed against motive-specific criteria rather than through a single universal performance measure.

The broader M&A performance literature reinforces this conclusion. King, Dalton, Daily, and Covin (2004) show that traditional explanatory variables fail to account for variation in post-acquisition performance and call for alternative performance models capable of capturing underlying value-creation mechanisms. Similarly, Larsson and Finkelstein (1999) demonstrate that realized synergies provide a more direct assessment of acquisition success than broad financial indicators alone. Their multi-source synergy realization framework highlights the importance of evaluating whether anticipated complementarities are actually converted into operational and strategic outcomes after integration.

Recent innovation-focused research extends outcome assessment beyond traditional accounting and market-based measures. Sears (2026) introduces Innovation Return on Investment (Innovation ROI), a price-adjusted measure that evaluates post-acquisition innovative output relative to acquisition value. Importantly, the study distinguishes between integrative Innovation ROI, which captures joint

innovation created through successful knowledge recombination, and independent Innovation ROI, which captures innovation generated by the acquired organization while operating with greater autonomy. This distinction suggests that different acquisition motives require different outcome metrics, and that innovation-oriented bolt-on acquisitions cannot be adequately assessed through financial returns alone. Collectively, these studies suggest that acquisition performance is inherently multi-dimensional. Financial outcomes, including shareholder returns and operating performance, remain important indicators; however, they should be complemented by motive-specific measures capturing innovation, synergy realization, knowledge transfer, organizational capability development, and broader stakeholder outcomes. Effective outcome assessment therefore requires explicit alignment between acquisition motives, integration objectives, and performance indicators. Such motive–KPI alignment not only improves evaluation accuracy but also provides the informational foundation for organizational learning and the continuous improvement of future acquisition decisions.

Learning & Capability Development: From Transaction Experience to Acquisition Capability

A growing body of research suggests that acquisition success is not solely determined by the quality of individual transactions but also by the organization's ability to learn from prior acquisitions and translate that learning into repeatable capabilities. Early acquisition research often treated each transaction as an independent strategic event. More recent perspectives, however, view acquisitions as opportunities for organizational learning, capability accumulation, and the development of superior acquisition routines. From this perspective, sustainable acquisition performance depends not only on selecting the right target or designing the right integration approach, but also on systematically capturing and reusing lessons from previous transactions.

Brueller, Carmeli, and Drori (2014) argue that repeated bolt-on acquisitions can function as a mechanism for building strategic agility. Rather than viewing acquisitions as isolated events, organizations develop capabilities through structured reflection on past transactions, enabling more effective sensemaking, faster resource redeployment, and improved decision quality in subsequent acquisitions. Their distinction between platform and bolt-on acquisitions further suggests that repetitive capability-oriented acquisitions can generate cumulative learning effects unavailable in one-off transformative deals.

Abravanel, Biron, and Brueller (2025) show that acquisition experience creates value only when organizations systematically capture, codify, and transfer lessons across deals, transforming transaction-specific knowledge into repeatable acquisition capabilities.

Their findings suggest that acquisition capability develops through deliberate organizational learning rather than through experience alone. Repetition without reflection contributes little to performance improvement; by contrast, organizations that institutionalize review processes, update integration playbooks, and transfer knowledge across deal teams achieve progressively stronger integration outcomes over time.

The learning process depends critically on the quality of outcome assessment. Hassan, Ghauri, and Mayrhofer (2018) demonstrate that poorly specified acquisition motives undermine meaningful post-acquisition evaluation, while Irwin, Armstrong, Drnevich, & Schijven, (2025) show that acquisitions frequently involve multiple simultaneous motives requiring distinct performance criteria. Without motive-specific performance measurement, organizations are unable to determine whether acquisitions have succeeded or failed relative to their original objectives. Consequently, motive–KPI alignment becomes not only an evaluation mechanism but also the informational foundation for organizational learning.

A complementary operational perspective is provided by Guncay (2025), whose Synergy Management Framework (SMF) emphasizes the systematic tracking, evaluation, and refinement of synergy realization processes. Together with formal knowledge codification mechanisms identified by Zollo and Singh (2004), this perspective suggests that acquisition capability emerges when organizations convert transaction-specific experience into reusable organizational knowledge. Learning therefore functions as the mechanism that closes the acquisition lifecycle, transforming post-acquisition outcomes into improved target selection, motive definition, integration design, and governance decisions in future transactions. Eventually learning and capability development represent the feedback loop through which successful acquisitions become repeatable organizational competencies rather than isolated strategic successes. Bolt-on acquisition performance is a motive-driven, multi-stage capability development process in which value creation depends on alignment across selection, integration, measurement, and learning stages.

THE BOLT-ON ACQUISITION VALUE CREATION FRAMEWORK

The BAVC Framework (Figure 1) synthesizes the principal theoretical perspectives reviewed in the preceding sections into a single process-oriented model of bolt-on acquisition value creation. Rather than treating target selection, organizational fit, post-merger integration, performance measurement, and organizational learning as independent determinants of acquisition success, the framework positions them as interdependent stages within a broader acquisition lifecycle. The underlying assumption is that value creation emerges through the interaction of decisions made across multiple phases of the acquisition process rather than through the optimization of any single element.

The framework begins with motive definition and information generation activities that shape target selection decisions. These pre-acquisition stages influence subsequent assessments of organizational fit and determine the integration configuration adopted after the transaction. The quality of integration execution then affects the realization of expected synergies and ultimately the outcomes observed through performance assessment. Finally, outcome evaluation provides the feedback necessary for organizational learning and capability development, creating a continuous cycle through which firms can improve future acquisition decisions.

Accordingly, the framework should be viewed as a conceptual roadmap that integrates existing M&A knowledge into a coherent sequence of value-creation activities. Its purpose is not to prescribe a universal acquisition formula, but to provide a structured lens through which researchers and practitioners can better understand how acquisition outcomes are influenced by the cumulative effects of decisions made across the entire acquisition lifecycle.

CONCLUSIONS

This review examined the principal theoretical perspectives that have shaped mergers and acquisitions research, including resource-based theory, information asymmetry, organizational fit, post-merger integration, performance measurement, and organizational learning. Collectively, the literature suggests that acquisition success cannot be explained by any single factor. Rather, acquisition outcomes emerge from the interaction of multiple decisions and organizational processes that unfold before, during, and after the transaction. Existing research has generated substantial insights into

individual elements of the acquisition lifecycle, but these insights have often been developed in isolation, limiting our understanding of how value is ultimately created or destroyed.

To address this challenge, this paper proposed the Bolt-On Acquisition Value Creation (BAVC) Framework as a structured synthesis of the literature on knowledge-intensive bolt-on acquisitions. The framework integrates nine interdependent stages, ranging from motive definition and pre-deal information production to integration, performance assessment, and organizational learning. Its central premise is that acquisition performance depends not on the optimization of any single stage, but on the alignment of decisions and capabilities across the entire acquisition lifecycle.

The review also identifies several promising directions for future research. These include further investigation of motive-specific performance measurement, the role of pre-deal information quality in acquisition decision-making, the management of integration in knowledge-intensive acquisitions, and the mechanisms through which organizations develop acquisition capabilities over time. Additional research is needed to validate the framework across industries, acquisition types, and institutional contexts, particularly outside the technology sector and in international environments. From a practical perspective, the findings suggest that managers should view bolt-on acquisitions not as isolated transactions but as learning-based value creation processes. Effective acquisitions require disciplined target selection, careful integration design, appropriate performance measurement, and systematic organizational learning. By emphasizing alignment across these stages, the BAVC Framework offers managers a structured approach to improving acquisition decision-making and increasing the likelihood of realizing anticipated synergies and long-term value creation.

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LIST OF FIGURES

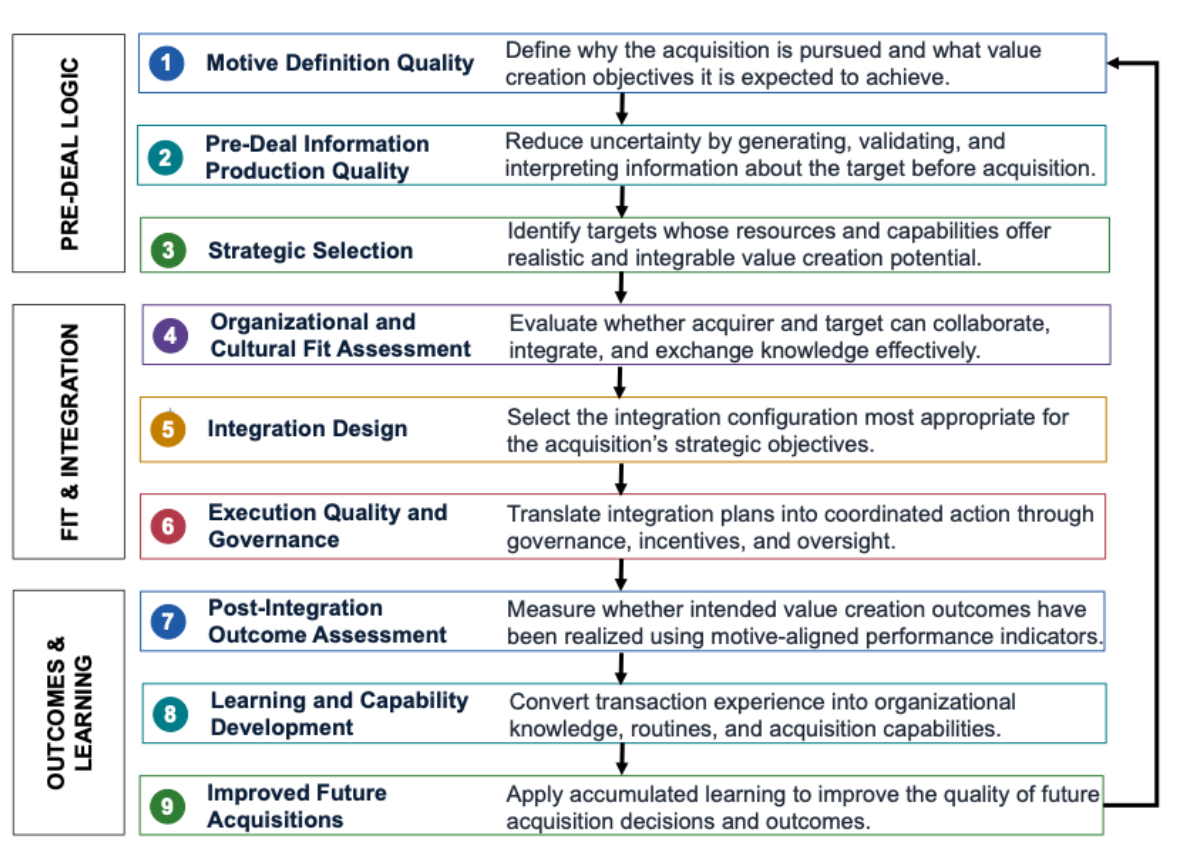


Figure 1
The BAVC Framework