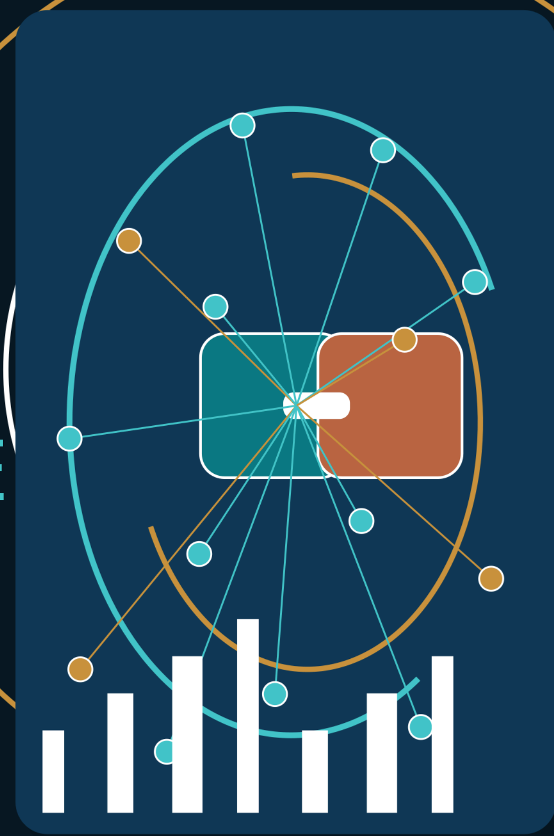
QSF ENTERPRISE SOLUTIONS

BUSINESS CASE

M&A INTEGRATION DECISION ASSURANCE



Protecting acquisition value when integration milestones advance faster than verified synergy

CASE FILE DETAIL

Case type	M&A integration decision review
Case designation	Sanitized business case
Domain	Industrial technology
Decision scale	$185 million acquisition and proposed $14.5 million integration extension
Document ID	QSF-ES-MAI-003 | April 2026

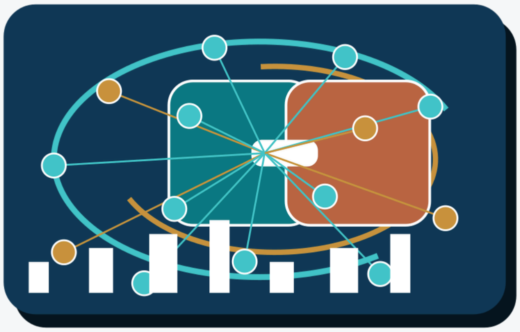
All organization names, figures, records, and outcomes are sanitized.

02

The Executive Case

The decision beneath the accepted performance record

Asteron Industrial Technologies is an industrial-technology company that acquired Meridian Control Systems for $185 million. The combined organization has approximately 3,600 employees across two major operating divisions and entered an 18-month integration program supported by $28 million in projected annual synergy value.



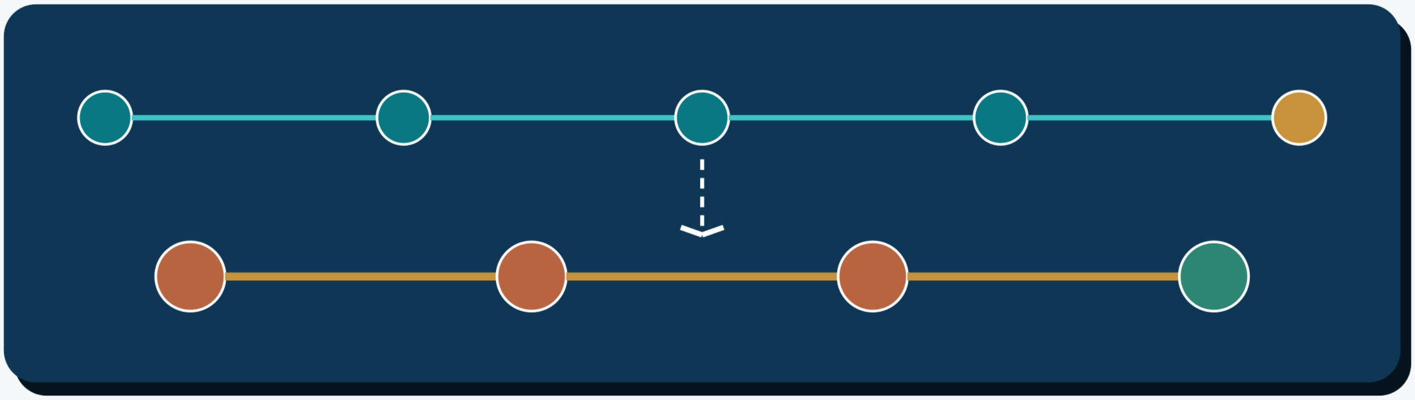
$185M
ACQUISITION

$28M
PLANNED

3,600
EMPLOYEES

18 mo.
SCHEDULE

Ten months after close, legal consolidation, corporate reporting, selected procurement waves, and organization design were substantially advanced. Only $6.7 million of the planned $15.2 million month-ten synergy run rate had been verified. Management requested an additional $14.5 million to accelerate systems, sales, operations, and retention work.

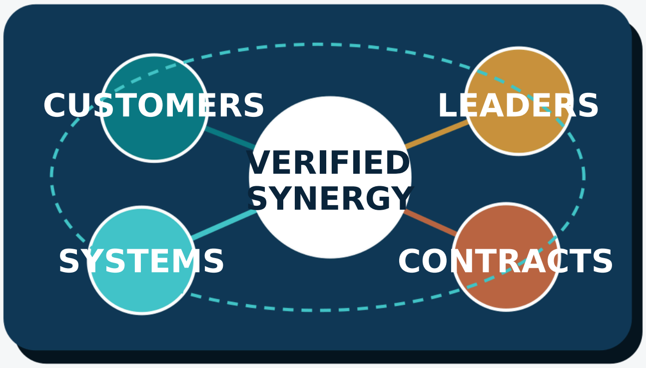


02

The Executive Case

The decision beneath the accepted performance record

Accepted interpretation. The strategic rationale remained sound, integration milestones were moving forward, and synergy underperformance reflected normal timing, temporary duplication, and incomplete systems consolidation that additional funding could resolve within the original plan.



Computed structural condition.

Coupled, dependency-bound integration state.

CENTRAL DECISION DISTINCTION

Corporate integration milestones were advancing. Synergy conversion remained dependent on customer behavior, leadership continuity, contract rights, commercial alignment, and operating-system compatibility.

Supported management posture. Restructure the integration around validated value streams, protect critical customer and leadership dependencies, revise synergy recognition, and condition the additional $14.5 million on evidence that each integration commitment can convert into retained revenue, savings, or operating capacity.

03

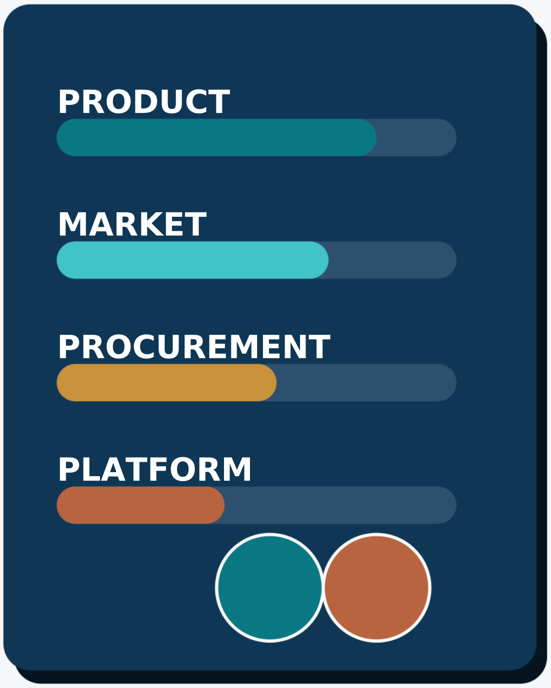
Original Plan

A credible business position reached the limit of its analytical boundary

The strategic rationale. Meridian expanded Asteron's market reach, added complementary automation products, and created credible cross-selling, procurement, corporate-function, and platform-consolidation opportunities.

The approved integration plan. An 18-month program combined finance and reporting, consolidated selected purchasing, aligned organization structures, migrated customer and product data, integrated sales coverage, and planned retirement of overlapping systems.

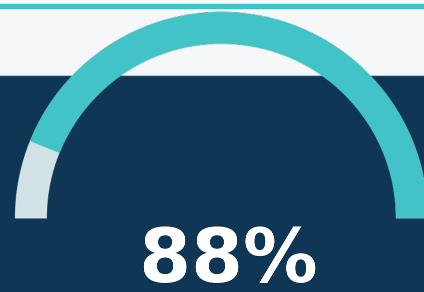
Conventional governance.
A board-sponsored integration office, division leaders, functional workstreams, weekly milestone reporting, external advisers, and synergy owners governed the plan against timing, cost, and run-rate targets.



Original Plan

A credible business position reached the limit of its analytical boundary

Evidence of integration progress. Legal consolidation was complete, 88 percent of organization-design actions were closed, consolidated financial reporting was active, and the first procurement wave had delivered $4.1 million in verified annual savings.



ORGANIZATION-DESIGN ACTIONS

Why additional funding appeared defensible. Systems coexistence, retention payments, duplicated operations, sales enablement, and data migration were expected integration costs. Extending funding was reasonable if the main issue was execution pace inside an otherwise stable plan.

EXECUTIVE DECISION QUESTION

Should Asteron continue the original integration plan and approve $14.5 million in additional funding, or restructure sequencing and synergy recognition around the dependencies that determine whether integration activity becomes acquisition value?

04

Conditions Beneath the Accepted Position

The synthetic evidence record established before structural interpretation

Strategic and Corporate Progress

The acquisition expanded product and market scope. Legal consolidation, corporate reporting, organization design, and initial procurement savings were active and supported the continuing strategic rationale.

Synergy Value Not Yet Converted

Verified month-ten synergy run rate was $6.7 million against $15.2 million planned. Cross-selling had produced four expanded contracts from 46 priority accounts, and systems consolidation had not reduced the duplicated operating costs assumed in the original curve.

MONTH-TEN SYNERGY RUN RATE

$6.7 million

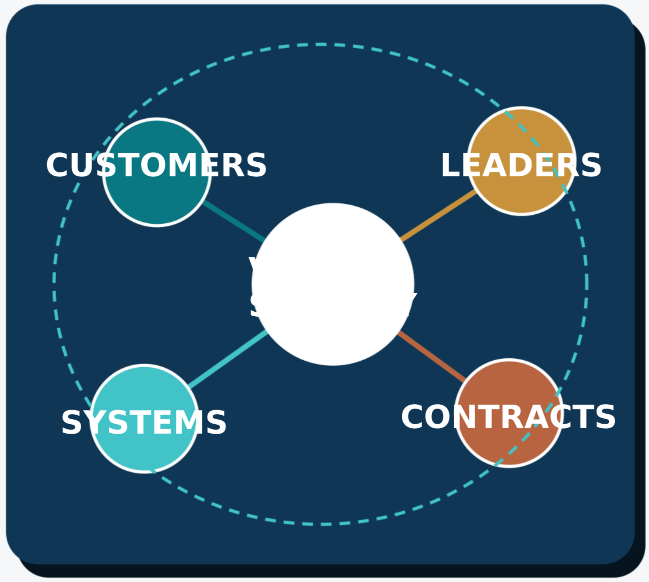
$15.2 million

Conditions Beneath the Accepted Position

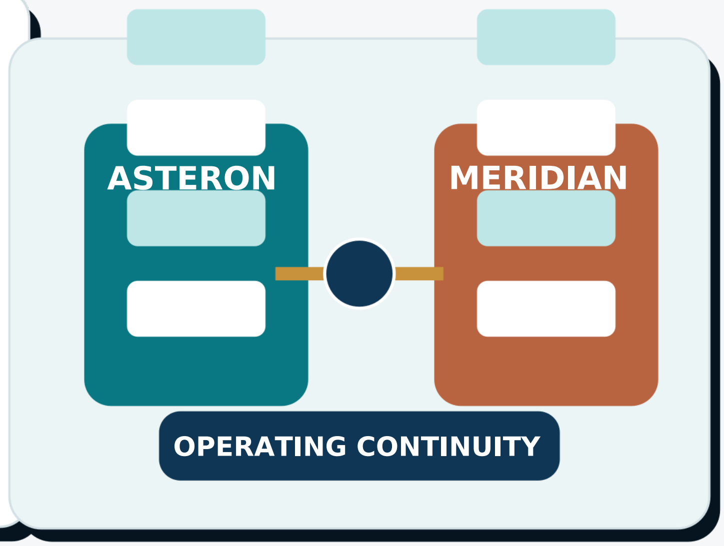
The synthetic evidence record established before structural interpretation

Commercial Dependencies Still Active

The acquired business derived 39 percent of revenue from its 12 largest customers; several relationships depended on senior leaders. Contracts representing 34 percent of acquired revenue required consent, notice, or restricted assignment treatment. Sales teams retained different pricing, service, territory, and incentive models.



The divisions used incompatible enterprise systems, different quality and compliance processes, and non-equivalent product and service models. Data migration remained incomplete, operational duplication protected customer continuity, and decision rights differed between centralized Asteron functions and Meridian's relationship-led operating model.



Evidence and Observation Limits

All facts are synthetic scenario inputs. The record establishes acquisition progress, synergy underperformance, and material integration dependencies, but does not provide audited customer-retention causality, final contract opinions, or a validated terminal synergy curve. Unresolved evidence remains preserved.

06

The QSF Structural Finding

The preserved conditions formed one connected decision environment

QUALITATIVE STRUCTURAL CLASSIFICATION

Coupled, dependency-bound integration state.

Integration actions were active, but the expected value depended on coupled commercial, leadership, contractual, systems, and operating conditions. Milestones could advance without establishing that those dependencies had converted into retained revenue or sustainable savings.

Coupled, dependency-bound integration state.

07

The QSF Structural Finding

The preserved conditions formed one connected decision environment

Systems and data. Incompatible platforms and incomplete migration delayed consolidated customer, product, margin, and pipeline visibility while preserving duplicated operating work.

Operating continuity. Immediate duplication removal was constrained by customer service, quality, compliance, and product-support obligations. Some retained duplication remained an active continuity mechanism rather than removable waste.

Synergy recognition. Run-rate targets depended on customer adoption, contract treatment, retained leadership, system migration, and process equivalence that milestones alone did not resolve.

MILESTONES -> CONSOLIDATION ACTIONS -> REPORTED PROGRESS

CUSTOMERS + LEADERS + CONTRACTS + SYSTEMS -> VERIFIED SYNERGY

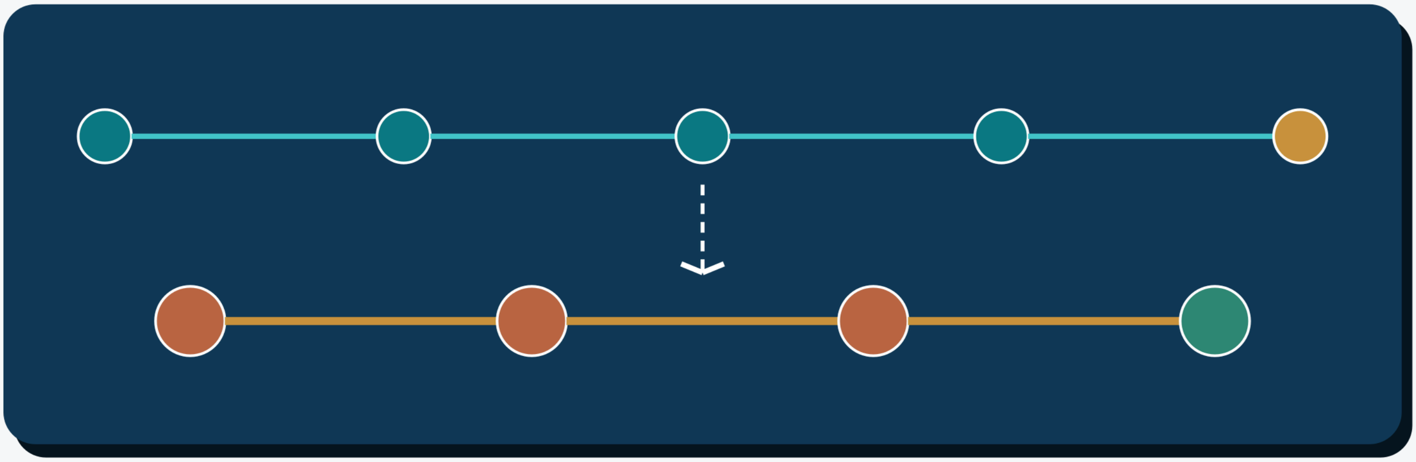
The integration record demonstrated activity and selected savings. The value sequence remained dependent on conditions outside the milestone count, so integration completion and synergy realization could not be treated as one state.

08

Structural Divergence and Decision-Conversion Gap

The accepted position remained credible; preserved operating evidence changed its meaning

Existing Position	Preserved Evidence	QSF Finding	Executive Meaning
Integration is on plan but delayed.	Corporate milestones advanced; $6.7M of $15.2M month-ten run rate verified.	Execution progress and value conversion are non-equivalent.	Track integration by validated value stream, not milestone count alone.
Cross-selling remains a timing opportunity.	Four expansions from 46 priority accounts; pricing and incentives differ.	Revenue synergy depends on customer behavior and commercial alignment.	Reset recognition until behavior and account economics are observed.
Systems consolidation will release savings.	Platforms and data remain incompatible; duplication protects continuity.	Retirement timing is coupled to service, quality, and migration evidence.	Gate consolidation rather than forcing calendar closure.



06

StructuralDivergenceand Decision-Conversion Gap

The accepted position remained credible; preserved operating evidence changed its meaning

Existing Position	Preserved Evidence	QSF Finding	Executive Meaning
Retention is an HR workstream.	Senior relationships carry concentrated customer revenue.	Leadership retention is also a commercial and synergy dependency.	Protect named relationships and transfer evidence.
Approve $14.5M to accelerate.	Cost, timing, and value conditions differ across workstreams.	Funding is a conditional integration investment, not confirmation of the original curve.	Release funding against retained value and dependency resolution.

The Decision-Conversion Gap

The approved plan treated integration actions as the mechanism by which synergies would become available. The operating record preserved a missing conversion layer: customer consent and behavior, relationship transfer, commercial-model alignment, data equivalence, continuity requirements, and validated savings after the change.

PRINCIPAL DIVERGENCE

The divergence is not over whether integration work occurred. It concerns whether completed work can convert into retained revenue and sustainable synergy under the preserved customer, leadership, contract, and operating conditions.

The decision changed from accelerating a delayed integration to protecting acquisition value through differentiated sequencing, revised synergy recognition, and funding gates tied to observed conversion.

07

Protected Path Forward

A gated management posture derived from the established structural condition

SUPPORTED ACTION POSTURE

Restructure the integration around validated value streams, protect critical customer and leadership dependencies, revise synergy recognition, and condition the additional $14.5 million on evidence that each integration commitment can convert into retained revenue, savings, or operating capacity.

1. **Reframe integration by value stream.** Separate revenue retention, cross-selling, procurement, corporate functions, systems, and operating consolidation. State the dependency and evidence required for each value claim.

2. **Protect critical dependencies.** Map concentrated customers, senior relationship owners, contract restrictions, quality obligations, and continuity requirements before organization or platform changes are released.

3. **Align commercial and decision rights.** Resolve pricing, service, territory, incentive, and escalation differences. Assign owners who can govern decisions across both divisions.

07

Protected Path Forward

A gated management posture derived from the established structural condition

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4. Validate systems and operating conversion. Sequence migration, duplication removal, and process consolidation through data-quality, service, compliance, and customer-continuity evidence.

5

5. Gate funding and synergy recognition. Release the additional $14.5 million by validated value stream and revise recognized synergy where customer behavior or dependency resolution remains unobserved.

Principal Validation Gates

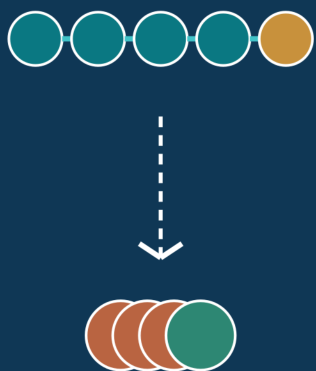
- Customers: Retention, consent, and observed buying behavior
- Leadership: Relationship transfer and continuity
- Commercial: Pricing, service, territory, and incentives
- Contracts: Assignment and obligation treatment
- Systems: Migration and data-equivalence evidence
- Operations: Quality, compliance, and continuity
- Synergies: Verified retained revenue or sustainable savings

This is a protected decision sequence, not a guaranteed implementation plan, forecast, schedule, or promise of outcome.

08

Executive Decision Translation

Decision-level meaning, remaining uncertainty, and synthetic-case boundary



Accepted view. The acquisition rationale remained sound and additional funding could accelerate a delayed but fundamentally intact integration plan.

QSF result. The organization was in a coupled, dependency-bound integration state.

What changed. Integration milestones could no longer serve as sufficient evidence of customer retention, revenue conversion, or sustainable cost removal.

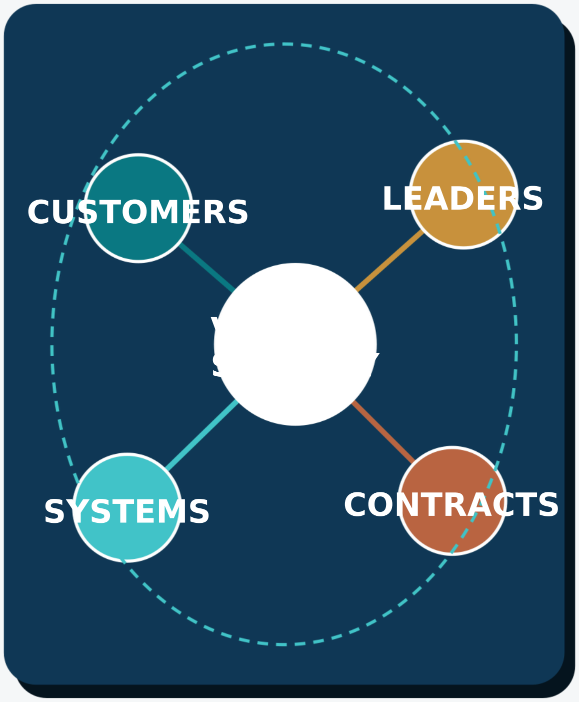
Translation to the $14.5 million decision. Treat additional funding as conditional value-protection capital released by workstream evidence, not as a general acceleration authorization.

Translation to the $14.5 million decision.

09

Executive Decision Translation

Decision-level meaning, remaining uncertainty, and synthetic-case boundary

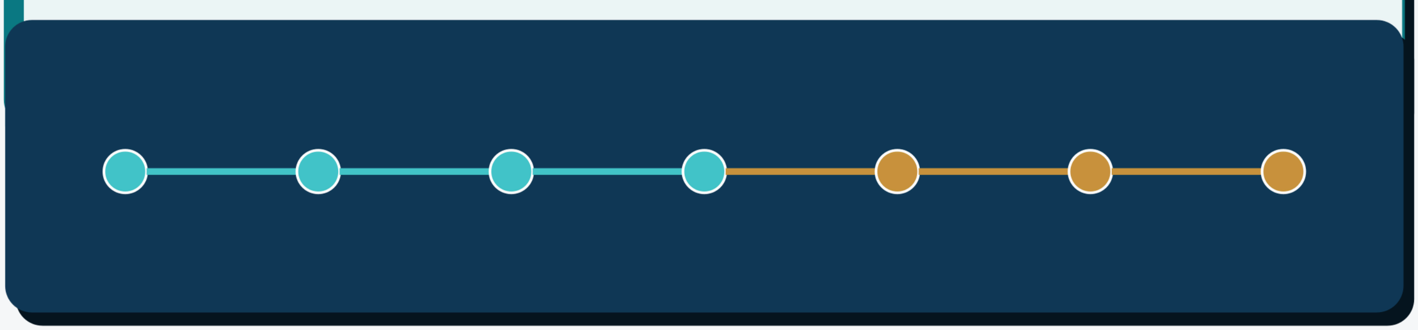


Supported action posture. Restructure the integration, protect critical dependencies, revise synergy recognition, and gate systems and operating commitments.

What remains unresolved. Customer consent and retention outcomes, final leadership continuity, contract treatment, complete migration cost, terminal duplication, and the validated timing of the full $28 million synergy value.

EXECUTIVE MEANING

The organization does not need to choose between abandoning the acquisition thesis and funding the original integration plan unchanged. The decision is whether to protect acquisition value by governing the dependencies that convert integration activity into retained revenue and sustainable synergy.



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Executive Decision Translation

Decision-level meaning, remaining uncertainty, and synthetic-case boundary

Assumptions, Limitations, and Disclosure

All organization names, acquisition terms, financial measures, customer conditions, records, decisions, and outcomes are sanitized. The scenario assumes the acquisition closed lawfully, the strategic product fit remains available, and no undisclosed catastrophic event explains the synergy gap.

The record does not provide audited purchase accounting, legal contract opinions, customer confirmations, complete quality review, employee-relations analysis, tax treatment, valuation opinion, or a validated terminal synergy forecast. The qualitative classification is not an audit opinion, legal conclusion, fairness opinion, financial rating, probability, or prediction.

FINAL DISCLOSURE

This Portfolio Case Edition is a presentation derivative of the approved QSF-ES-MAI-003 case file. The comprehensive 17-page master record remains unchanged.