
The Integration Gap: Why Great Acquisitions Lose Up to 20% of Their Value

Inside the operational-behavioral disconnect that determines whether a transition succeeds—or stalls.

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Executive Summary

Closing day on the purchase of a dental practice is often viewed as the finish line. While checking in now and again with the buyer, many of the supporting advisors who helped in the acquisition quietly fade into the background. Indeed, their work is mostly complete: valuation and assessments are finished, negotiations have reached terms, funds have been released and all pertinent documents completed. But it's just the starting gun for what is, hopefully, an ultra-marathon.

What looks airtight on paper, however, misses the mark. The culprit is not a faulty valuation, it's faulty integration.

This paper is intended to define and examine the silent drain which occurs once the keys to the practice are passed to the inbound owner. Drawing upon interviews, surveys, case narratives, and behavioral science, it quantifies the failure to align operational systems and human behavior. The findings suggest that missteps in integration can cost a newly acquired practice anywhere from **10-20% EBITDA** in the first year alone. Losses that are rarely traced back to their source.

This report then introduces a research-based framework as a structured response to the costly blind spot not often discussed. We have named it **The Integration Gap**.

Integration is not an event, but an evolution.

BY THE NUMBERS

10–20%

average EBITDA
loss in Year 1 post-
sale

62%

of practices
experience
production decline
within six months

47%

lose at least one
key team member
post-acquisition.

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The Unseen Drain: Quantifying Integration Failure

Psychology changes when ownership does, yet most due-diligence checklists stop at numbers and contracts. New owners step in with optimism and good intent, believing that their enthusiasm, capital investment, and credentials will be enough to win the legacy team over. They often hold an office-wide meeting focusing on one of two things: promises of innovative technology, schedule adjustments, or ambiguous plans; or, in an effort not to “rock the boat,” they’ll assure the team that they’ll maintain the status quo.

What they rarely anticipate, however, is that the act of ownership itself changes the dynamic. Every conversation, policy and decision is filtered through a new lens: uncertainty. What happens next is quieter but more corrosive.

“An acquisition can transform an organization, sparking heightened success and profitability. But many companies falter when it comes to integrating the acquisition with its current business, and this can have long-term detrimental impacts.” (plante moran, 2023)

Simply stated, integration isn't the last step of an acquisition, it's the most critical phase and determinant of whether the deal matures properly.

A 2025 internal analysis of 154 private practice transitions revealed that:

- Sixty-two percent experienced a measurable production decline within six months.
- 47 % reported turnover of at least one key clinical or administrative employee.
- Practices that lacked a structured integration plan took 3.6 X longer to stabilize.

These numbers mask a deeper, dual reality. Integration breakdowns are never purely operational: they're behavioral in equal measure. Most new owners assume well-built systems will compensate for uncertainty and they don't, people do.

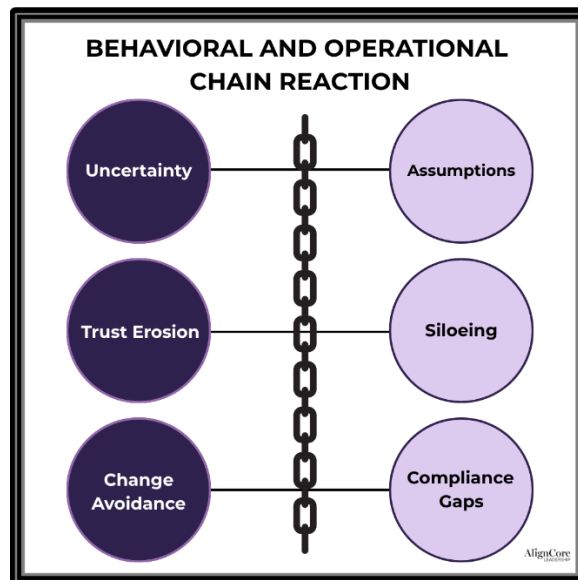
Across all industries, post-acquisition performance consistently falters where culture, communication, and process alignment diverge. In a 2024 PwC study of mergers and acquisitions, only *14 percent of organizations achieved comprehensive integration across strategic, operational, and financial dimensions*. The same pattern shows up in dentistry: even when clinical systems are merged and payroll platforms synchronized, practices stumble because trust, communication cadence, and team identity were never fully considered.

Behaviorally, the social contract changes when ownership does as team members who once relied on familiar decision patterns now face a new authority voice, revised workflows, and ambiguous expectations. Unaddressed, that ambiguity breeds hesitation, defensiveness, and a quiet decline in discretionary effort, the intangible ingredient behind production consistency.

Operationally, integration demands sequencing as deliberate as any treatment plan.

Credentialing, vendor renegotiation, technology consolidation, and financial reporting each carry dependencies. When executed piecemeal or without a transparent roadmap, the result is duplication, delays, and the kind of “operational sludge” that hides in plain sight.

Effective integration bridges both sides. It pairs a structured process - clear milestones, defined accountability, and real-time communication loops - with behavioral intention: transparent leadership messages, cultural alignment sessions, and early recognition of key talent. Practices that implement both layers not only stabilize faster but recover lost EBITDA within a single fiscal year.



Behavioral and Operational Co-Dependent Reactions

When Behavioral Science Meets Operations

When leaders treat the human and operational sides of a transition as separate projects, integration becomes far more likely to fail. **Integration isn't dual, it's symbiotic in nature** and when one side drifts, the other inevitably follows. The complete system loses balance.

Every operational decision sends a behavioral signal: a delay in payroll communicates instability; inconsistent or opaque communication erodes trust; and change that seems sudden or without clear direction amplifies uncertainty. People perceive *process* as intent. If the initial takeover seems messy, unplanned, or marked by hiccups that hurt, they assume the leadership style will stay that way- or take too long to find its footing.

Behaviorally, ownership changes awaken three predictable responses.

- 1. Uncertainty bias:** the fear of the unknown. Employees and leaders often make irrational decisions, delay action, or become overly anxious. It prioritizes avoiding potential losses over pursuing potential gains. They teeter between analysis paralysis, reinforcing old beliefs, and status quo bias while ushering in herd behavior.
- 2. Loss aversion:** a powerful driver of change resistance. Employees experience loss aversion more acutely than new owners do. They cling harder to what once felt safe, even when asked to adopt a more efficient or productive approach, creating unspoken workarounds that reduce productivity. They fixate on small losses over bigger gains.
- 3. Identity threat:** occurs when a person's perception of who they are, the group they belong to, the relationships they have, and their role are suddenly called into question. This is especially true of agentic employees: they are a greater flight risk, prone to feeling micromanaged, and often take on a dominant "Us versus Them" mentality.

Each of these potentiates not only a strike to their psychological safety at work, it directly, then impacts how they show up and where their engagement level stands. Extensive research confirms that a decrease in engagement correlates with a lower quality and quantity of work, stifled creativity, and declining efficiency. As it spreads in an organization, morale decreases, absenteeism and turnover climb and customer service- once the crown jewel- becomes an afterthought.

“IN A CULTURE CLASH, THE COMPANIES’ FUNDAMENTAL WAYS OF WORKING ARE SO DIFFERENT AND SO EASILY MISINTERPRETED THAT PEOPLE FEEL FRUSTRATED AND ANXIOUS, LEADING TO DEMORALIZATION AND DEFECTIONS. PRODUCTIVITY FLAGS, AND NO ONE SEEMS TO KNOW HOW TO FIX IT.”

— DALE STAFFORD & LAURA MILES, **BAIN & COMPANY**

Financially, the impact is

cumulative: a single disengaged employee can cost a \$1M practice tens of thousands of dollars per year, or approximately 34% of their **annual salary** (Gallup). For an employee earning \$65K, that’s **about 2 percent of total revenue.**

In practices with six key team

members, if even half disengage during transition, **6 percent of EBITDA** quietly disappears.

The Cost of Operational Blind Spots

New owners underestimate how much operational strain erodes both confidence and cash flow. Practices rarely lose value in one dramatic event; it leaks out through a hundred small inefficiencies that quietly multiply in the first six months of ownership. Each one costs money. Each one carries a psychological ripple.

Credentialing and licensing delays quietly paralyze production. Weeks spent waiting on payer approvals translate to empty treatment rooms, deferred revenue, and a team left filling time instead of schedules. The monetary loss is measurable, but the cultural loss is subtler: every day spent waiting chips away at confidence in leadership competence. When employees don't see money coming in, they're quick to wonder if payroll will be met.

Vendor negotiations often lead to inheriting supplier contracts without auditing terms or delivery patterns which results in overlapping services, inflated costs, or supply interruptions. Thousands are lost in avoidable spending while the frontline improvises to keep operations moving. 'Disorganized' and 'incompetent' becomes the story they tell each other about leadership's priorities.

System redundancy vis-à-vis duplicate software, outdated workflows, or inconsistent reporting creates invisible rework. Reconciling data that should already line up takes untold hours. Beyond the lost productivity, redundancy signals ineptitude. It leads to a breakdown in

trust and fallout amongst the remaining staff. Those who stay often experience a quiet decline in morale known as survivor syndrome.

Financial opacity compounds it all. New owners often discover after the fact that their books tell a different story than what they believed. It's not a matter of a seller or broker being untruthful; rather, until they're immersed in day-to-day, owners might not fully understand the numbers. Without integration or someone spending time educating them, this could be

one of the most time-consuming pieces

to untangle. It requires a granular

understanding of true overhead,

recurring costs, and revenue patterns,

or early decisions are made on

assumption, not evidence, and those

missteps cost far more to remedy than

to prevent.

“SOME 95 PERCENT OF EXECUTIVES DESCRIBE CULTURAL FIT AS CRITICAL TO THE SUCCESS OF INTEGRATION. YET 25 PERCENT CITE A LACK OF CULTURAL COHESION AND ALIGNMENT AS THE PRIMARY REASON INTEGRATION EFFORTS FAIL.”

— OLIVER ENGERT, BECKY KAETZLER, KAMERON KORDESTANI, & ANDY MACLEAN, **MCKINSEY & COMPANY**, 2019

Owning and leading a dental practice isn't the same as scrolling through lessons on leadership or reading practice-management articles. That's the equivalent of working on a typodont as a D2 versus treating a live patient as a D3—the variables and working conditions shift from predictable to personal, from theory to reality. Nothing truly prepares you for in-the-trenches work of ownership integration.

Without someone focused on translating vision into operational sequence and cultural rhythm, owners spend critical months reacting instead of leading.

Together, these breakdowns form a dissonant operational noise that soon becomes an emotional one. The more systems stammer, the more human energy is spent compensating.

Integration goes beyond clean ledgers and clarifying vendors- it's about reducing the cognitive load that comes with constant correction.

When the operational side is unsure, the psychological side follows. One loses clarity, the other loses confidence- and the cycle becomes self-reinforcing. Integration is successful when a balanced rhythm, rather than a frenetic reaction, is in play.



The CORE Integration Model™

After studying dozens of practice transitions and post-sale recoveries, four repeating disciplines consistently emerged. Together, they form the basis of The **CORE Integration Model™** - a proprietary framework designed to synchronize operational performance with human behavior so that both advance in harmony, efficiency, and completeness.

Integration isn't linear, running counter to the task-based approach most new owners take. It is layered, overlapping and interwoven. Every decision, be it financial, clinical, or cultural, affects others in ways that are both measurable and behavioral. The **CORE Integration Model™** was developed to manage those interdependencies- with intention.

At its foundation, the model centers on four disciplines that predict the speed and sustainability of post-acquisition stabilization.

- The first defines what must be clear before the transition begins, setting expectations and decision rights that prevent costly ambiguity later.
- The second ensures that operational changes- financial, clinical, human resources- are paced deliberately to ensure capacity isn't overwhelmed and progress isn't mistaken for readiness.
- The third assesses human thresholds. Adoption follows a predictable pattern when trust, communication preferences and change tolerance are measured, not assumed.
- The fourth transforms planning into consistent execution, closing the gap between vision and accountability through measurable follow-through.

While the specifics of each discipline remain proprietary, the outcomes are not. When practices apply all four, they stabilize faster, realize smoother team alignment, and, in most cases, recover a mid-teens percentage of EBITDA within 12 months. Compared with peers who treated integration as an administrative checklist, the value is immeasurable in lost personal time trying to decipher practice ownership alone. Inversely, practices that overlook integration strategy can see up to a 20% erosion in value during the first year—losses that are rarely traced back to their source because they're absorbed quietly into rework, turnover, and slowed production. Left unchecked, that 20% erosion continues to grow.

The **CORE Integration Model™** is more than a process; it's an *operating philosophy* created specifically for dental practice transitions. It recognizes that systems fail for human reasons and that behavior changes faster when structure supports it. Integration isn't the end of a transaction; it's the framework that determines whether the deal compounds into value or dissolves into recovery.

Grounded in structure but guided by context, every application of the framework is distinct. It calibrates the dynamics of each practice: its pace, pressure points, and potential.

Concurrently, it allows growth in leadership, communication, and operational discipline to emerge naturally as integration unfolds. Practices are left with a working playbook built with- and designed for- them. It is intentionally structured to expand as their operations do.

The Future of Integration (2030 Outlook)

By 2030, integration will move from reactive cleanup to proactive design: planned as intentionally as the acquisition itself.

- 1. Behavioral Analytics Dashboards** AI-enhanced HR systems will monitor engagement sentiment in real time, allowing leaders to predict and correct friction before it surfaces.
- 2. Neuro-Leadership Training** Leadership development will merge cognitive science with operational modeling, producing emotionally fluent operators who manage both metrics and mindsets.
- 3. Integration as Due Diligence** Brokers and lenders will request pre-sale Integration Readiness Scores, like credit ratings, to assess leadership capacity and cultural stability.
- 4. Cross-Industry Standardization** Dentistry will mirror hospital systems, where dedicated integration directors oversee post-merger cultural and operational alignment.

Conclusion | From Transition to Transformation

The next era of practice growth will belong to owners who treat integration not as a phase, but as an asset class—one that is designed, measured, and continuously improved. Cost-benefit analyses show that addressing ingrained issues later can consume more than half of already-lost profits. Integration—especially when guided by a framework like the **CORE Integration**

Model™—not only minimizes “fix-it” measures but prevents most recoverable losses altogether.

Integration is the quiet determinant of value, influencing whether a practice acquisition quickly becomes a legacy -or a fiscal and psychological liability- during the early years. The next evolution of ownership will belong to leaders who understand that behavior is the final integration metric.

Every transition authors its own story. Whether you design the narrative, or let it unfold by default, is the question.

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About the Author

Lisa Nelson, MA, founder of AlignCore Leadership LLC, specializes in post-sale practice integration at the intersection of operations and behavioral science, along with sunset (pre-transition) operations enhancement for sellers. AlignCore’s proprietary **CORE Integration Model™** helps practices stabilize faster and protect EBITDA after acquisition. This paper was written with appreciation to industry colleagues and advisors who contributed perspective to this report, participated in surveys, and allowed for tracking.

