

# What Happens in an M&A Deal? A Breakdown for Business Owners

By Russell Stein on April 17, 2026

Many business owners hear the term M&A frequently, especially when discussing company growth, investment opportunities, or potential exits. Yet despite how often mergers and acquisitions are discussed in business conversations, the actual process can feel confusing and stressful.

Behind every deal is a complex sequence of planning, negotiation, documentation, and regulatory considerations. If you're a founder, investor, or in-house counsel, understanding what happens during the acquisition process can help you reduce uncertainty and avoid costly mistakes.

Here's what to know about the phases of an **M&A deal**, so you can better understand how transactions typically unfold and where experienced legal guidance becomes critical for your Massachusetts company.

## Why M&A Deals Feel Overwhelming for Business Owners

### Uncertainty Around the Acquisition Process

For many founders, an acquisition or merger may be the largest financial transaction they will ever make, yet many business owners go through the acquisition process only once, if at all.

As a result, it's common to encounter uncertainty about issues such as business value, how to structure a transaction, how negotiations typically unfold, and which **legal and tax issues** must be addressed. Without experience navigating the merger and acquisition process, it can be difficult to understand what matters most at each stage of the deal.

### Legal and Financial Risk

Another reason M&A transactions feel daunting is the level of legal and financial exposure involved. **Business owners** may face liability if M&A laws aren't properly followed, and they could be exposed to representations and warranties in transaction agreements, as well as disputes that arise after closing due to unclear documentation.

## What's at Stake in a Merger or Acquisition

### Financial Exposure

A merger or acquisition involves more than simply agreeing on a purchase price, as these deals often include financial mechanisms that affect the transaction's final value. These can include earn-out provisions tied to future performance, indemnification obligations if representations prove inaccurate, and tax implications that affect the net proceeds from a sale.

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### Operational Disruption

An acquisition can significantly affect the day-to-day operations of both companies involved, creating challenges such as transitioning employees to a new organizational structure, integrating leadership teams, and managing cultural differences between the companies. You'll also need to assign or renegotiate vendor and customer contracts.

### Regulatory and Compliance Issues

Transactions must comply with a range of legal requirements, including state and federal regulatory filings, **industry-specific approvals**, and employment and labor compliance issues.

## A Simplified Walkthrough of the Phases of an M&A Deal

While every transaction is unique, most follow a general framework, so understanding the phases of an M&A deal can help you anticipate what lies ahead.

### Phase 1: Strategy and Preparation

At this stage, business leaders define their goals and begin evaluating potential deal structures, including whether the transaction will be an asset sale, a stock sale, or a merger, the financial objectives of the parties involved, and early legal and tax structuring considerations. Strategic planning is critical because decisions made during this phase often shape the rest of the acquisition process.

### Phase 2: Letter of Intent and Initial Negotiations

Once parties have identified a potential deal, negotiations typically begin with a letter of intent (LOI), which is generally nonbinding but establishes the transaction's framework. It can include the proposed purchase price or valuation method, a transaction structure, an expected timeline, and any confidentiality obligations.

### Phase 3: Due Diligence

After signing a letter of intent, the buyer usually conducts due diligence in mergers and acquisitions, and this stage involves a deep review of the target company's business operations. You should expect this to include financial records and tax filings, commercial contracts, intellectual property assets, litigation history, and **employment and benefit matters**.

### Phase 4: Definitive Agreements

Once diligence is complete, you'll move toward finalizing the transaction documents. Key agreements may include asset or stock purchases, mergers, and ancillary documents addressing transition services or employment matters. These documents contain detailed provisions governing representations and warranties and indemnification obligations, as well as any conditions that must be satisfied before closing.

### Phase 5: Closing and Post-Closing Integration

At closing, ownership of the business or assets transfers from the seller to the buyer. This often includes payment of the purchase price and execution of final transaction documents. Any required regulatory filings are also usually handled at that time. However, the work doesn't end at closing. Businesses must also manage their post-closing integration, which may involve areas like:

- Employee transitions
- Operational integration
- Contract assignments
- Technology and systems integration

## Why Experienced M&A Counsel Makes a Difference

### Structuring for Protection and Efficiency

An experienced legal team plays a central role in structuring transactions to protect client interests, as attorneys help allocate risk through contract provisions, representations and warranties, and indemnification structures. They also coordinate tax and regulatory considerations to improve efficiency throughout the merger and acquisition process, for increased security and peace of mind.

### Anticipating Issues Before They Become Problems

One of the most valuable roles of experienced counsel is identifying potential problems early by detecting issues like contractual obligations that may restrict a sale, as well as employment or compliance risks. Red flags uncovered during diligence can then be addressed early, which helps prevent delays or deal breakdowns later.

### Coordinated Legal Guidance

M&A transactions often involve multiple advisors, including investment bankers, accountants, and internal business teams, with legal counsel helping coordinate these professionals to maintain momentum through a collaborative approach.

## How RIW Guides Businesses Through the M&A Process

### Strategic Planning at the Outset

At **Ruberto, Israel & Weiner**, we work with clients early in the process to clarify objectives and determine the most effective transaction structure. This planning stage often includes evaluating potential risks and coordinating with financial advisors, which helps prepare your business for a successful transaction.

### Comprehensive Deal Management

M&A transactions involve many moving parts. By working with RIW, you can expect end-to-end support, including managing due diligence in mergers and acquisitions, drafting and negotiating transaction agreements, coordinating with accountants and financial advisors, and overseeing closing logistics.

### Protection Under Applicable M&A Laws

We assist clients with managing state and federal compliance obligations while reducing potential exposure after closing, and we collaborate with related practice areas to address specialized legal issues.

## Prepare for Your Next M&A Transaction

A merger or acquisition can represent a major milestone for business owners and investors. The merger and acquisition process may seem complex, but careful planning and experienced guidance can significantly reduce risk.

If your company is considering growth through acquisition, preparing for a sale, or **exploring strategic partnerships**, early planning can make a meaningful difference. **Get in touch with us** at RIW today, and let an experienced M&A legal team provide the clarity and structure you need to handle the transaction with confidence.

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