

Acquisitions, Divestitures, and the Hidden Realities in Accounts Receivable

A Two-Part Credit Leader Series
Post-Close Execution, TSA Realities, and Long-Term AR Risk

PART 1

Post-Close Execution & TSA Reality Check

Why This Matters

- Deal value leaks fastest through Accounts Receivable
- AR reflects the real quality of the transaction
- Execution—not structure—determines outcomes



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Where Diligence Often Stops

- Aging and reserves
- Customer concentration
- Policies and documented controls
- Historical performance



What Operators Inherit After Close



Disputes and unrecorded credits



Customer confusion and payment delays



Data gaps and system limitations

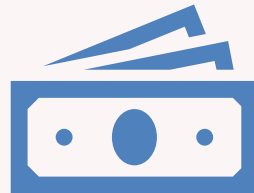


Unclear ownership of AR activities

Customer Behavior Shifts



Customers do not experience
the deal as planned



Payment behavior often
changes immediately



Risk categorization must be
reassessed quickly

TSA Assumptions vs. AR Reality



TSA's prioritize transaction continuity



AR requires clarity, accountability, and speed



Gaps surface quickly under operational pressure

Ownership Gaps Create Risk



DISPUTES & POST
AUDITS



DATA & SYSTEMS
UTILIZATION /
INTEGRATION



CASH APPLICATION



CUSTOMER &
EMPLOYEE
COMMUNICATION

What Credit Leaders Wish They Had Pushed Harder

Earlier AR involvement

Clear ownership definitions

Realistic system and staffing assumptions

Bridge to Part 2



Temporary decisions create long-term AR risk



Early compromises often persist far longer than planned



AR risk is often underestimated during deal planning — and felt immediately after close.

TSAs optimize for transaction speed, not sustainable AR execution.

Temporary AR decisions frequently become long-term risk.

People and change dynamics directly impact cash, controls, and customer outcomes.

Early, active credit leadership materially improves M&A outcomes.

Executive Takeaways for Credit Leaders
