



WHITE PAPER

Navigating the New Deal Cycle:

Technology, Risk, and M&A
Momentum in 2026

Table of Contents

1. The 2026 Deal Environment: Momentum Returns as Complexity Accelerates	Page 3
2. Key Takeaways	Page 3
3. 2026 Market Challenges & Strategic Pressures	Page 4
4. Process and Operational Pain Points	Page 5
5. Technology & AI: Innovation, Impact, & Workforce Implications	Page 6
6. Technology & AI: Automation and Efficiency	Page 7
7. Decision Making: External Inputs & Learning Channels	Page 8
8. M&A Objectives & Strategy.....	Page 9

THE 2026 DEAL ENVIRONMENT: MOMENTUM RETURNS AS COMPLEXITY ACCELERATES

The global rebound in M&A activity has ushered in a new phase of opportunity and complexity for deal makers heading into 2026. While deal value surged in 2025 amid renewed confidence, financial leaders are navigating an environment defined by technological acceleration, economic uncertainty, and intensifying regulatory scrutiny. As AI, data analytics, and automation reshape deal strategy, firms face mounting pressure to move faster while managing greater risk, longer timelines, and more demanding diligence requirements.

To better understand how firms are navigating this evolving landscape, DFIN conducted a survey in Q4 of 2025 among 300 senior decision makers at private equity firms and investment banks. Respondents included CFOs, controllers, managing directors, vice presidents, directors, and senior deal professionals. Together, these findings reveal how leading deal teams are adapting their strategies, processes, and technology investments to compete and manage risk in the 2026 deal environment.

Key Takeaways



Deal momentum is accelerating, but execution is becoming more complex.

Global deal activity is expected to increase in 2026, with 60% of respondents anticipating higher M&A and fundraising activity. However, this momentum is constrained by regulatory pressure, longer deal timelines, and macroeconomic volatility, which 86% of respondents cited as a significant challenge.



Technology is now a primary strategic driver of deal activity.

Technology has moved from enablement to execution infrastructure: 92% of decision makers say technological innovation is a significant driver of company strategy, and 64% report actively investing in technology to remain competitive.



Due diligence has emerged as a major operational friction point.

Due diligence remains a bottleneck, with 60% of respondents describing it as challenging, primarily due to fragmented data, regulatory complexity, and cross functional coordination issues.



Winning firms are modernizing execution, not just strategy.

Leading firms are responding by investing in automation, analytics, and governance-driven technology to improve speed, consistency, and confidence across the deal lifecycle, reflecting a broader shift toward execution discipline as a competitive differentiator.

2026 MARKET CHALLENGES & STRATEGIC PRESSURES

In 2026, strategy is being shaped by two forces at once: accelerating innovation and persistent volatility. In our research, 92% of decision makers say technological innovation is a significant driver of company strategy, while 86% cite macroeconomic conditions as similarly significant, underscoring the dual pull of technology opportunity and market risk.

Macroeconomic and regulatory pressure is extending deal cycles

In addition to economic pressures, geopolitical uncertainty is increasingly shaping deal strategy. Ongoing geopolitical tensions, trade fragmentation, and cross border regulatory divergence are complicating valuation, diligence, and capital deployment decisions—particularly for firms pursuing international transactions. This aligns with survey findings that cite geopolitical and trade risks as a material concern for dealmakers heading into 2026.

These pressures manifest directly in anticipated headwinds: 28% of decision makers cite interest rates and economic slowdown among the top challenges heading into 2026.

Competition is intensifying as technology and talent become differentiators

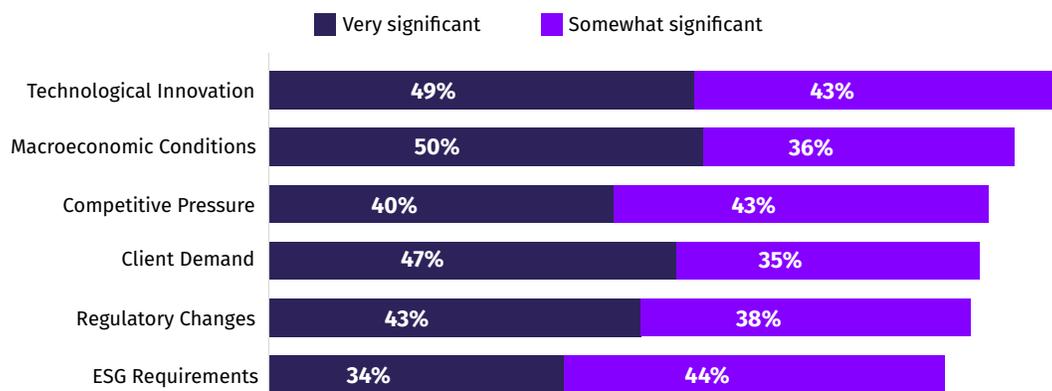
Competitive pressures are intensifying as firms accelerate digital transformation, expand advisory and product ecosystems, and pursue differentiated value in a crowded marketplace. In fact, more than 80% of decision makers cite competitive pressure and client demand as significant drivers of strategy in 2026.

Technology adoption is now a front line execution challenge, not just an IT priority. Consequently, 34% of decision makers cite technology adoption/integration as an anticipated challenge for 2026, with a meaningful split by firm type: investment banks are more likely than private equity firms to cite technology adoption/integration (41% vs. 20%), while private equity firms are more likely to cite access to quality deal flow (42% vs. 20%).

As competition heats up, firms are responding by investing in the capabilities that help them move faster and differentiate; 64% report investing in technology, 55% are pursuing new strategic partnerships, and 54% are prioritizing talent acquisition and retention.

What's Driving Strategy in 2026

Technology and macro conditions lead the list of strategic drivers: 92% cite technological innovation and 86% cite macroeconomic conditions as significant, followed by competitive pressure (83%), client demand (82%), regulatory changes (81%), and ESG requirements (78%).



PROCESS AND OPERATIONAL PAIN POINTS

Due diligence is increasingly a bottleneck in deal execution, driven by fragmented information, inconsistent documentation, and rising expectations for cybersecurity and regulatory rigor.

Why diligence is getting harder

Due diligence has evolved into one of the most operationally intensive phases of deal execution, not simply because the volume of information has increased, but because the nature of that information has changed. Fragmented systems, uneven documentation standards, and heightened expectations around cybersecurity and regulatory compliance have transformed diligence from a discrete review exercise into a complex, cross-functional undertaking.

As diligence expands beyond traditional financial and legal validation, firms often struggle to orchestrate timely, coherent inputs from legal, finance, risk, and IT teams. The result is slower analysis, reduced visibility, and a greater likelihood that critical risks remain obscured until late in the process.

These operational realities are clearly depicted in the data: 60% of decision makers describe due diligence as challenging, and 14% cite due diligence complexity among anticipated challenges heading into 2026.

What diligence friction means for deal execution

As diligence becomes more complex, the consequences extend well beyond longer review cycles. Fragmented data, inconsistent inputs, and cross-functional coordination challenges reduce visibility into risk at precisely the moment when deal timelines are tightening and regulatory scrutiny is increasing.

These frictions manifest as delayed decision making, late stage surprises, and diminished confidence among internal stakeholders and external counter parties. With a majority of decision makers reporting that due diligence is challenging, operational inefficiencies are no longer edge cases; they are systemic constraints on deal speed, certainty, and outcome.

As deal activity is expected to rise across M&A, fundraising, and carve outs in 2026, these execution challenges are becoming more pronounced. In this environment, diligence is no longer a discrete phase of the transaction lifecycle; it is a critical determinant of whether firms can execute efficiently, manage risk effectively, and sustain momentum from strategy through close.

Due Diligence Sentiment

■ Very Challenging ■ Somewhat Challenging ■ Not Very Challenging ■ Not Challenging at All



TECHNOLOGY & AI: INNOVATION, IMPACT, & WORKFORCE IMPLICATIONS

As deal complexity increases, technology is becoming core to how firms manage risk, maintain speed, and sustain confidence across the transaction lifecycle. In 2026, investment in AI, analytics, and automation reflects a shift from experimentation to operational dependency.

How technology is reshaping deal execution

Technology adoption in deal making is moving beyond incremental efficiency gains. Firms are increasingly deploying AI and advanced analytics to automate manual work, accelerate data interpretation, and surface insights within compressed timelines.

Across the deal lifecycle, technology is now embedded in activities such as data extraction, contract review, financial modeling, and scenario based forecasting. These capabilities help teams manage expanding data volumes while improving consistency and traceability, two requirements that have become critical as diligence extends beyond traditional financial and legal review.

This shift reflects operational necessity. As deal activity rises while resources remain constrained, technology is being treated less as innovation and more as essential infrastructure for execution discipline and control.

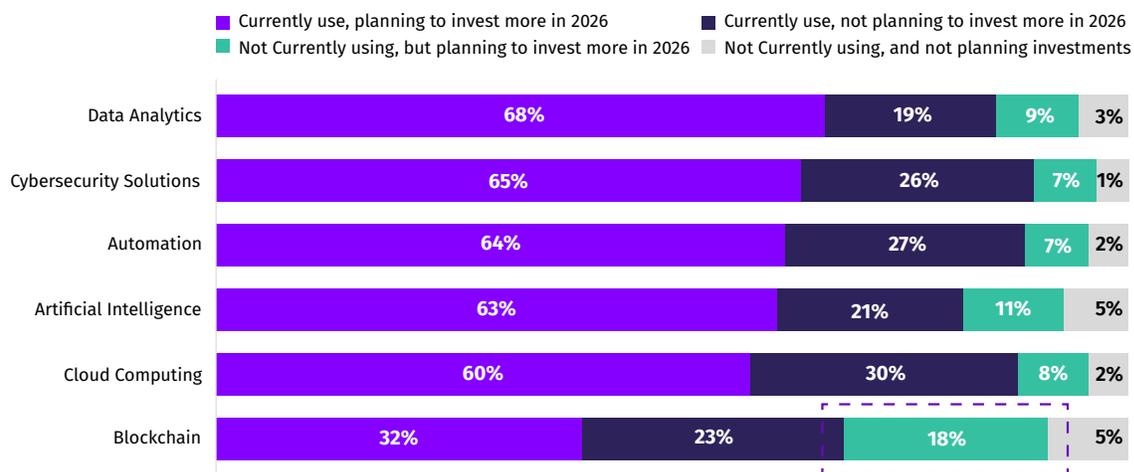
Where adoption is accelerating and where limits remain

Adoption is strongest in areas that deliver immediate reliability and time savings, particularly workflow automation and document handling. More complex applications, such as risk assessment, valuation modeling, and early-stage diligence analysis, are gaining traction but continue to require careful human oversight.

As AI tools move closer to high-stakes decision points, firms are placing greater emphasis on governance, explainability, and auditability. Rather than replacing expertise, leading organizations are adopting hybrid models in which technology accelerates analysis while human judgment remains central to accountability.

These changes are also reshaping workforce expectations. As routine tasks are automated, deal teams are increasingly expected to bring deeper analytical fluency, technical literacy, and cross-functional coordination skills at the intersection of finance, risk, and technology.

Usage & Future Investment in Technology



TECHNOLOGY & AI: AUTOMATION AND EFFICIENCY

As deal volumes rise and timelines compress, automation and AI are increasingly being applied to relieve operational strain. In 2026, technology adoption is less about experimentation and more about improving execution reliability across core deal workflows.

Where automation is delivering immediate value

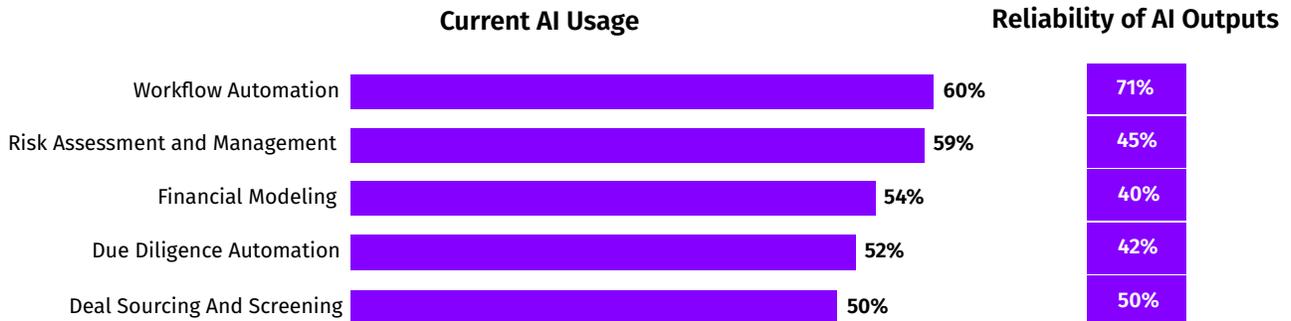
Automation is gaining the most traction in areas where consistency, speed, and scale matter most. Workflow automation, document handling, and data organization are now widely embedded across diligence and transaction processes, helping teams reduce manual effort and maintain momentum as information volumes grow.

These use cases are delivering tangible efficiency gains by standardizing repetitive tasks, improving version control, and reducing dependency on fragmented, manual coordination. As a result, automation is increasingly viewed as foundational infrastructure supporting execution discipline rather than serving as a standalone innovation initiative.

Why efficiency gains still require human oversight

While adoption is expanding, efficiency gains are not uniform across all applications. Higher judgment use cases including risk assessment, valuation modeling, and early-stage diligence analysis, continue to present reliability challenges that limit full automation.

In response, firms are reinforcing hybrid execution models that combine automated processing with human review. Governance, explainability, and auditability are becoming central requirements as AI tools move closer to critical decision points. Rather than replacing expertise, leading organizations are using automation to accelerate analysis while preserving accountability and control.



DECISION MAKING: EXTERNAL INPUTS & LEARNING CHANNELS

As deal complexity increases and timelines compress, decision making in 2026 is becoming more distributed, data-driven, and externally informed. Financial leaders are relying on a broader mix of advisors, peer networks, and information channels to navigate uncertainty and reduce blind spots.

How leaders are informing high-stakes decisions

Decision makers are no longer relying on a single source of insight. Instead, strategic judgments are increasingly shaped by a combination of economic advisors, internal analytics platforms, and professional peer networks. This multi-input approach reflects the need to triangulate perspectives across macro conditions, market dynamics, and deal specific risk factors.

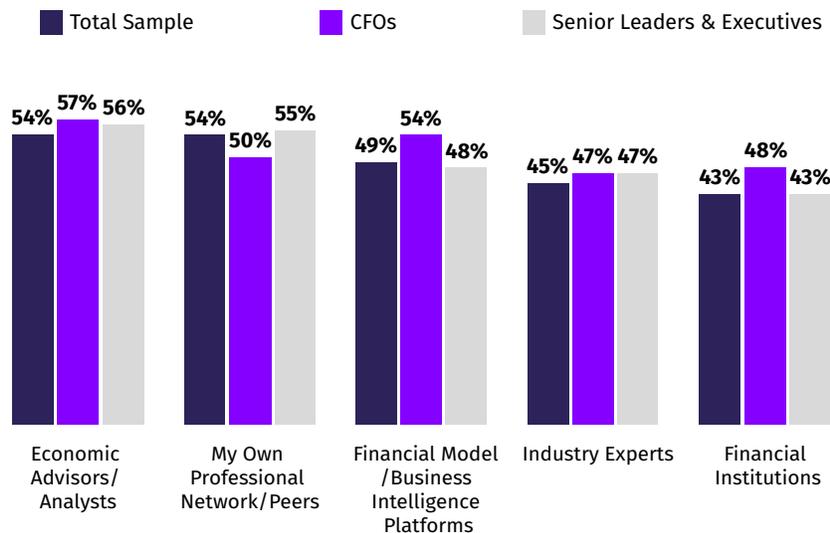
External expertise plays a particularly important role as regulatory requirements evolve and geopolitical and economic conditions remain fluid. By drawing on diverse inputs, leaders are seeking to improve decision quality, pressure-test assumptions, and move forward with greater confidence amid uncertainty.

How decision makers consume and validate information

The channels leaders rely on to stay informed are also evolving. Video content and long form written analysis have emerged as preferred formats for engaging with complex topics such as market dynamics, regulatory change, and emerging risks. These formats enable deeper understanding while allowing flexibility in how insights are consumed.

Digital platforms, business publications, and professional networks serve as primary discovery channels, while trusted peers and advisors help contextualize information and separate signal from noise. Together, these inputs reinforce a decision making environment where clarity, credibility, and relevance are essential to maintaining confidence and momentum.

Sources Used for Decision Making



M&A OBJECTIVES AND STRATEGY

Despite continued macroeconomic and regulatory uncertainty, financial leaders enter 2026 with renewed confidence in dealmaking as a driver of growth and portfolio optimization. M&A strategy is increasingly defined by selectivity, discipline, and alignment with long term value creation rather than volume alone.

Strategic priorities shaping M&A activity in 2026

Firms anticipate increased activity across buy-side and sell-side M&A, fundraising, and carve-outs, reflecting confidence in strategic opportunities despite ongoing headwinds. However, this optimism is tempered by a more measured approach to execution. Leaders are prioritizing transactions that align closely with core capabilities, strengthen competitive positioning, or unlock operational efficiencies.

Private equity firms remain focused on deploying dry powder strategically, emphasizing proprietary deal flow, add-on acquisitions, and value creation within existing portfolios. Investment banks, by contrast, are placing greater emphasis on regulatory acumen, sector specialization, and advisory depth as deal structures grow more complex and timelines extend.

Across firm types, M&A objectives are increasingly shaped by the need to balance growth ambitions with heightened scrutiny around valuation, integration risk, and regulatory exposure.

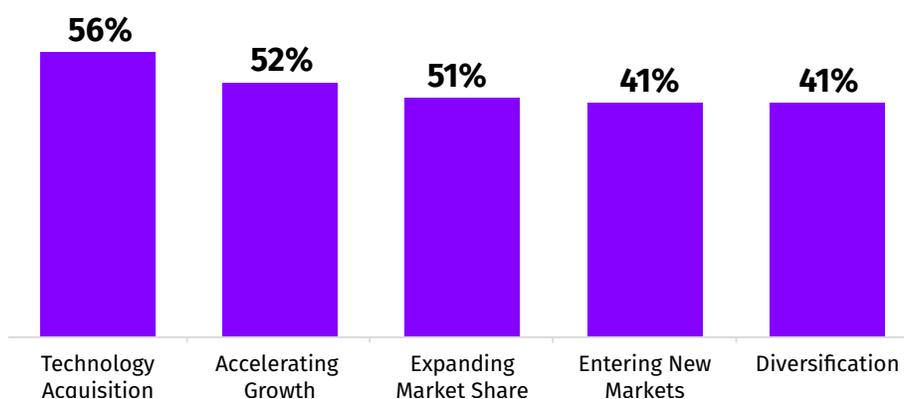
Execution discipline as a differentiator in deal strategy

As deal environments become more complex, execution capability is emerging as a defining component of M&A strategy. Leaders are factoring operational readiness into target selection, diligence scope, and deal structuring decisions earlier in the process.

Longer review cycles, evolving compliance requirements, and technology-intensive targets are prompting firms to reassess how they resource transactions and manage risk. Rather than pursuing speed at all costs, organizations are emphasizing preparedness, cross-functional coordination, and transparency to protect value through close and integration.

In 2026, successful M&A strategies are not solely defined by what firms acquire or divest, but by how effectively they execute amid uncertainty. Discipline in diligence, clarity in objectives, and alignment between strategy and execution are becoming critical determinants of deal success.

Primary M&A Objectives for 2026



EMPOWER YOUR TEAM WITH TRUSTED SOLUTIONS

Take the next step toward equipping your teams with the proper technology they need in 2026! Elevate your reporting process with [DFIN ActiveDisclosure](#) for greater accuracy and efficiency, while leveraging our virtual data room, [Venue](#), to manage transaction activity with the security, speed, and confidence you need from due diligence to close.

About the Survey

This survey was conducted senior professionals in private equity and investment banking—including CFOs, Controllers, SVPs, VPs, Managing Directors, Directors, Senior Associates, and Junior Analysts—at firms with enterprise values over \$500M or fund sizes exceeding \$100M. All participants held decision making authority across key transaction areas, including M&A, IPOs, carve-outs and divestitures, fundraising and licensing, take-privates, or VDRs.