Deal Fever

How the Final Stretch of a Transaction Becomes the Most Dangerous

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I have always had a hunch that a disproportionate percentage of goals conceded in a football match are in those final few minutes. Data from multiple studies of professional international football backs this up, with approximately 25% to 30% of all goals scored or conceded being in the final 15 minutes. The same dynamic often appears in complex transactions. After months of negotiation, due diligence, stakeholder management and document drafting, the finish line is finally visible. The deal team is exhausted but relieved. Everyone wants the transaction completed. And it is often at that precise moment that the greatest risks emerge.

The most appropriate description for this condition is deal fever.

It is not a legal term, but most experienced dealmakers and advisors immediately recognise the phenomenon. As a transaction approaches signing and/or closing, fatigue sets in, attention narrows, and the collective desire to simply get the deal done becomes increasingly difficult to separate from objective judgment. The disciplines that carried the transaction safely through months of negotiation can begin to weaken just when they are needed most.

I have seen this dynamic play out across complex transactions in North America and Europe, across sectors, structures and deal sizes.

Why Deal Fever Happens

By the final weeks of a complex transaction, management teams are already planning for integration. Founders are contemplating liquidity events. Private equity sponsors are focused on deployment or exit timelines. Advisors have often been operating at full intensity for months.

At that stage, every participant has an incentive - conscious or otherwise - to view remaining issues as obstacles to completion rather than risks requiring further scrutiny.

The challenge is typically not that people stop caring. It's the opposite – everyone cares so much about getting to the finish line. That is when mistakes become most likely.

Three Common Late-Stage Traps

01 Opportunistic Drafting Changes

One of the most common manifestations of deal fever is the late-stage reappearance of issues that were thought to be resolved.

A provision removed three drafts ago quietly finds its way back into the document when everyone assumed from prior drafts it had been settled. A defined term is adjusted. A seemingly minor revision alters the practical operation of a negotiated protection elsewhere in the agreement.

These changes are often introduced during periods when deal teams are under maximum pressure: early mornings, late evenings, weekends, or immediately before circulation of the execution versions. The majority of late changes are legitimate and commercially agreed. Some are not.

I have seen counterparties attempt to reintroduce concepts that had previously been rejected, possibly seeking to rely on the assumption that exhausted teams are less likely to identify the implications. In one prior transaction, a purported formatting amendment made over the final weekend would have materially altered the economics of the deal had the cross-references not been identified during a final review. The main risk is assuming that because a document feels familiar, it no longer requires the same level of scrutiny.

02 Last-Minute Commercial Concessions

Another common danger arises when deal fatigue begins to influence commercial decision-making.

A disclosure update is accepted without sufficient challenge. A limitation of liability is relaxed. A materiality threshold is adjusted. A waiver request that would have received significant scrutiny earlier in the process is approved because no one wants to slow momentum. Viewed individually, these decisions may appear reasonable. Viewed collectively, they can materially alter the risk allocation that took months to negotiate.

03 The Erosion of Negotiated Protections

Complex transactions are built upon hundreds of interconnected provisions.

A change to one clause may appear innocuous when viewed in isolation but can materially affect the operation of several others. A seemingly minor drafting change can have consequences that extend far beyond the page on which it appears.

Identifying these interactions requires more than technical legal knowledge. It requires pattern recognition developed through repeated exposure to similar transactions. It also requires a close and well-coordinated deal team with clear lines of communication, disciplined tracking of open issues, and a shared understanding of responsibilities.

That is often where the greatest value of an experienced and a tight-knit deal team emerges.

What Experience and Judgement Actually Provides

When discussing deal execution, there is a tendency to assume that the solution is simply greater vigilance.

Stay focused. Review everything carefully. That advice is correct, but it is incomplete.

The reality is that vigilance becomes increasingly difficult to sustain as transactions progress. Fatigue is unavoidable. Time pressure is unavoidable.

The more durable safeguard is experience, judgment, and the ability to recognize familiar patterns.

Experienced transaction advisers are not valuable because they read every page more carefully than everyone else. They are valuable because they know where risk is most likely to emerge. They understand which provisions deserve disproportionate attention and which issues can safely be accommodated. None of this is an exact science. A key skill is maintaining the balance between avoiding causing unnecessary delay to a process, and understanding the consequences of seemingly minor changes against the parties' commercial objectives and risk appetite.

The Real Lesson

Deal fever cannot be eliminated. In fact, it is often necessary to maintain momentum and bring a transaction across the finish line.

The majority of significant transactions eventually reach the stage where fatigue, urgency and optimism begin to influence judgment. That is not a flaw in the process. It is a natural consequence of bringing complex deals to completion.

The objective is to recognize when deal fever arrives, and ensure there are lead partners, general counsel and senior dealmakers who understand what it looks like. The transactions that close most successfully are often not those with the fewest last-minute issues, but those where the team remains disciplined enough to treat the final days with the same rigor as the first.

In many transactions, the greatest risks do not emerge at the beginning of the process. They emerge when everyone believes all the hard work is done.

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