

Technology M&A Challenges

Acquisitions Often Fail to Realize their Full Business Case Benefits: Multiple studies have shown that 50% - 70% of acquisitions fall short of meeting the full business case benefits targeted. The Harvard Business Review quotes an even higher number of 70% - 90% and highlights that integrating the two parties is one of the primary risks. IT is typically the number one or two function in terms of spend, cycle-time and magnitude of work required for a successful post-acquisition integration program.

Preparing for Acquisition Due Diligence: it is common for IT to be requested on short notice to participate in due diligence of an acquisition target and develop a budget and timeline estimate to integrate the company if it were acquired. These are complicated requests, but with some preparation ahead of time with a standard playbook and other tools you can significantly improve IT's ability to support these transactions effectively and timely while reducing the risks.

Divestitures: can also be complex and IT will need to answer a lot of questions from the acquiring company's due diligence team within the permissible guidelines. You will also need to provide cost estimates and timelines in addition to providing services to the acquiring company via Transition Services Agreements (TSAs). There are a lot of factors to consider when structuring your TSA's so a standard framework to leverage is helpful. In addition, in some cases you may want to request a Reverse TSA where the acquiring company is conveyed the assets and people needed in the short-term for your IT organization to continue providing certain services.

Spinoffs: if your company wants to create a new company (NewCo) by spinning off part of your business it is common to begin the process preparing to create a new organization (and potentially conduct an IPO) and part way through the process you start receiving offers to buy the spin-off company (NewCo). Therefore, you should be prepared to change your plan's part way through the spin-off in case it becomes a typical divestiture.

Qualifications

- Technology leadership of 15 transactions including transactions valued at several billion dollars
- Leadership of a Technology M&A Team focused exclusively on M&A transactions and partnerships
- Participation on several transactions while working in Finance and Corporate Strategy providing me with a holistic perspective to augment my Technology M&A experience
- Formation of partnerships involving technology licensing and joint technology development

Services Offered

- **IT Program Leadership or Strategic Advisor:** Effectively guide your IT organization through a transaction at a lower cost than a Senior Leader from a Big Four firm or leading M&A advisory organization
- **Augment your other resources** to get an alternative point of view and ensure value on your behalf
- **Build Capability before a Transaction to be Prepared:** Prepare your organization for transactions ahead and of time by creating a standard set of re-usable tools (project plan templates, playbooks,

due diligence check lists, standard TSA frameworks and more) reducing the cycle time, risks and costs of future transactions

- **Implement a Deal Management Platform** if you anticipate a lot of M&A Activity. These platforms will support all the departments in your company in a secure and efficient manner so everyone can see the status, and latest open tasks, run reports and more without emailing sensitive files. There are inexpensive applications that can be quickly stood-up that are designed to:
 - Manage your targeting criteria and watch list monitoring
 - Pipeline Management
 - Due Diligence Management and templates
 - Virtual data rooms, workflow, collaboration, status reporting and more
 - Post acquisition integration or divestiture project management