

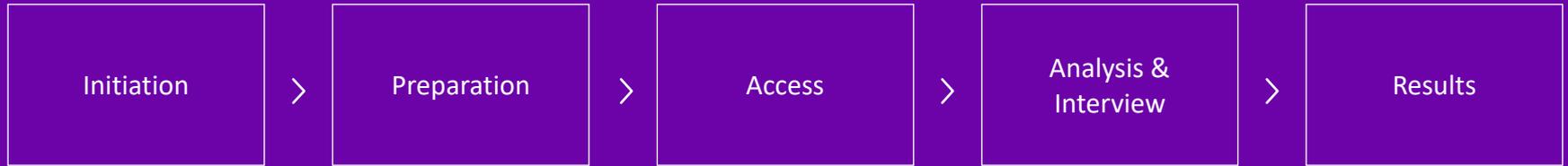
Good morning!

Welcome to M&A webinar!

How to execute an excellent Tech Due Diligence process



BearingPoint standard Tech Due Diligence Process



2 – 4 WEEKS



3 – 8 PERSONS



35 - 60 PAGES REPORT



About 1 week

Initiation & Preparation

- Establish context behind the assessment
- Adjust assessment to fit the divestment thesis
- Define on site agenda and participants
- Schedule interviews / workshops / site visits / calls
- Information Request Lists for VDR

What happens in the Initiation & Preparation phases?

- Introductory calls to confirm scope with PE firm.
- Introductory call to IceBox Inc to get to know the management, outline scope and timelines, and answer any questions.
- IRL sent over.

Things this project is getting right:

- The IRL is comprehensive and was sent on time.
- The scope was agreed – a full scope with possible reliance.
- The timelines have been agreed.

What this project is getting wrong:

- The introductory call with IceBox Inc included only the CTO.
- The CTO seems technically competent but is a bit cagey about how quickly he can get documentation on board.



About 2 days

Access

- Meetings with relevant stakeholders
- Break-outs on selected focus topics
- Request for additional information
- Red Flag Report produced and sent

What happens in the access phase?

- We met with the client over two days at their offices, running through a comprehensive tech stack of 14 products in 10 countries.
- All aspects of the scope are covered – from strategy through arch and infrastructure.
- At the end of the two days, we synthesize the information into a red flag report.

Things this project is getting right:

- The CTO brought along his heads of product, which enabled us to have very good architecture discussions.
- The CTO has good, detailed knowledge of how his organization does what it does. The ITSM and infrastructure is top-notch.

What this project is getting wrong:

- There is some defensiveness from the product managers on their ability to meet their roadmap commitments.
- The CTO gets progressively more defensive about their use of “agile”.



About 2 – 3 weeks

Analysis

- Analysis of documents and interview findings
- Alignment and potential adjustment of focus based on findings (client and advisors)
- Complementary interviews on selected topics

What happens in the access phase?

- We synthesise the information that we have received into a report.
- We hold a number of deep-dive sessions with the management to produce the report.

Things this project is getting right:

- The management are very accessible, and we have good discussions with them.
- The overall level of documentation is fine, but....

What this project is getting wrong:

- The management have clearly put together some documentation specifically for the process.
- There is no evidence that they follow rigorous SDLC processes. It's hard to tell how they actually produce anything on time.



About 1 week

Iteration & Results

- Iterations with management
- Recommended Actions & Projects
- Final report
- Readout

What happens in the access phase?

- We send out a number of draft versions of the report, giving management a chance to comment on it. This does not happen in a buy-side process.
- We meet with management and the PE firm to ensure the right message is conveyed in the VDD.

Things this project is getting right:

- The management team has given us very good input – they clearly went through the report thoroughly, and there are no surprises during the readout.

What this project is getting wrong:

- The CTO and the PE firm are unhappy about our assessment of the SDLC process and roadmap. Rather than fixing the issues found, the CTO sends us information about what “Agile” is. In the end, we find a compromise.
- The PE firm dislike anything below a “good” rating. We discuss and agree that we can update the report once some quick wins are addressed.

See you next time!

Don't miss our next M&A webinar

August 25, at 08:30 CET



Case Study M&A advisory

Thank you for a great morning!

**If you have any queries,
please get in touch!**



Karl Malmström

Manager

+46 8 52503 311

karl.malmstrom@bearingpoint.com



Mikael Pommert

Manager

+46 8 52504 922

mikael.pommert@bearingpoint.com



Carl Adam Briggert

Manager

+46 8 52503 303

carladam.briggert@bearingpoint.com

BearingPoint®