Craig Zampa: Hello, I'm Craig Zampa, Lead of the IT Due Diligence Team for our Transaction Advisory Services Group. We'll be speaking today about our webinar, The First 100 Days Successfully Integrating IT. It is rare that equity firms would ever purchase an organization without conducting financial due diligence, gaining insight into the source, dependability, and future expectation revenues critical to determining if purchasing would be a wise investment. Unfortunately, firms will proceed with the purchase of a company without taking the same amount of care in reviewing the information technology aspects by conducting an IT due diligence project. This can be a very risky approach due to the amount of impact that inappropriate, undersized, or outdated technology can have on the overall performance of a business.

You need to understand the technology gaps, risks, and costs prior to purchasing a potential target. While the findings can be very beneficial to helping acquirers adjust their offer based on what's uncovered, it can also provide insight that may cause potential buyers to re-think purchasing all together based on the uncovered risks and gaps beyond what they view as acceptable. For example, we conduct an IT due diligence on a $50 million carve out of a waste, hauling, and recycling services business. As is common with carve outs, nearly all the technology would need to be purchased as new during the transition period. The parent company was a $14 billion organization running a tier one suite of business applications. The new co-management team assumed that it'd be best was initiating contracts to continue. We worked with the equity group to step back and review the technology tools in place and assisted the target with identifying a set of solutions that were more appropriately sized for their business. The change in direction was estimated to save over a couple million dollars as well as at least a couple of years of painful re-implementation.

IT diligence will provide a comprehensive view of the gaps, risks, and costs associated with the acquisition, but it's also an important tool to establish what needs to occur during the first 100 days of ownership. There are important activities that need to occur during the first 100 days, including alignment of [new-co 00:02:14] IT strategy with corporate strategy, resolving IT leadership gaps that are required to support the updated IT strategy, prioritizing technology projects resulting form the IT diligence project, and organizing project management structure to manage the progress, approvals, and quality of these important activities. In our experience, there are often staff and external service provider adjustments as a result of the transaction. In our webinar, The First 100 Days Successfully Integrating IT, we dig into more detail related to the IT due diligence and post-close transition, including the important aspects of acquiring a carve out. To access this webinar, please visit The Private Equity Industry page of PlanteMoran.com. You will also find my email address, which is craig.zampa@plantemoran.com, for any additional questions. Thank you for joining us today.