

## WHITE PAPER

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# A Dynamic IT Perspective on Scandinavian IT Mergers, Acquisitions and Divestitures

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## KEY DRIVERS FOR M&A ACTIVITIES IN SCANDINAVIA

The recent years have shown an increase in volume of merger and acquisition (M&A) activities in Scandinavia. While there are many drivers for M&A activities, the equity market always demands growth. The non-organic growth through M&A can bring:

- A broader geographical scope/Global expansion
- Increased market share
- New channels for existing and new products
- New products for existing channels and diversified portfolio
- Increased penetration in established markets and market awareness

The general belief is that the consolidated target company provides such benefits as: cost reduction through economies of scale, revenue generation through efficiencies and synergy of products and channels, new business model with a potential for higher margins.

However, the real strategic benefits of M&A must be carefully measured as M&A is often seen as a universal remedy, when in fact many company internal considerations can also have a significant impact on results.

A company is rarely well prepared for a merger or acquisition. To aim for a long-term growth, a proper evaluation of a company's strategy and its internal choices is necessary prior to any M&A activities.

A rigorous strategic evaluation of the markets and customer demand, extensive elaboration of options and a robust M&A process can largely contribute to a successful deal and create desired value.

The continual wave of mergers, divestures and acquisitions in all industries, puts the IT function in a key role, emphasizing the need for a flexible IT structure that can rapidly be scaled to the enterprise circumstances.

## **EXPECTATIONS FROM BUSINESS AND MARKET TO IT IN M&A OR DIVESTITURE SITUATION**

A merger, acquisition or divestiture situation has a considerable impact on the business and its future. As businesses increasingly depend on IT, there are high expectations on the IT departments and their capabilities.

Triggered by the market (e.g., industry consolidations, globalization, etc.) and the corporate strategy the IT departments need to show high degree of readiness, be early involved and demonstrate credibility to ensure a successful role in an M&A or divestiture activity.

Once the “risk appetite” is defined by the business side (levels of risk that the business will tolerate), the IT departments need to work closely with the business to actively manage executive and user expectations and risks and fulfill their needs against the costs and benefits. To satisfactorily manage all stakeholders’ expectations both in terms of risks and performance means addressing deal and integration/separation risks, optimizing deal performance, addressing reporting and accounting requirements and preparing for regulatory and governance requirements.

From an IT function perspective this will require easy access to corporate top management, mutual trust and flexible attitudes as well as downward empowerment within the IT function. It also requires mature risk management to allow for timely decisions and actions on critical cross-functional issues to maximize the value of the deal.

Since, IT represents a significant cost item, next to staff and facilities costs, for many industries there is also a clear expectation to generate economies and synergies within the IT area in a merger, acquisition or divestiture situation.

Therefore, IT staff is also required to play an active role in IT valuation activities together with the financial consultants to estimate real value of the target company's IT assets. That involves, performing wide-ranging inventory of applications, infrastructure, processes and tools, contributing with accurate baselines during due diligence process and preparing reasonable integration scenarios. The costs of the IT integration program will be impacted by current assets and licences of the merging companies and whether they can be leveraged for the target company. In the case of divestiture, there are also significant costs associated with the breaking up of the integrated business.

In an M&A situation each of the companies may have heavily invested in IT before the merger. The IT departments will be expected to make a choice with regard to which company's systems to use based on systems compatibility, integration costs or reinvestment required. There will typically be the following options: 1) keep both systems and possibly developing an integration layer on top) 2) choosing one of the systems 3) developing new system or in some cases applying technology driven business transformation to reduce cost and add value.

A merger or acquisition requires advanced business, program and people management capabilities as well as a proven methodology (e.g., robust testing phase). The integration program objectives should be aligned with business requirements, in particular business information requirements.

Divestitures will typically demand more effort than M&A, because a divestiture is not just a merger or acquisition in reverse. It creates specific requirements compared to M&A transactions, where separating a business from its parent company will cause separation of its infrastructure before the sale is made and therefore must be performed under stricter time constraints. This will require intense planning, preparation and rapid implementation.

During a divestiture, all or selected data, applications, infrastructure elements and personnel are placed in a separate legal entity and are under a different ownership. If not properly performed, this may have negative impacts on investment, valuation, and systems operations.

Jointly with the business the IT departments will be expected to proactively monitor and optimize the deal and integration/separation efforts through real-time aggregated information on status and performance through executive dashboards, and reports. They will also be expected to continuously perform in parallel, day-to-day operations until the integration or separation program is complete on Day 1 (transforming while performing). Finally, IT departments will be expected to put in place and manage a benefits accountability and realization process aligned with the deal's objectives.

## **A DYNAMIC WORLD NEEDS A DYNAMIC IT CAPABILITY**

To be prepared for a merger, acquisition or divestiture, the need to develop more dynamic IT while reducing IT budgets requires executives to be selective and have a clear sense of priority when developing their dynamic IT plan.

Whilst agility has been important for some years now, the evolution of technology has reduced the time frame within which organizations need to respond to change in business conditions. The next generation of IT, what IDC calls Dynamic IT, is about creating a high-performance IT capability that can support the rapid pace of the business change.

Organizations either are pursuing or will pursue dynamic IT transformation on two major (and complementary) paths: more rapid business strategy enablement and increased IT operational efficiency. We identify 12 areas for developing dynamic IT capability: Six focused on business strategy enablement and six focusing on IT operational efficiency (see Figure 1.)

The ability to rapidly add or divest new business units increases dramatically with a dynamic IT architecture. Dynamic IT requires a modular approach to Business Processes and the IT support in form of applications and infrastructure. This is achieved by deploying technologies like Service Oriented Architecture (SOA), Virtualization, Modular standard based hardware, but also by enabling flexible sourcing options (Software as a Service: SaaS, etc.)

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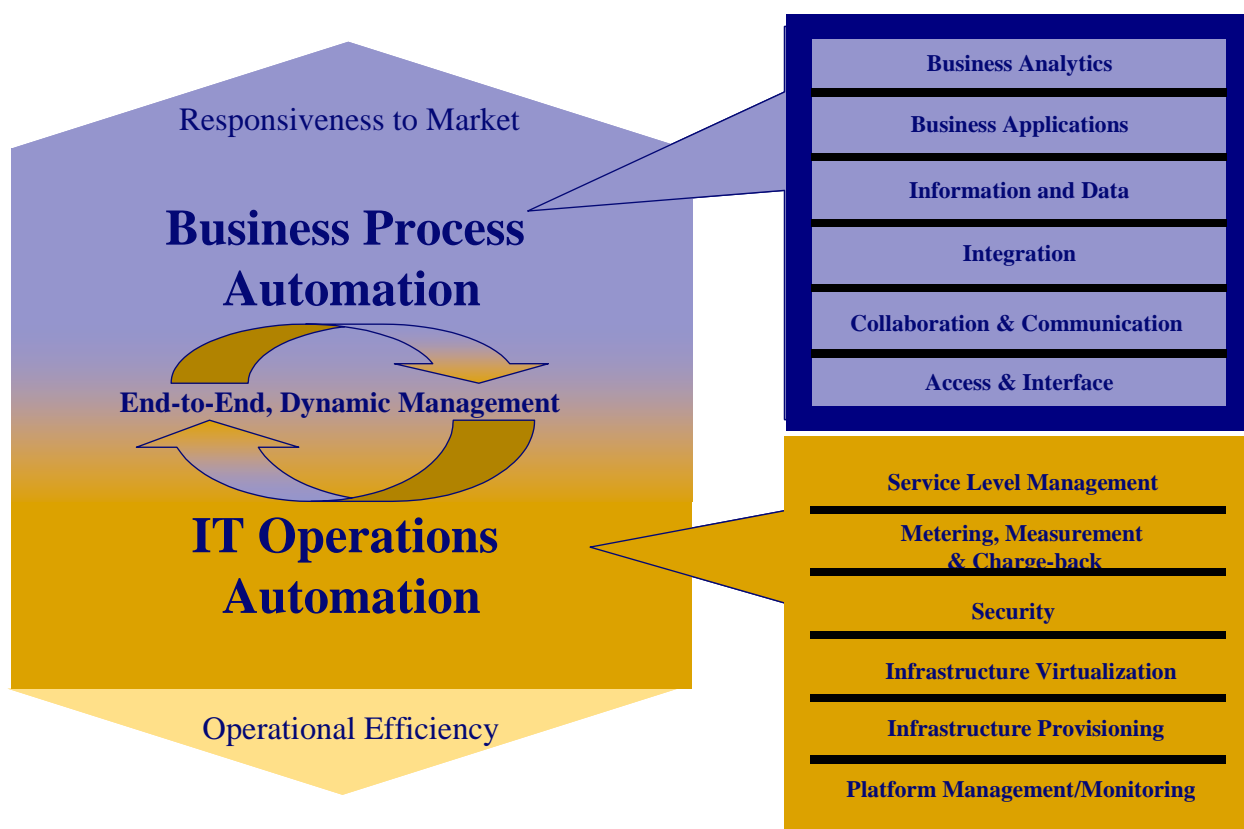
### **Strategic Challenge: Building a Dynamic IT Capability**

IT is an increasingly important part of the execution infrastructure for a dynamic enterprise. However, while organizations face growing pressure to become more dynamic, IT function has historically responded slowly to business change. This divide is particularly painful in fast-cycle industries, where the speed of business

cycles often outstrips the speed at which IT can react to new market demands. Adding to the challenge to build dynamic IT is business executives' perception that IT costs are too high. For some organizations, the size of the IT budget is as large as or larger than company profits and for most, IT asset utilization and other IT productivity metrics are below where they should be. This means that a lot of new investments are not likely to be directed towards creating a dynamic IT capability. For many organizations, the move to dynamic IT will need to be largely self-funded.

**FIGURE 1**

Building Blocks for Business Strategy Execution & Automation and IT Operations Management & Automation



Source: IDC, 2008

### Priorities for Building Dynamic IT

IDC research shows that users' dynamic IT strategies are driven by three primary objectives:

- Speed.** Respond faster to changing business needs
- Performance.** Provide better IT service levels in support of business
- Cost.** Continuously drive down IT unit costs

These priorities lead to the two principal paths for dynamic IT transformation that IDC sees users taking:

☒ **Business strategy execution and automation**

- ☐ Focus on responding faster to changing business needs by improving the ability to quickly develop and integrate applications, data, and workflow that support new business requirements.
- ☐ Use IT to monitor business performance and speed the business' operational adjustments to market changes.

☒ **IT operations management and automation**

- ☐ Focus on delivering higher IT service-level performance in support of the business *and* lowering the costs of infrastructure on which the business applications depend.

Link, monitor, and manage end to end all IT operational elements that support a business activity, from hardware and system software to business applications, data, workflow, and business process (see Figure 1).

## **CHALLENGES AND BEST PRACTICES OF IT DEPARTMENTS IN AN M&A OR DIVESTITURE SITUATION**

### **Challenges**

In an M&A situation challenges can be found at multiple levels. One of the causes for major challenges is the lack of readiness for a merger, acquisition or divestiture. IT departments are typically not prepared for an M&A situation, mainly due to lack of proper IT governance structures, poor agility to business changes, non alignment to corporate strategies and lack of mature risk management processes.

Another cause for challenges is the fact that IT departments are involved too late in the M&A process. To protect the confidentiality of a potential deal initial mergers and acquisitions targeting is performed by senior executives and business development departments at a strategic, functional and financial level. By not involving the CIO early in the process, the impact on IT departments is often underestimated with false assumptions where gaps in critical IT capabilities, technology implications, related costs and security risks are known first during due diligence and subsequent phases. The late involvement of IT departments can lead to potential business disruption during IT integration activities and ultimately seriously undermine the deal's objective.

In addition, as IT departments are not involved in an early phase, the M&A program schedules are often imposed by senior business executives driven by external market expectations, business strategic considerations and other dependencies related to the merger which results in 'reverse planning' of IT integration programs with challenging deadlines and risks as a consequence.

An M&A or divestiture situation introduces a multitude of risks the IT program needs to identify, acknowledge and mitigate. The risks range from business risks, external risks, intellectual property risks, to transaction risks, IT security, program risks and implementation risks. During a divestiture, in particular, structural separation causes

regulatory challenge as it is difficult to correlate infrastructure investments with business services. In addition, the integration or separation program needs to be aware of strategic organizational direction, corporate 'risk appetite', bandwidth for change and process maturity in the two organizations.

If the maturity of risk and security management processes within the IT departments involved is low the IT integration/separation program needs to plan for additional time and resources to avoid potential financial and legal consequences and to achieve many of the synergies assumed in the M&A or divestiture valuations.

### ***Enterprise Architecture Challenges***

To get maximum return on investment from M&A, businesses have many options when bringing together their IT departments, making it possible to leverage technologies and data to create a real competitive edge. However, IT costs and integration challenges show up when business processes for the target company are not selected in time, which may result in multiple applications supporting the same business process. Even with well defined business processes the choices on which applications to retain may be challenging, legacy specific dependencies and considerations may lead to retaining multiple applications with similar features (with only top layer data integration), or decision on development of entirely new set of applications may be made for the target company.

In a divestiture, it is often difficult to define the best way to separate operations into specific physical elements. Most likely, the infrastructure is a hybrid of different legacy systems which makes it difficult to identify appropriate boundaries for structural separation.

Therefore, the level of maturity of enterprise architecture in the merging, acquired or divesting IT departments plays an essential role in determining readiness of different systems to changes, choice of application feature sets, their dependencies and criticality of external interfaces.

### ***Financial Challenges***

While M&A or divestiture decisions often are driven by political, non-financial aspects, in the initial phase, IT integration/separation costs are typically underestimated in cost/benefits calculations (e.g., parallel day-to-day operational cost during integration/separation, development cost of new systems, staff retention costs, outsourcing services, implementation costs, ongoing recurring costs). Also, dependencies will occur with other merger teams with their set of requirements addressed towards IT. In order to achieve savings and synergy benefits IT integration/separation decisions need to be closely monitored.

### ***Execution Challenges***

In addition, M&A or divestiture programs being high-profile and high-risk need to cope with such challenges like people factors (political issues, reluctance to change), resource constraints; operational constraints, timeframes alignment with business, contractual and licensing issues, etc).

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## **Best Practices**

The best practice organizations make themselves prepared for a possible merger, acquisition or divestiture by being agile to corporate strategy and market events (e.g.,

industry consolidations, globalization) and by training their readiness to move fast in different M&A or divestiture scenarios.

### ***Early Involvement***

To achieve best results IT departments must be well represented at corporate levels in early phases. The best performing M&A or divestiture initiatives involve the CIO and IT executives at the time the target has been identified well before the evaluation phase. This way, the IT executives are able to demonstrate proper leadership and drive the end-to-end process to assure the strategic goal of the deal. This helps IT in formulating reasonable expectations on cost and scheduling of initiatives related IT capabilities. This also allows the CIO and IT executives to conduct preliminary communications before scheduled data collection is permitted. It also makes it easy to engage with other functional teams to determine reporting needs and information management downwards into IT departments.

### ***IT Governance***

An M&A or divestiture related IT program needs to be managed through existing IT governance mechanisms or in case there are not in place to the required level, through the use of standard frameworks (e.g., COBIT's policies, controls, procedures, KPIs and checklists). IT governance will provide four Critical Success Factors necessary to achieve desired benefits: strategic business alignment, risk management, performance management and resource management during M&A or divestiture activities. It will help the IT departments to understand the strategic purpose of the deal by connecting corporate and IT strategy and enable its execution. IT governance will also ensure a cross-functional view and facilitate optimal systems selection, integration or separation by assessing risks and opportunities of technologies and data of the merging or divesting IT departments.

### ***Risk Management and IT Security***

As the current business environment emphasizes controls and compliance. A good practice in M&A or divestiture situation is to use an appropriate risk assessment framework to effectively assess business risks, program risks, contingency test results, implementation risks and transaction risks. It is crucial to make sure that the corporate management has determined the levels of risk the business will tolerate. The management should be able to monitor risk situations and make decisions regarding the exposure it is willing to accept. A good practice is to assess and mitigate risks continuously during the program at multiple levels. It is recommended to link all such activities to existing internal risk management committee or (in case not properly in place) to develop a committee for the purpose of successful program and let it stay as a continuous governance body after the M&A or divestiture is completed. Standard measures for assessing risk and defining risk/return ratios should also be in place.

During M&A or divestiture activities the businesses are extremely expose to IT security threats and vulnerabilities. If mature procedures are not already in place it is strongly recommended to integrate information security requirements with security standards (e.g., ISO 27000), to facilitate implementation of security policies, controls and measures during and after M&A or divestiture activities. It is also important that the IT security processes and reporting are coordinated with an overall security function which involves staff responsible for audit and management of security.

### ***Financial Management***

Timely integration of systems and processes is necessary for the target company to achieve the economies and functional synergies, as the deal's strategy needs to capitalise on the investment. That requires: elaborated integration scenario with predictability in costs and savings, proper IT valuations performed jointly with corporate development and IT executives (valuation models, sensitivity analysis, TCO, etc.). IT executives should be involved to assure correctness and capture operating costs (typically not captured by corporate asset managers, which may negatively impact the true value of a target company's IT assets). A key issue is handling the contract portfolio of the new company and many application vendors use the opportunities to their advantage in a M&A situation. Strict license management and professional negotiation of new contracts is vital for the successful completion of the merger and is often underestimated both in terms of complexity, cost and time.

### ***Enterprise Architecture***

To achieve synergies during M&A activities, IT departments need to develop correct baselines of IT assets, processes and projects and map them with current and target company's business processes. An in-depth audit and preparation of both organisations' IT assets is required before any deal is signed. Conducting methodical inventory of IT applications, infrastructure and processes for each of the merging entities is an important step of the program. That includes identifying key business processes and the supporting applications and information. It is important to categorize and inventory all applications. Avoid focusing on the major applications only, as the minor applications may have business critical interfaces with other major systems (e.g., ERP). In fact, all applications dependencies need to be well understood (e.g., categorized as: no impact, small dependency or end-to-end systems). It is also critical to understand the total cost of ownership (TCO), number of users, criticality, service levels, complexity and level of standardization of applications.

When planning the integration effort, best practices use existing enterprise architecture (business-, information- and technology architectures) of each of the company to compare the current state and determine the future state (target company) that incorporates the new assets, processes and projects. In case the maturity of enterprise architecture is low, the integration program needs to involve business process owners, IT architects (e.g., there may be legacy issues around architecture), application and infrastructure developers to make M&A specific integration decisions.

During divestiture, as most businesses have some degree of shared systems, significant effort may be required to create, split off or retain systems for the use of the divested business. Since, correlation between IT systems and business processes or services is not one-to-one the IT separation program needs to create logical separation points between the infrastructure and the business processes/services supported. The typical best practice approaches for IT during a divestiture are: 1) develop new set of applications/infrastructure for the divested unit 2) copy/reproduce or spin off applications and infrastructure elements 3) offer applications and/or infrastructure as a service (e.g., SaaS) to the acquiring business.

### ***Program Execution***

To succeed in execution, a robust end-to-end program organization structure must be in place, preferably linked to a Program Management Office (PMO), to effectively evaluate options, make decisions, prioritize and manage resources. This should be

combined with a proven M&A or divestiture methodology with well defined phases and metrics (e.g., robust testing phase).

As integration plans get developed through multiple iterations it is strongly recommended to interact with other functional merger integration teams to properly understand their IT requirements and be able to create reasonable IT integration scenarios.

When setting the targets and milestones, it is crucial to consider typical program constraints (such as: resource constraints, motivational issues, reluctance to change, contractual and licensing issues) as well as constraints from the corporate M&A team, related to external expectations (board level or market's expectations). A special attention should be put to the knowledge and experience of key people of the merged/acquired IT departments that may be critical to retain. Therefore, it is important to identify key personnel and work out a retention program.

### ***Critical Success Factors***

A set of elements are found to be essential when looking at successful M&A or divestitures, these are trust, empowerment, easy access to top management and a high degree of flexibility on all parts for seeking workable solutions and not creating hostile environment between the involved parties from both companies. These are managerial practices, qualities and attitudes easily found in Scandinavian companies which explains to a certain degree the lack of high profile failures in this region compared to other regions.

### ***Performance Management and Benefits Realization***

To continuously monitor and optimize the results of M&A or divestiture activities successful IT functions, define together with the business side a set of Key Performance Indicators (KPIs) across multiple levels (strategic, financial, process- and operational). This facilitates continuous reporting of results to appropriate levels and helps with timely decisions and effective exceptions management of cross-functional issues. Many of the generic KPIs and checklists can be found in the standard process frameworks (e.g., COBIT, ITIL).

The IT departments also need to closely monitor the IT-related assumptions that are built into valuation models (economies, synergies, etc.). It is therefore recommended to perform a bottom-up exercise as part of the benefits realization process once more information is made available. That should be aligned with strategic intent and expectations of the deal. Best practices also continue measuring the desired benefits in a post-merger phase (e.g., 2 years after).

## **WHY A STRUCTURED APPROACH WHEN MERGING IT DEPARTMENTS IS IMPORTANT**

What is often missing in M&A situation is a structured approach, a comprehensive, proven, best practice driven process that can help business and IT executives with guidance and enable post-merger value creation. This involves:

- ☒ Governance Approach with governance focus areas: strategic alignment, risk-, performance- and resource management

- ☒ Setting up board-level M&A committees, with the CIO and IT professionals directly reporting to them
- ☒ Deciding upon merging approach; take over, merger of equals, best from each company. Dependent on business targets, future business model, state of companies enterprise architecture and time and cost limits given
- ☒ Structured investment decisions (in line with vision, consistent business principles and strategic objectives, optimal value, acceptable risk, architectural alignment)
- ☒ Benefits definition and accountability of benefits realization (shared understanding of the expected benefits).
- ☒ Effective organizational changes required to leverage the capabilities
- ☒ Effective management, change and delivery processes
- ☒ Set of Best Practices, tools and templates for executing the above

The M&A processes are often under tight deadlines and subject to strict jurisdiction regarding the allowed information sharing, mapping and collaboration between the two IT/IS functions. Having a set of rehearsed procedures supported by tools and key resources available for taking responsibilities in an 'out of the blue' joining of two companies will greatly enhance the rate of success. Most importantly is to have the own enterprise architecture well defined and documented and a clear path for the future state of that architecture.

## M & A Process

The process of executing a M&A has some generic steps that need to be performed in order to cover all bases and staying within the legal framework of joining two companies. These are typically (see Figure 2 and 3):

**FIGURE 2**

### Merger & Acquisition Process



Source: EDB, 2008

**FIGURE 3**

Divestiture Process



Source: EDB, 2008

Through the whole process it is important to keep focus not only on the overall process of M&A, but also have enough top management attention to the operational part, which includes:

- ☒ Business management, program management and people management

Depending on the power balance between the two merging companies and ability to support the various processes and tasks needed, different models for building a M&A IT team(s) can be constructed. Access to key architecture and security resources in both companies is essential, so is ensuring the retention of personnel who has specific knowledge and competence.

## **THE EDB IS PARTNER APPROACH INCLUDING THE 'SPIDER-WEB' METHODOLOGY**

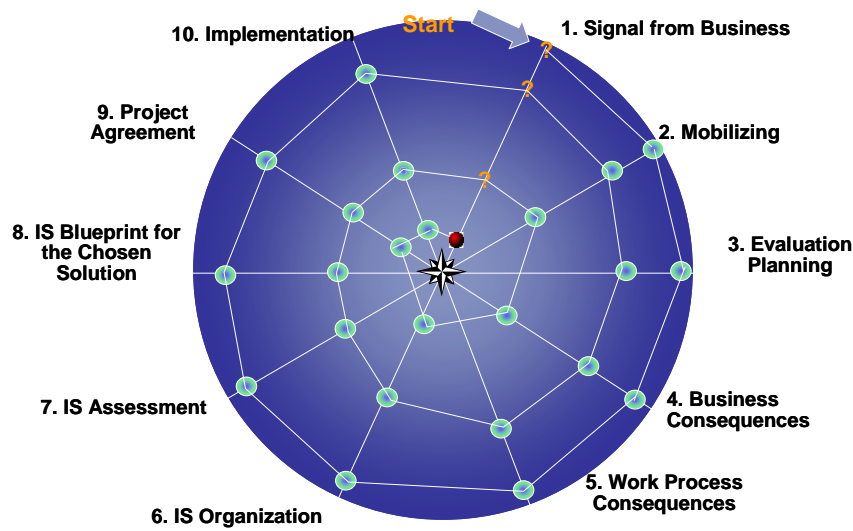
EDB IS Partner have over the past 10 years developed a proven methodology for doing M&A and Divestitures which has successfully been implemented on some of the biggest company restructuring programs ever done in Scandinavia. The method is a comprehensive set of tools and templates with check-lists put into a process that emphasis target setting, speed, meeting business requirements while balancing the associated risks. This is achieved through adopting an iterative approach, called Spider Web that ensures that all aspects of the M&A process are visited and 'checked' at the appropriate level of detail to for timely decision making.

In the Spider Web iterative process the main steps are repeated until relevant information is available for an implementation program. What is done in the early phases sets the ground for successful integration and value capture. Subsequent iterations focus on refining requirements, detailing information and program scope. The strength of the process is to give a balanced total picture of the prospect, quickly getting to results without losing time and misuse of resources on details at early stages of the process.

Each process step is described in detail using point-and-click Spider Web user interface, including elaborated 'mind maps' (see Fig. 5) and a set of extensive checklists (see Fig. 6)

**FIGURE 4**

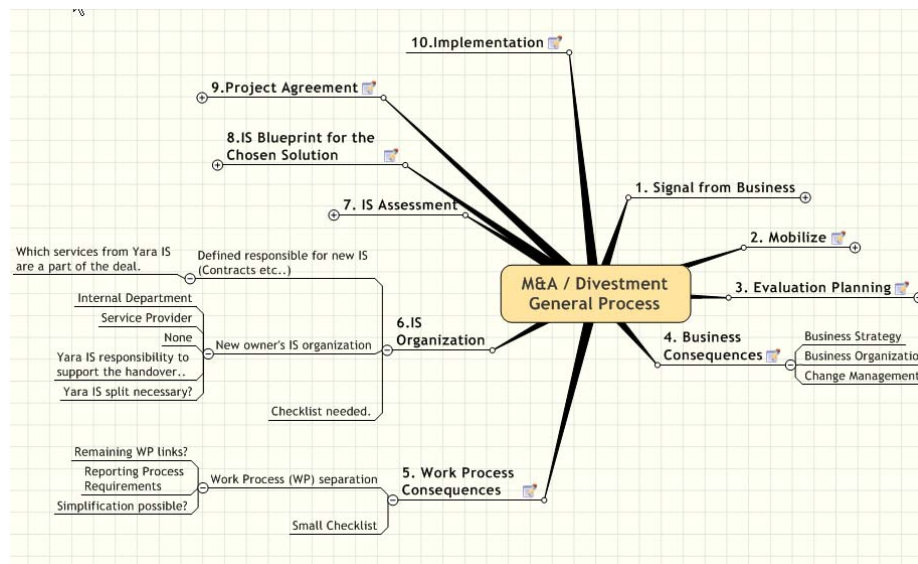
Spider Web Methodology for M&A or Divestiture



Source: EDB, 2008

**FIGURE 5**

Methodology: Example of an Elaborated "Mind Map"



Source: EDB, 2008

**FIGURE 6**

Methodology: Example of an Extensive Checklist

Number	Area/Issue	Description	Comments/ Actions	Status ( updated xx/xx/xx)	Priority (1 = v. high, 5 = low)	Risk
This list contains the areas to be prepared by the Acquired company / Divested BU before the Due Diligence takes place.						
1	IT-strategy and business strategy.					
2	IS organisational structure (Including areas handled by external service providers)					
3	Key IT operations processes					
4	Disaster recovery capability					
5	Service providers					
6	Asset inventory					
7	Licences, contracts and agreements					
8	Skills management process and structure, and competency centers					
9	IT human-resource policies					
10	IT governance process and structure					
11	Application portfolio and packages					
12	Active projects and their status					
13	Backlogged projects					
14	All IT infrastructure (Leased, owned or outsourced)					
15	All IT infrastructure on order, and delivery commitments					
16	Information on all product licenses and service contracts, including cost, duration, renewal options, early-termination penalties, transferability and liabilities.					
17	Desktop environment description, including standards supported.					
18	Network infrastructure					
19	Remote-access capability					
20	Equipment utilization					
21	Information architecture (if one exists)					
22	Data architecture, including key tables and elements by application					
23	Data warehouse description					

Source: EDB, 2008

## CHALLENGES/OPPORTUNITIES

A set of Best Practices has accumulated over the years that supports the process and is integrated into the toolset. Some of the key success factors identified are:

1. Start the IT/IS M&A process as early as possible, preferably before the Due Diligence. This might be difficult to achieve because of the natural secrecy needed in such processes, but a close cooperation between the CEO, M&A team and the CIO in the early screening phases will improve success rate dramatically.
2. Use iterative method adapted to the stage you are in (level of information available, how many people you can involve in the process, need-for-speed) but detailed and broad enough to 'cover all bases'. As the program progresses, revisit all relevant elements of the process wheel and develop more overview and depth to the level needed for business managers, IT/IS managers, architects, external vendors, contract managers and other key stakeholders (see Spider Web Fig. 4). The purpose is to quickly evaluate all aspects of the deal and their internal interdependencies in the first round of the spider process and then successively develop the insight, plans and documents in a consistent framework with embedded tools and best practices.
3. Adopt a risk-based approach directed by top management (in line with their 'risk appetite') to speed up processes, make well considered 'short-cuts' and empower the technical staff (to take decisions). The risks need to be put to

management in business consequence terms and with possible fall back options.

4. However, when the joining of the two companies will be performed (one company system, merger of best of breed portfolios, development of new solutions) it is vital to keep scope down to a minimum for Day-1 (the day the companies operate as one). This greatly minimize risk and very few IT systems are needed to be *fully* integrated to make the company function the first day, workarounds, links, scripting and terminal server solutions will often do the trick.
5. Set aside enough time and resources for testing the applications and technical solutions. Make sure that business resources are available for testing the functionality and integrity of both application and data. Likewise informing and including 3<sup>rd</sup> party software and hard and hardware providers early and securing resources for well scheduled testing is found to be critical.

The method requires close cooperation and easy access to top management, a clear mandate of empowerment through the IT M&A organization, agreed and acceptable risk levels, a flexible attitude and always looking for best solutions. These are the characteristics that are part of the Scandinavian managerial heritage, which should ensure that the methodology is useable in this business environment but not necessarily outside this region.

M&As will often come from 'blue sky', but should hardly be of a surprise to the CIO in any growing or restructuring company. The CIO should thus make sure that both the management and his/her own organization are prepared for what is needed to successfully execute a M&A within the IT/IS arena. The following elements are found to be key in preparation for M&A:

1. Establish a governance structure that is open for M&A. Make sure the needed processes are in line with commonly accepted best practices (COBIT, ITIL, etc.) that the governance allows dynamic adaptation to changing business environment and is supported by technical solutions (security management, establishing of new networks, quickly adding/deleting users, etc.)
2. Establish a modular architecture (SOA). This might be a long haul, but whenever deciding on long and mid-term architecture models, standards and products, make sure the solution is based on an architecture that is designed for restructuring, connection and re-use.
3. Train on M&A, have key people assigned to specific tasks in the M&A process (business & IT liaison with target company, program management, architecture mapping, contract management, etc.) and train regularly on the first high speed part of the 'Spider Web' method whenever the experience base is eroded below acceptable levels. Make sure the Best Practice toolset is updated after each M&A.

In order to fully reap the benefit of applying the above best practices, it is recommended to use a well-established company with in-depth knowledge and competence in a variety of different M&As and Divestitures. Going at this on your own, especially in a business critical and/or large M&A setup, might be hazardous and

could potentially discredit the IT/IS function for a long time and in a worst case scenario jeopardize the whole deal.

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