

POSSIBLE (RE)DEFINED

# Tech M&A Deals: The Playbook for Integration Success

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A Fast-Moving Climate Requires  
A New Way of Thinking



# Possible (Re)Defined Go further, faster

Gain confidence and clarity to tackle challenges  
or plan for tomorrow's aspirations

AREA OF FOCUS

# Today, We're Covering Navigating Disruption

KNOWLEDGE

# Learning Objectives

## CPE Information

Recommended CPE: 1

Delivery Method: Group Internet Based

Field of Study: Business Management & Organization

Program Level: Basic

Advanced Preparation: None

Prerequisite: None



**IDENTIFY:**  
The most common reasons for M&A failure



**BUILD:**  
M&A roadmap for a successful integration



**RECOGNIZE:**  
When and how to pivot when an integration isn't working

WELCOME

# Today's Presenters



**Chris Perkins**

Partner, Audit  
Technology Industry  
Armanino



**Ryan Clark**

Senior Director, Consulting  
Strategy – Business Analytics  
Armanino



**Amy Julian**

Partner, Consulting  
Strategy & Transformation  
Armanino



**Brett Logan**

Director, Consulting  
Finance & Accounting Advisory  
Armanino

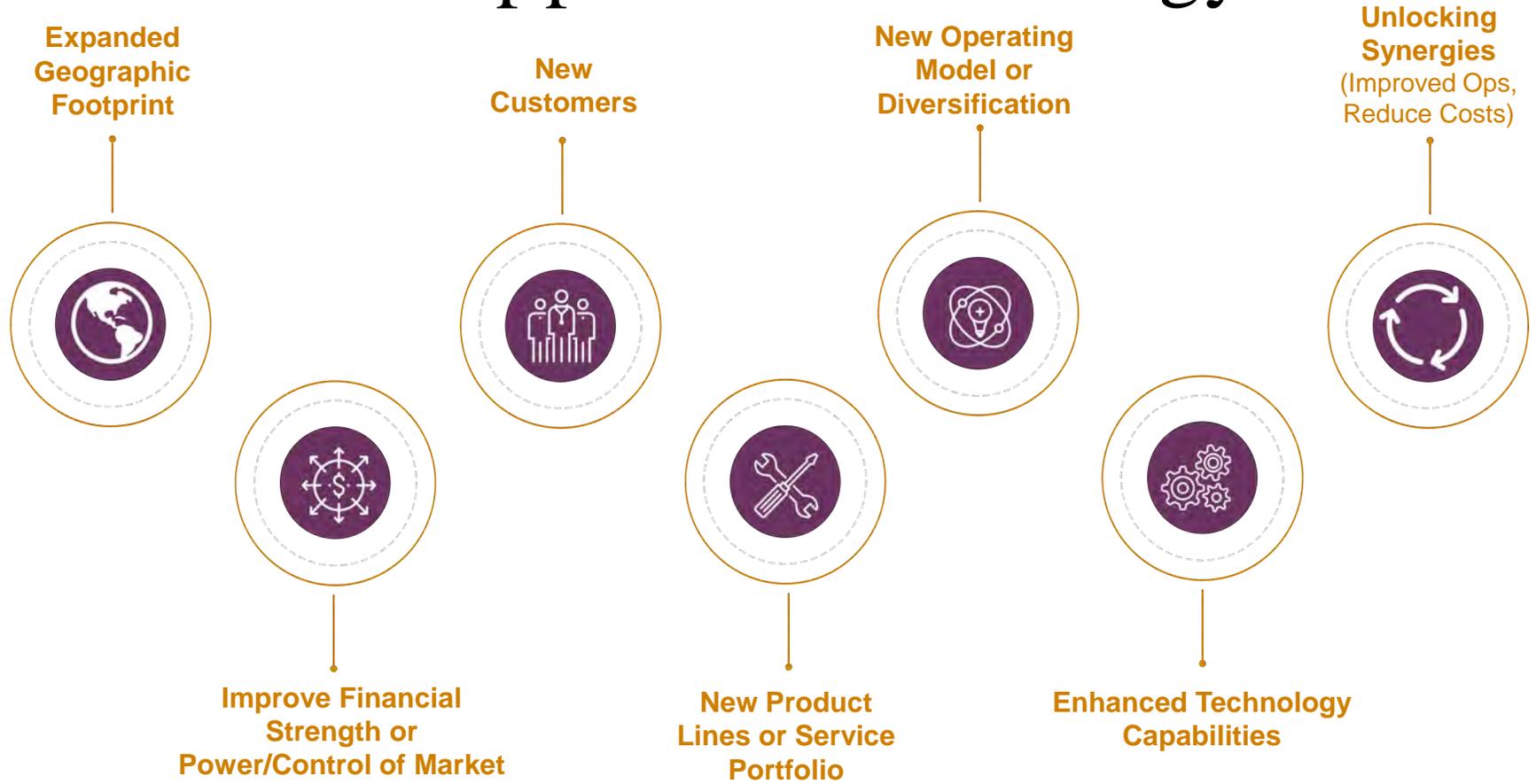
EXPLORING NEW AREAS

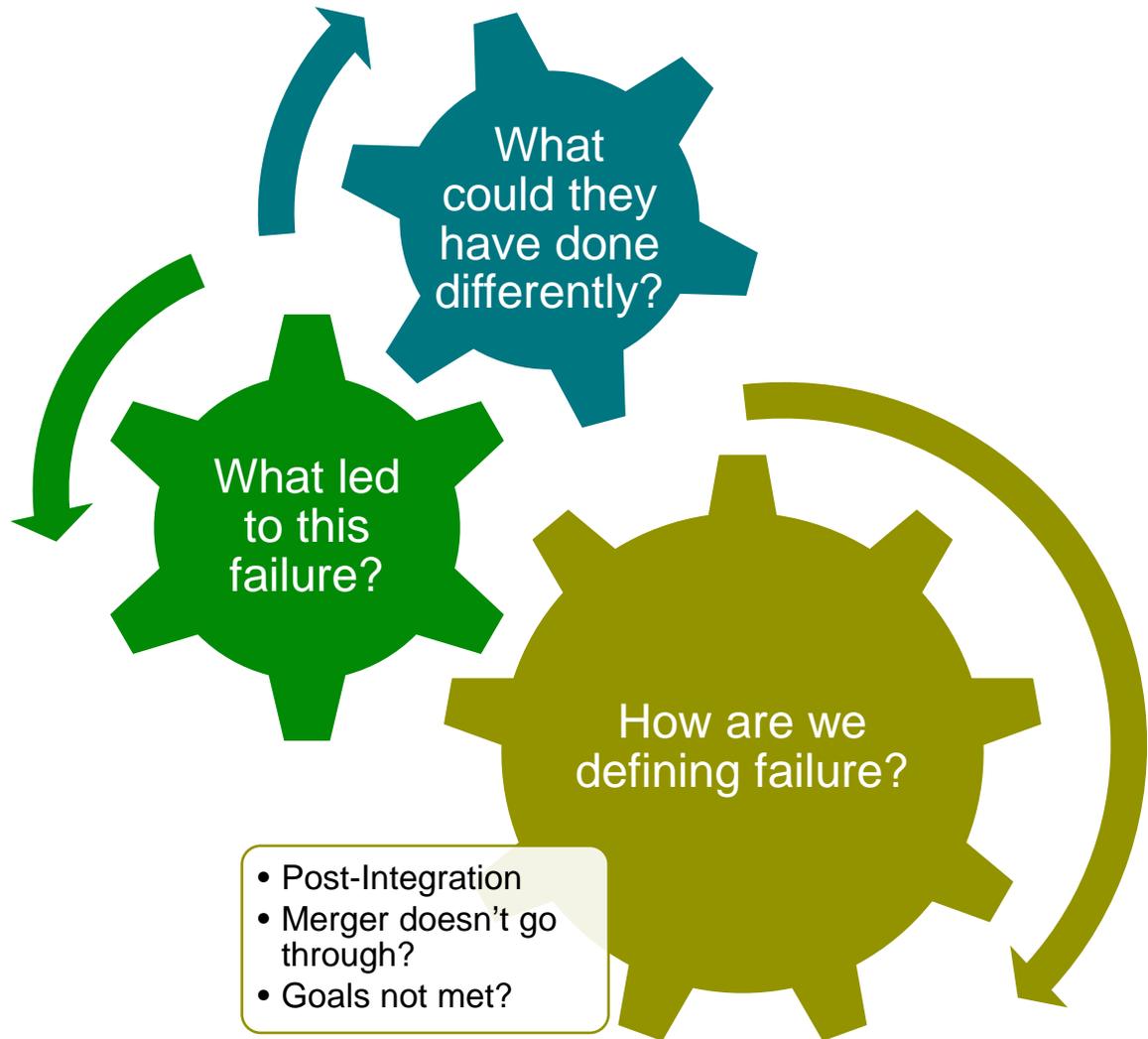
# Agenda

- Why does M&A happen?
- Common M&A Integration Risks
  - Planning
  - People
  - Process
  - Technology
- Building an Integration Roadmap
- Where to Pivot
- War Stories – Our Experts Share Real Examples
- Q & A

CONSIDERATIONS

# Why does M&A happen in Technology?





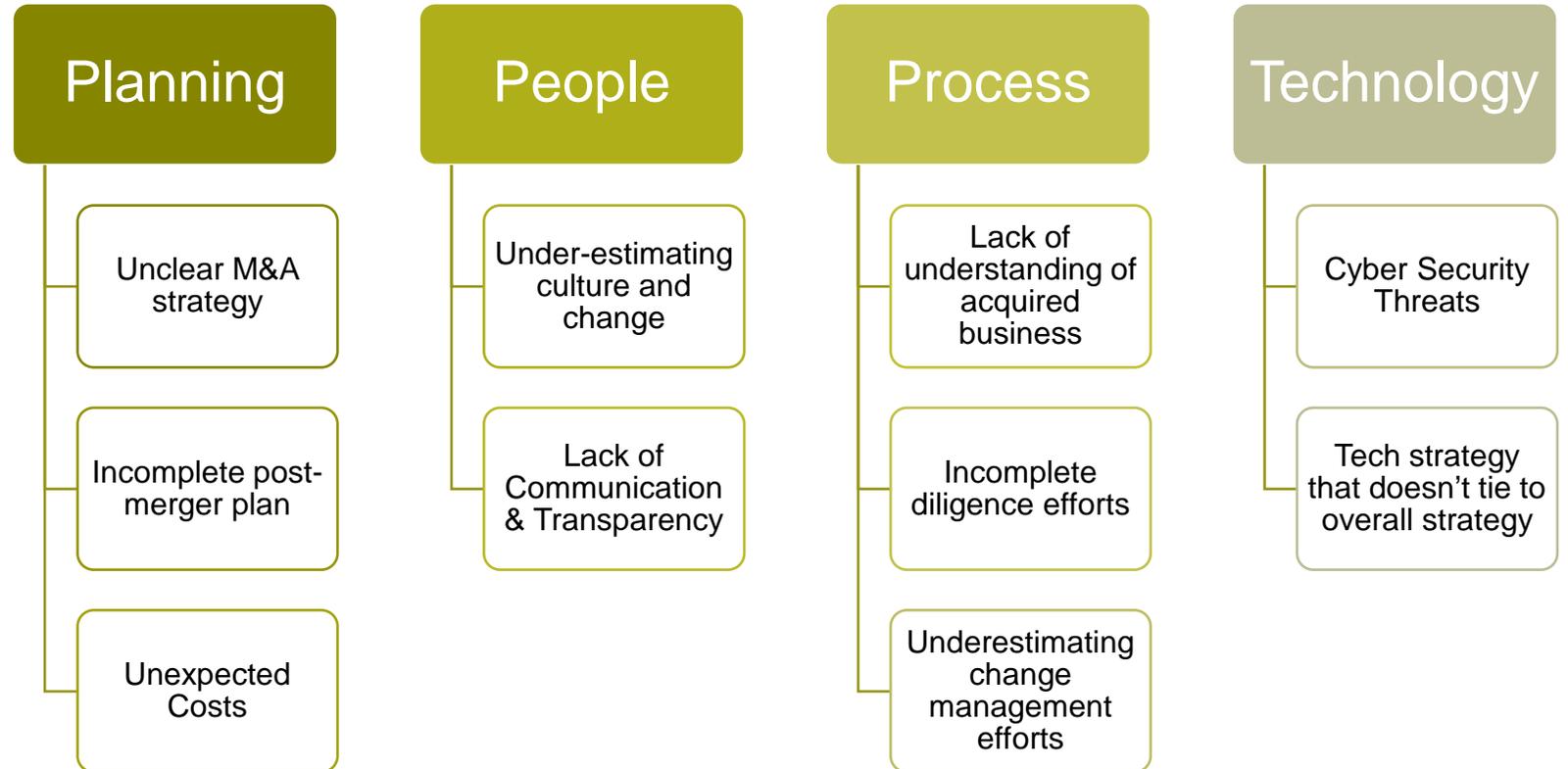
## HARVARD BUSINESS REVIEW

Companies spend more than \$2 trillion on acquisitions every year, yet the M&A failure rate is between 70% and 90%.

Harvard Business Review – [The Big Idea: The New M&A Playbook](#)  
Tilburg University – [Failure and Success in Mergers and Acquisitions](#)

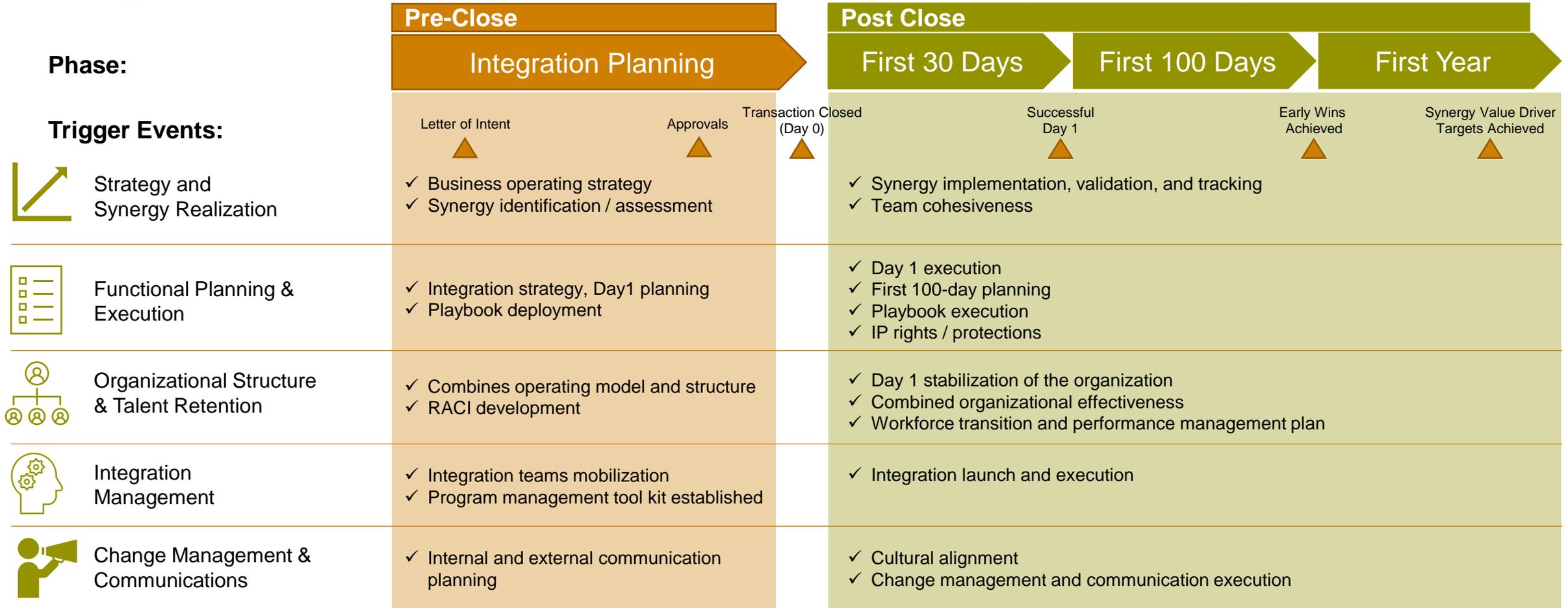
M&A CONSIDERATIONS

# Common M&A Integration Risks



PROCESS MANAGEMENT

# Imperatives for Effective Post-Merger Integration



Maximize your organization's  
greatest asset

# HUMAN POTENTIAL



**Leadership  
Alignment**



**Human Capital Strategy**



**Stakeholder Assessment &  
Management**



**Culture Clarity &  
Enhancement**



**Change Mobilization**



## INTEGRATION

# Top 10 Process & Reporting Keys to Success

- ✓ Understanding the Transaction
- ✓ Determine Reporting Requirements
- ✓ Establish Reporting Process
- ✓ Select ERP System Solution
- ✓ Evaluate Consolidation Plan & Software Options
- ✓ Assess Current & Future Resource Needs
- ✓ Identify Priority Accounting Issues
- ✓ Continued Evaluation of "Future State" Tax Structure & Exposures
- ✓ Manage Equity & Incentive Compensation Plans
- ✓ Engage with External Experts

## IMPORTANT REPORTING ISSUES TO CONSIDER:

- Transition services agreement and related back-office services may provide additional assistance but offer unique complexities in terms of information and data availability
- Timely identify information needs to finalize closing statement with an emphasis on reducing risk of potential future issues resulting in disputes
- Carefully consider the timing of the transaction with a proximity to reporting period end
  - If not timed with typical close, may require additional diligence by the seller's finance team to produce timely financials
- Incorporate various parties and experts during planning, including tax specialists, to identify financial statement needs
- Be quick to address situations in which there is a lack of detail on acquired assets (inventory, real or personal property)
  - If significant balances, strongly recommend coordinating with auditors and valuation specialists ahead of close to perform count procedures on or immediately after close.
- Ensure clear internal responsibility within finance and accounting for ownership and understanding of the transaction terms
- Evaluate if any reporting conditions or timelines require amendment (e.g., debt covenants)

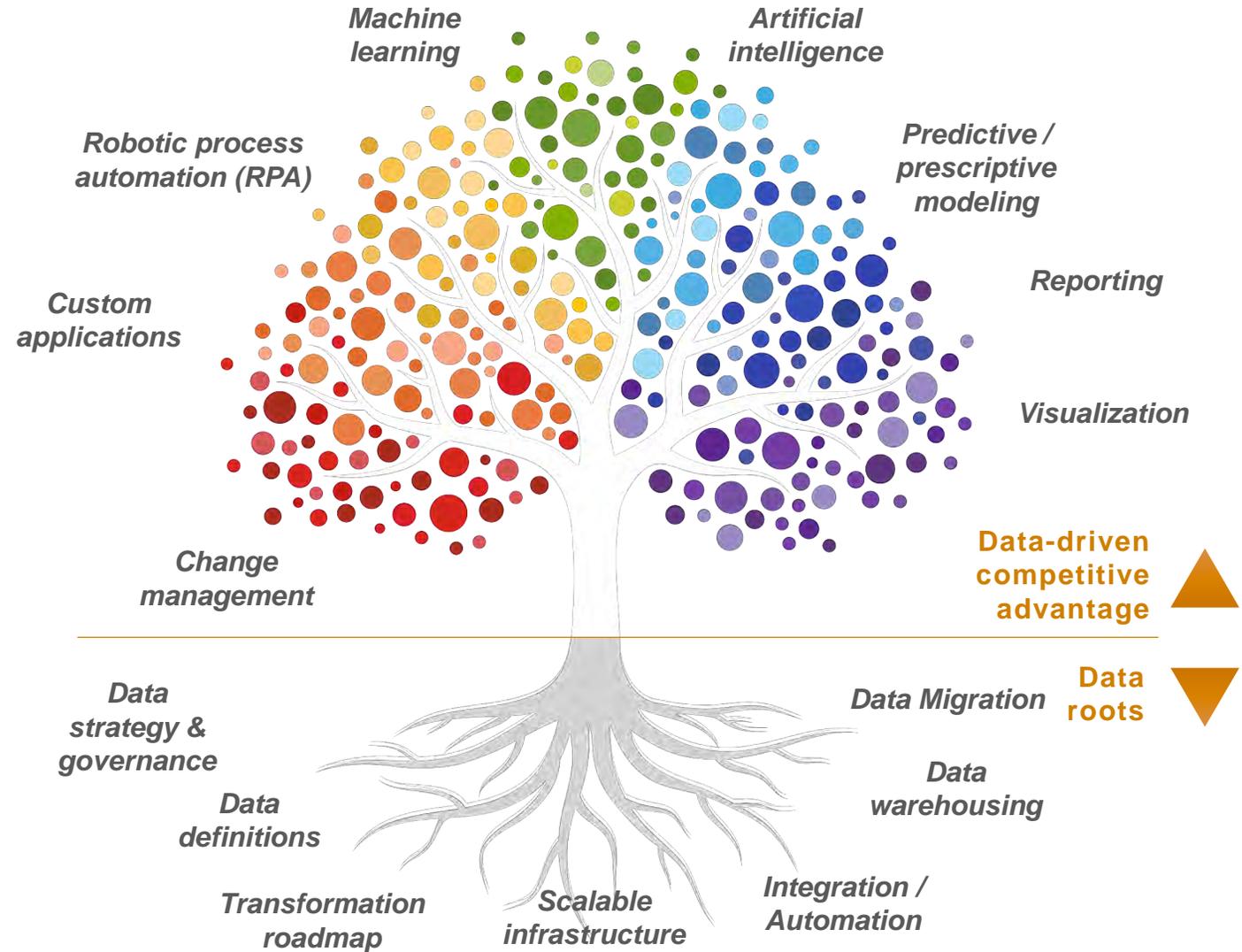
**Important reminder: act timely! Unlike a fine wine, these issues do not get better with age.**

INTEGRATION STRATEGY

# Structure of Technology & Data Transformation

Building the roots to your digital transformation enables all transformative outcomes.

**The journey to sustained competitive advantage begins with strong roots.**



# Creating and Measuring your Integration Roadmap

## Primary Guiding Principles



### PRINCIPLES FOR LEADING OUR EFFECTIVE INTEGRATION

- Do No Harm** 01 Maintain the excellence of both organizations by deeply learning and understanding vs. disrupting.
- Learning Mindset** 02 Together, we have 110 years of exceptional experience. The core to success and unlocking synergies will be mutual learning.
- Independent Operations** 03 Remember that businesses can operate independently and be successful.
- Challenger Mindset** 04 Maintain a challenger mindset, remembering  $1 + 1 = 3$ .
- Embrace the rallying cry – "Road to 100!"** 05 The *Road to \$100M* is our combined goal! We can only achieve this together.

## Key Initiatives



### Example Success Measures

	Year to Date	Current Month	Goal	Trend	Description
<b>% Reduction in Spend</b>	TBD%	TBD%	TBD	↑	Sourcing strategy synergies driving cost reduction on an average basis
<b>\$ Growth of E-Commerce Sales</b>	TBD%	TBD%	TBD	↑	Increase in revenue \$ mix old via website
<b>\$ Value of Cross-Selling</b>	TBD%	TBD%	TBD	↑	Identify key customer experiences to determine feasibility of cross selling
<b>IP Integration</b>	TBD%	TBD%	TBD	→	Embed code into existing products to improve performance
<b>Career Journey and Cross Training</b>	TBD%	TBD%	TBD	→	Pulse survey knowledge check - % of employees stating knowledge of x-product line



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How to get ahead of an integration that is not going well

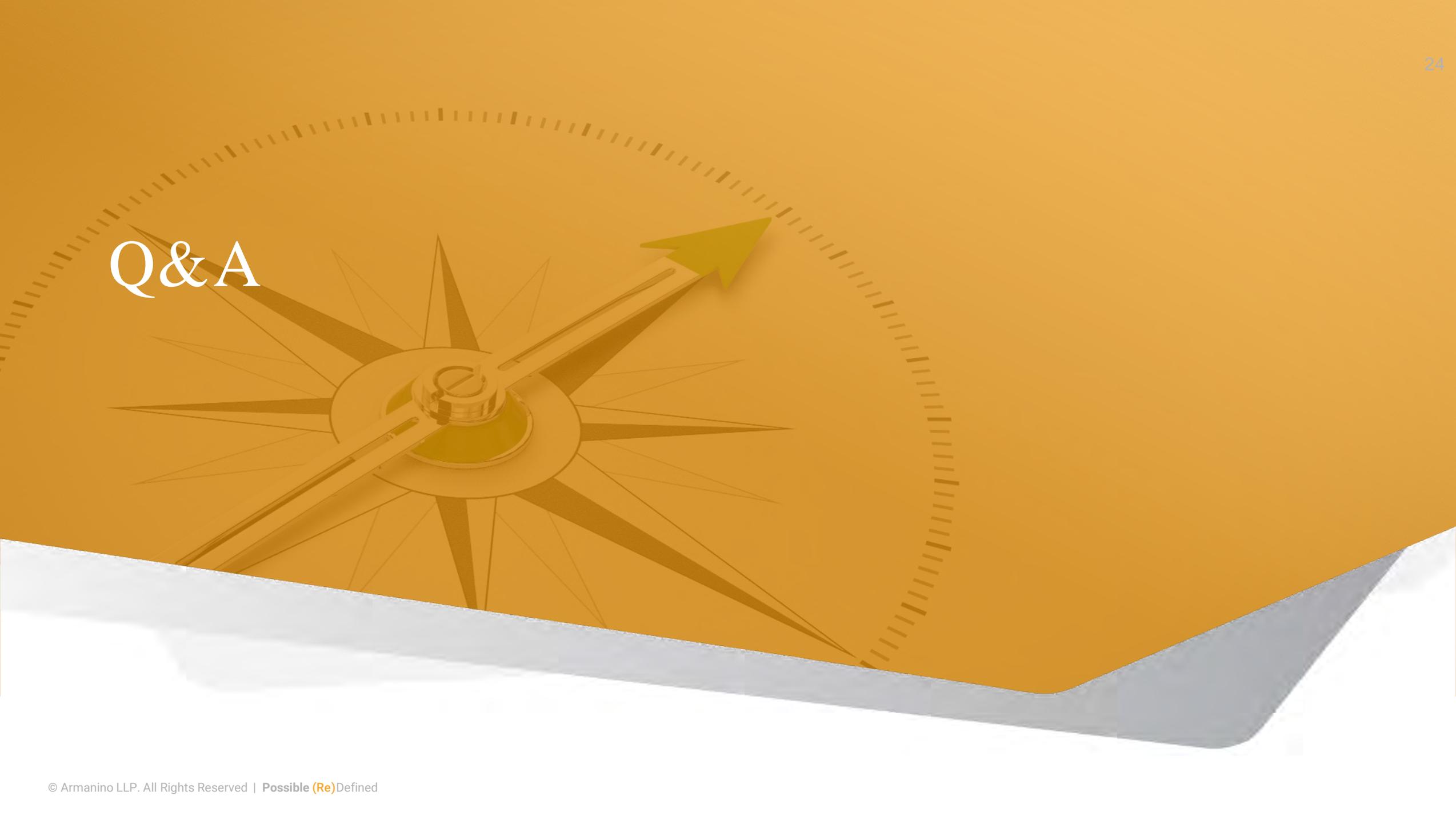
# Plan to Pivot

- Check your assumptions
- Identify the true root cause
- Leverage data and information
- Update the plan to adapt to the change
- Communicate the shift
- Monitor leading and lagging indicators

SHARING WAR STORIES

# Experience in the Nuances of M&A

# Q&A



Thank you for  
attending

Additional Questions?

Reach out to us at

[Experts@armaninioLLP.com](mailto:Experts@armaninioLLP.com)

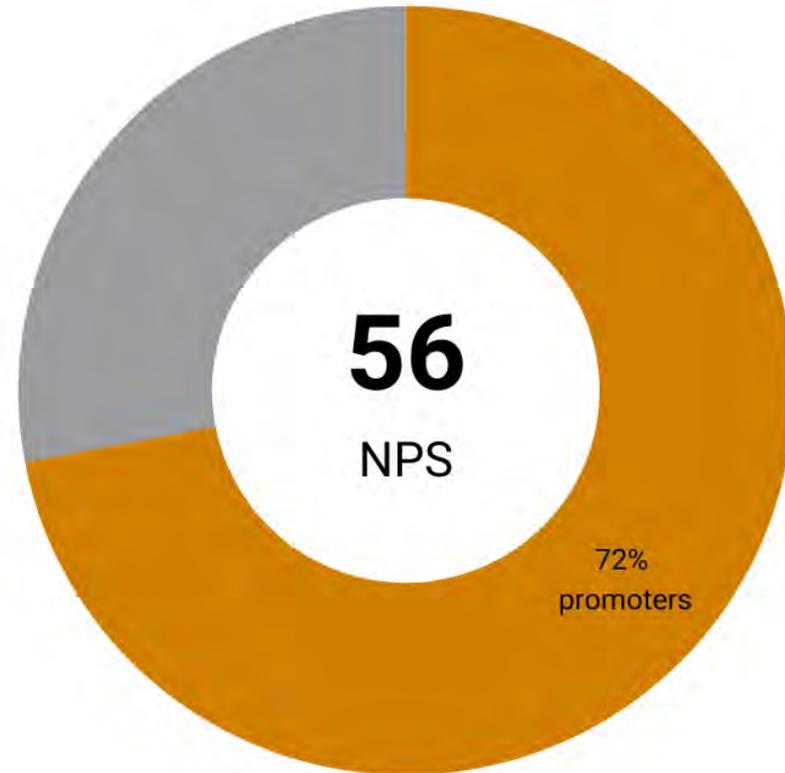


OUR CLIENTS' VIEW

# We're Just What You Need

Armanino has a Net Promoter Score® (NPS) score of 56, an indication of **superior customer satisfaction**, with scores above 50 considered excellent.

NPS® is widely recognized as the gold standard metric for assessing customer experience. Our high NPS underscores our commitment to providing exceptional client experiences and reflects the satisfaction and loyalty of our valued clients. Notably, **72% of our clients are promoters**, rating Armanino 9 or higher on a scale out of 10.



*Nearly three-quarters of clients rated Armanino 9 or higher on a scale out of 10.*

OUR PROMISE TO YOU

# Reimagine Your Potential



Unconventional  
Approach

We're a vested, entrepreneurial partner who sees your organization through a 360 lens and finds opportunity at every stage



Comfort in  
Change

Our experts provide guidance and support while quickly facilitating transformation that gives you a competitive advantage.



Focused on  
You

Our integrated teams and solutions deliver tailored insights to bring you more value and clarity throughout your journey.

# A new and better way for today and tomorrow

Equipping you with the insights and tools needed to redefine what's possible



## COMPLIANCE & REGULATORY

- Tax Planning
- Trust & Estate
- SOX
- Contract



## ASSURANCE & ADVISORY

- Cybersecurity
- SOC
- Restructuring
- Revenue Recognition



## STRATEGY & PLANNING

- Corporate Strategy
- Strategic Advisory
- Benchmarking
- Business Transformation



## STAFFING & DEVELOPMENT

- Payroll
- Health Benefits
- Executive Search
- Interim Placement



## TECHNOLOGY SYSTEMS

- ERP
- CRM
- Business Intelligence
- Managed Services



## ACCOUNTING & BACKOFFICE

- Bookkeeping
- Budgeting/Forecasting
- Account Receivable
- Accounts Payable



# Possible *(Re)*Defined™

Delivering impactful, bold solutions that increase clarity  
and spark success for today and tomorrow.