42 LINES

PRIVATE EQUITY:

Considering Hidden Tech Costs in Your Next Acquisition

A company puts on a good dog and pony show that makes them appear ripe for acquisition (who can blame them?). You're very interested. But don't stop there. It's vitally important to get a look under the technology hood so you know what you're *really* getting.

There are lots of things to look at, but here are three you shouldn't miss:

If a company is telling you it's prepared for 5X or 10x growth potential, great. But don't take them at their word–check it out and ask what the weakest link in their growth plan is from an IT infrastructure perspective. **A closer look at things like IT architecture and infrastructure should show you the gotchas and where the potential landmines are.**

Make sure the company sits on a foundation of best practices. For instance, take a look at their Continuous Integration practices and how thorough their technology decision-making process is. Are they relying on good engineering processes or are they trusting people to do the right thing? A shoddy approach to process may indicate a shoddy product under the hood.

Conduct a separate risk assessment focused solely on infrastructure. Don't let key infrastructure risk indicators get muddled within a larger, company-wide assessment. Obtaining full visibility into architecture setup and items like error budgets will help paint a clearer picture around exactly how viable their current infrastructure is.

Due diligence on IT is not an extra–it's an essential part of assessing a potential acquisition. Done correctly it can save you from overpaying by millions and it may even help you avoid a losing deal altogether.

Make your next acquisition with confidence.

Contact Us