

Avoid Hidden Costs in Your Post Merger Integration Project

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Every company's technology environment is different because it has evolved over time. Which means, one size never fits all.

Therefore, it's always necessary to do an in-depth assessment before you plan your PMI project. If you fail to carry out this level of due diligence, hidden costs and potential delays will emerge as you progress.

Is your IT environment more complex than anticipated?



In an acquisition, certain assumptions are made during the negotiating phase in order to speed things along. However, once the deal is done, a detailed review should be made of infrastructure, applications and assets.

This is because you could find you'll be working with many more servers than you bargained for, all of which need some form of discovery and management. Pre-development and testing environments could also turn out to be larger and more complex than expected.

It's vital to reconcile all your IT environments and ensure they're relevant to the new organisation – after all, there's no point in keeping systems that duplicate effort or are simply surplus to requirements in the new framework.



Are there buried operational costs?

Some operational challenges can remain well hidden beneath legacy systems and outdated processes. Certain ways of working may have developed over many years that are embedded in company culture.

Overcoming this problem requires effective communication with your IT teams as changes will need to be made. But before these can be implemented, you need to find out all you can about the current set up.

For instance, you should establish early on how much resource is taken up maintaining existing systems. Once the merger is complete, will more or less staff be required? Are outside contractors being used?

Your PMI project should be viewed as an opportunity to make cost-effective changes to your IT infrastructure. By the end of the project, your IT systems should be running more economically than before – not less.



Use an independent team to gather information

To determine exactly what you're dealing with and to avoid any nasty surprises, your due diligence needs to start with an asset inventory. This inventory should run alongside fact-finding interviews with key employees to unearth relevant information that may not have come to light at negotiation stages.

However, when conducting these research interviews, you need to ensure the full cooperation of your staff. And this is where it pays to bring in experienced independent consultants. It's not unusual in M&A situations to have two opposing viewpoints – that of the acquiring company and that of the business being acquired.

Rather than putting your own staff in potentially uncomfortable positions, the situation becomes considerably less tense if an outsider with no preconceived opinion on either company is handling the investigations.

Discover how to avoid hidden costs in your PMI project

Beyond Migration can help you avoid unnecessary delays and hidden costs in your post-merger integration – and gain maximum value from your IT infrastructure. Contact us for a friendly discussion regarding your particular business needs.

A large green graphic element on the right side of the page. It features a dark green triangle pointing upwards and to the right, with a lighter green triangle pointing downwards and to the right, creating a large white space for the logo. The word 'Beyond' is written in a large, white, sans-serif font. The 'y' in 'Beyond' has a unique design with a dot and a horizontal line. The word 'Migration' is not visible in this block.

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