

# Technology Due Diligence

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## THE WORK

Perform a Pre-Purchase Technology Due Diligence to validate the work completed by previously by a Big Four consulting agency. Determine the accuracy of their diligence work to validate offer price of division acquisition.

- Public Services Telecommunications carve-out from Defense Contractor.
- 800 Employees. \$500mm in Annual Revenue.
- Target provides public communications equipment, networks, and systems to primarily law enforcement and emergency services customers.

Engaged target across several areas to perform assessment under quick turnaround requested by client.

- Four-week IT assessment
- Targeted IT, Engineering, and Infrastructure organizations with assessment checklist
- Conducted interviews across critical stakeholders and functional owners
- Aligned TSA services to application and technology stack required for post transition stand up.
- Performed cost analysis of IT organization in a post TSA world based on a bridge between "business as usual" and a more flexibly strategic alignment.

Team developed a high-level transition strategy and post transition architecture; both with included cost considerations. Cost Bridge built between assessment work and previous Big Four work.

## THE RESULT

Upon investigation of the divested entity team found a very mature set of business processes and tooling which required the access and shared functions of the corporate services and personnel. Team then determined impacts to current state without access to resources and tools from the parent company.

Further, the target company had a complex manufacturing and finance ERP ecosystem with many years of customizations and integrations in place. It was determined the transition would require new systems in a new datacenter, with all the people and processes in place to provide the needed support. Given the lack of a transition plan, the Team outlined needed transition approaches and established a bridge to the Big Four estimate. Bridge showed many missing and understated items covering one-time transitional costs and ongoing operational costs.

- Adjusted technology transition estimates totaled \$11.2M annually. \$6M more annually than originally planned.
- Future savings identified with continued growth and scale.
- High Level 12-month transition roadmap developed
- Outline of continued leadership plan and cost provided for consideration

**As a result, our client firm was able to reduce their previous bid by over \$100M.** Detailed analysis provided credibility that led bankers involved to select our client's bid and to come to an agreement with the parent company regarding anticipated standalone technology costs.

This Pre-Purchase Technology Due Diligence was completed in 4 weeks at a cost of \$50,000 and netted a return of roughly \$100m.



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MORE INFORMATION AND LATEST RESUME

## THE DETAILS



Private Equity



Acquisition of Division



\$50,000 USD



+\$100mm USD

Thomas Emmons is a career technology executive that has specialized in utilizing the power of technology, combined with a critical understandings of business objectives, to deliver value to organizations and clients alike.