



## MARKET BRIEF

# CONNECT THE DOTS: RATIONALIZING COMMUNICATION TECHNOLOGY AFTER M&A ACTIVITY

Whether a strategic merger or an outright acquisition, combining two (or more) organizations is a tremendous undertaking requiring extensive negotiation, planning, and management effort. This Market Brief provides key activities that IT leaders should consider when dealing with M&A activity.



## KEY CONSIDERATIONS

Once M&A activity is initiated, one of the most complex integrations begins - the combination of the cloud and communication network infrastructure of the two companies. These activities are complex because almost every facet of a company is impacted, not only technically, but contractually and operationally, and commonly results in a drastic change from both organizations to form a new unified operation.

There are four dimensions to this integration challenge:

**Financial** - An initial analysis of contractual commitments for communication technology across both companies will show significant differences. Even in the best scenarios, where both organizations are using the same providers, it is very likely that they pay different rates and have varying financial and contractual terms and conditions. Ultimately, negotiations must take place to bring the respective technology environments together as one entity. This will likely be driven by decisions which technologies will be retained and which will be decommissioned.

**Geographic** - Depending upon the corporate footprint and the underlying business strategy, the needs of the organization may change completely. Requirements for reliability and redundancy can vary, and the ability to centralize visibility of inventory and expenses for ongoing management is critical to M&A success.

**Operational** - Both companies come into the relationship with existing teams responsible for data and telecom. Depending upon where the companies have locations and where headquarters operations are located, these teams will need to be carefully combined, which requires significant evaluation and planning. Who has the greatest expertise? Who has the most well-developed vendor relationships and contracts? Which will be most familiar with the resulting infrastructure post-integration?

**Technological** - There will be plenty of tough decisions to make regarding which technologies to retain and which to retire. Considerations across major technology categories related to IT strategy, including the data network, collaboration tools, cloud services, and enterprise mobility are critical to the success of the newly formed organization.

# CONNECTING THE DOTS

The biggest challenge at the beginning of a newly merged entity is that you will be facing a large integration effort with limited time. Everyone wants everything to be in place and operational at the day one announcement. Seldom will you have advance warning. Just the classic admonition to “do more with less” for the good of the organization.

In the case of data, telecom, and other communication technology services, you need to form connections between the financial, geographical, operational, and technological challenges. For every technical decision you make, you'll need to negotiate with service providers and determine how they will be supported operationally. This must be a synergistic planning process.

Lets analyze how you can take advantage of this M&A opportunity and use it to transform your IT organization and better serve the business.

“Information technology and business are becoming inextricably interwoven. I don't think anybody can talk meaningfully about one without talking about the other.”

- **Bill Gates**  
Founder, Microsoft



# TAKE ADVANTAGE

You need resources on your team to have deep experience in managing such change in organizations of all sizes across the globe. The outcome is a comprehensive technology ecosystem uniquely positioned to transform your communication technology infrastructure across all providers and geographies to better enable your business.

“When digital transformation is done right, it’s like a caterpillar turning into a butterfly, but when done wrong, all you have is a really fast caterpillar.”

**George Westerman**

Principal Research Scientist at MIT Sloan Initiative on the Digital Economy

## INVENTORY

Begin with an exhaustive inventory of your entire data and telecom environment. Examine all contracts from both sides of the merger to determine what you are paying for, how much you’re paying, when each agreement expires, which vendors and carriers each agreement is with, how and where they are used, and what technologies they support. This gives you the ability to leverage your increased size with all carriers and vendors involved.

It is important to analyze all technologies in use, their specific applications, and determine what business objectives they serve. This informs design, management, and capacity decisions that will need to be made in subsequent stages.

## PLANNING

Once the inventory task is complete, the planning and decision-making processes begin. Which technologies are in use that will be aging out soon? Where are there opportunities to combine approaches to achieve greater economies? What are the risks that need to be managed and mitigated? The strengths, weaknesses, opportunities, and threats faced by both existing infrastructures and how can the integration be leveraged to respond to them most effectively? Where are the synergies and where are the conflicts?

## RECOMMENDATIONS

You then need to make recommendations to key stakeholders based upon the above considerations, with the relative value of any alternatives clearly evaluated and explained. Consider the four dimensions reviewed earlier in this document (financial, geographical, operational, technological) when creating your current state and future state models.

## EXECUTION

Upon your approval, create a comprehensive execution plan and manage the project manage the entire transition. It is critical that key owners on the team are established to ensure tasks are completed, but still have the bandwidth to manage what they need to on a day-to-day basis to run the business.

# GETTING STARTED

The process above is not to be taken lightly. Enterprises often do not have the time, resources, or expertise in house to perform the evaluation, selection, implementation, and ongoing maintenance related to the complex nature of M&A activity. At Advantage, we align with our clients to perform tasks throughout this market brief and explore how the right solutions can be used to change how you deliver technology services to your organization, increase your market presence, gain competitive advantage, and grow the combined business. The result is increased customer satisfaction, employee satisfaction, and most importantly when dealing with M&A - stakeholder satisfaction.



# Why Advantage?

## We optimize the technology lifecycle

Advantage is a managed service provider that drives value to your organization through five key stages in the technology journey. Employing expert practitioners, efficient processes, and a unique software platform, we solve the challenges of managing technology in the modern enterprise.



### DESIGN

Based on your business drivers and global best practices, we create purpose-built solutions leveraging leading technologies and ideal providers.



### SOURCE

Leverage our experience, benchmarking, and global partner network to select service providers, negotiate the best possible terms, and contract for the lowest rates.



### INSTALL

Capitalize on our project management leadership for a seamless rollout of new solutions and the timely disconnect of legacy services.



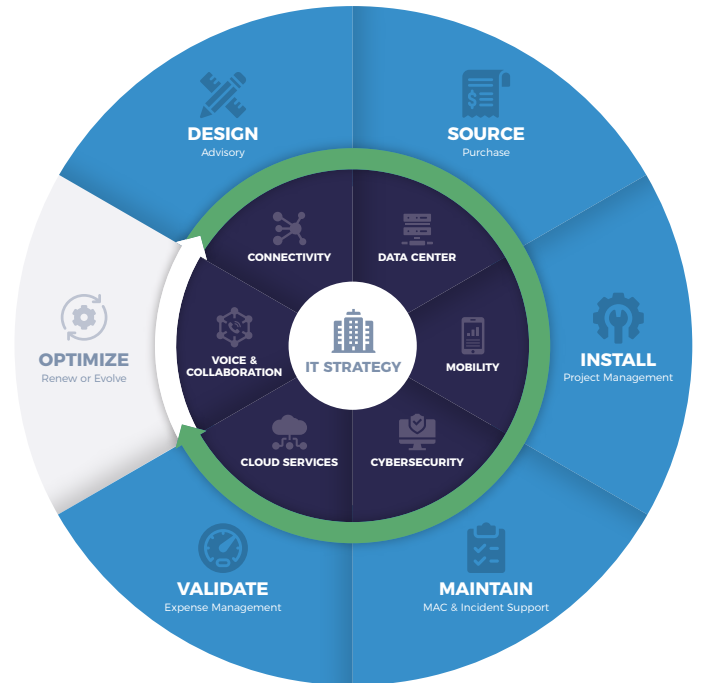
### MAINTAIN

Ongoing managed support of daily activities such as moves, adds and changes to your services, while having full visibility into your inventory through our Command Center platform.



### VALIDATE

Receive ongoing managed services to support the invoice lifecycle, including contract management, expense validation, dispute resolution, and AP/GL feeds for payment.



From procurement and provisioning through inventory and expense management, we optimize your communications solutions across voice, data, cloud, and mobility. Advantage is your team behind the scenes—so you can focus on success.

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