

Tech M&A Monthly

Starts in 2 minutes



Thoughts? Questions? Let us know!
@CorumGroup

CORUM

Tech M&A Monthly

Tips for Successful Post-Merger Integration



We welcome your questions!

**Email questions to
info@corumgroup.com**

This event is being recorded
On demand webcast will be available at
www.corumgroup.com

MERGE BRIEFING

- **90 Minutes**
- **Industry Update**
- **Overview of the M&A Process**





- **Half-Day**
- **Tech M&A Bootcamp**
- **The most attended tech executive conference in history**





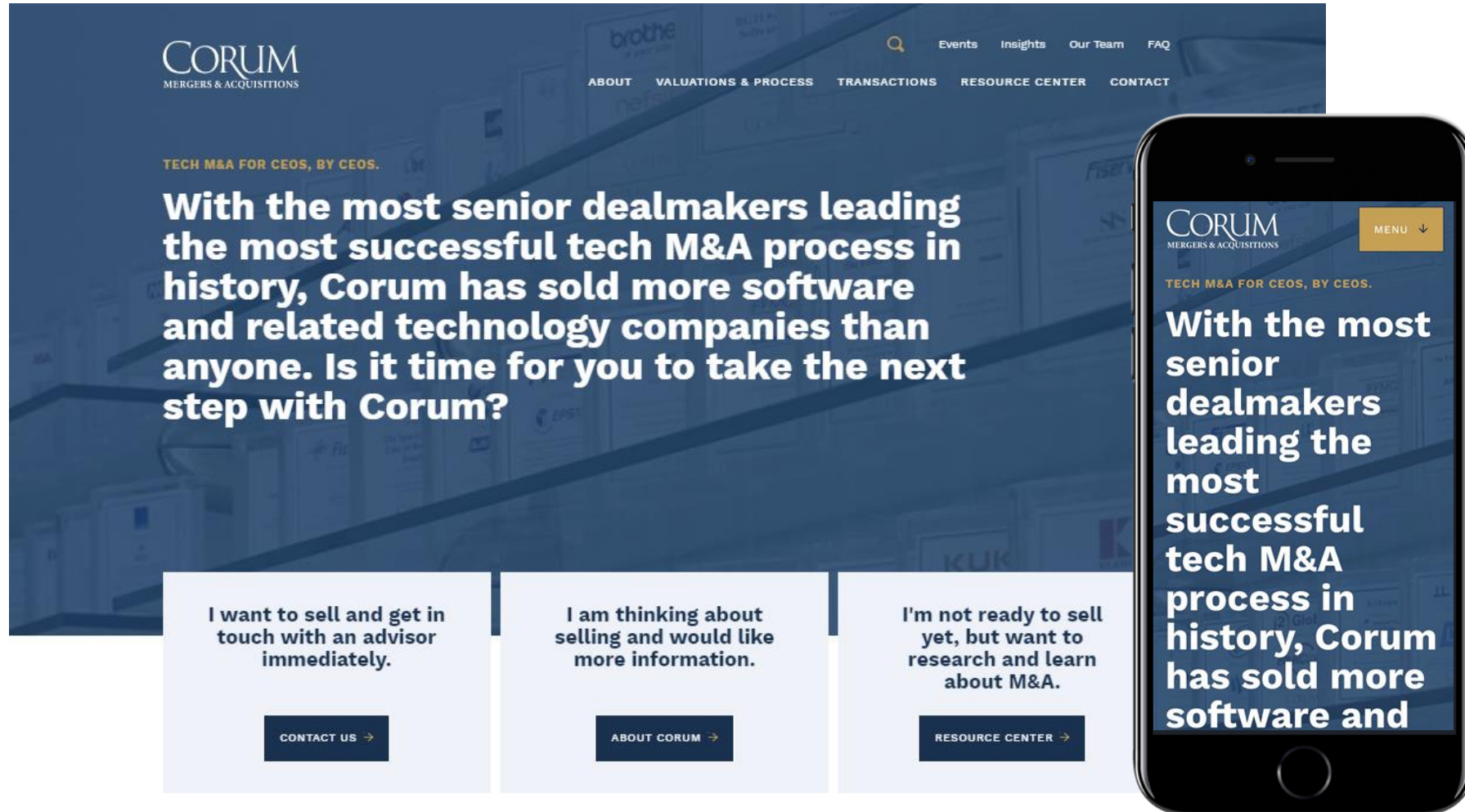
MERGE BRIEFING



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- **Overview of the M&A Process**



CORUM
MERGERS & ACQUISITIONS

ABOUT VALUATIONS & PROCESS TRANSACTIONS RESOURCE CENTER CONTACT

TECH M&A FOR CEOs, BY CEOs.

With the most senior dealmakers leading the most successful tech M&A process in history, Corum has sold more software and related technology companies than anyone. Is it time for you to take the next step with Corum?

I want to sell and get in touch with an advisor immediately.

CONTACT US →

I am thinking about selling and would like more information.

ABOUT CORUM →

I'm not ready to sell yet, but want to research and learn about M&A.

RESOURCE CENTER →

CORUM
MERGERS & ACQUISITIONS

MENU ↓

TECH M&A FOR CEOs, BY CEOs.

With the most senior dealmakers leading the most successful tech M&A process in history, Corum has sold more software and

36

Years in business

\$10B

In wealth created

400+

Closed transactions



**Focus—sell side,
technology only**

**Detailed, professional,
global process**

**Team approach,
senior dealmakers**

**World Technology
Council**

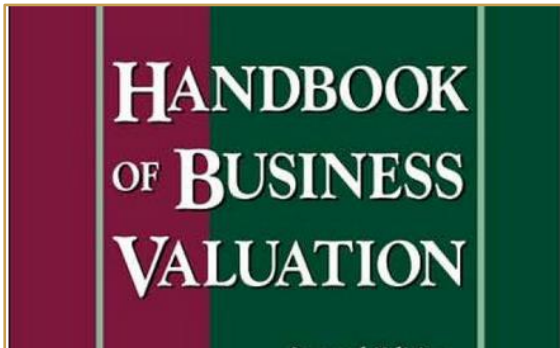
SOLD MORE SOFTWARE-RELATED FIRMS THAN ANYONE



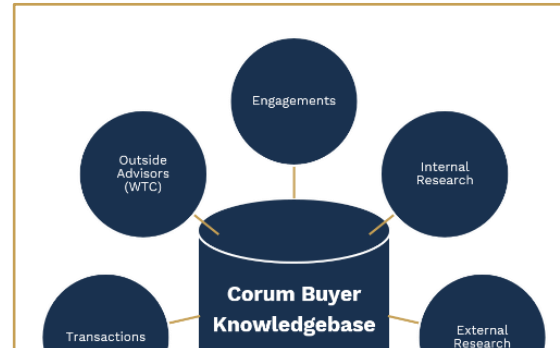
Research



Education



Valuation



Database



**The definitive tech
M&A education**

- **Since 1990, the most attended executive conference in technology history**
- **More events hosted than all other competitive conferences combined**
- **Over \$3 trillion in transaction value by attendees – buyers and sellers**

8 Stages for an Optimal Outcome

Preparation

Research

Contact

Discovery

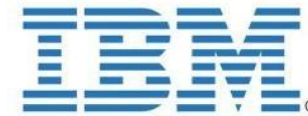
Negotiation

Due
Diligence

Closing

Integration

Past Attendees Include



Tech M&A Monthly

Starts in 1 minutes



Thoughts? Questions? Let us know!
@CorumGroup

CORUM

Tech M&A Monthly

Tips for Successful Post-Merger Integration



Tim Goddard, EVP, Corporate Strategies, Corum Group Ltd.



- **Served as marketing and product manager for GIS software startup Depiction, Inc., and previously worked in marketing for VizX Labs, a pioneering SaaS startup delivering DNA analysis tools.**
- **Worked for a US Senate campaign and taught science in Rio de Janeiro.**
- **Graduated Magna Cum Laude from Bethel University in St. Paul, Minnesota, with degrees in History and Biology.**

We welcome your questions!

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Welcome

CEO Report: “Selling your Company? 60 MUST DO’s You Can’t Ignore”

Event Report

Deal Report

Tech M&A Market Research Report

Buyers Corner: “Best Practices for NDAs”

Special Report: “Tips for Successful Post-Merger Integration”

Closing

CORUM

CEO Report

Selling your Company?

60 MUST DO's You Can't Ignore.

World Technology Council (WTC)

- Luminaries
- Co-sponsors
- Former clients
- Domain leaders





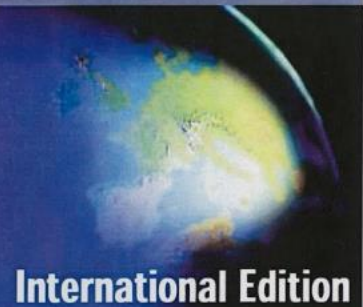
Webcasts



Podcasts

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- 6 Selling Up Selling Out Conference Schedule 6



MERGER

SOFTWARE

The R

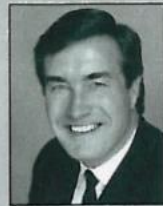
Ted Henter is a software developer, owner, and sport fisherman. He is the author of an entrepreneurial book – until you are blind.

A "natural" graduate of the University of Florida in Gainesville, Florida in 1974, he earned a degree in Business Administration and the design of a career path. He achieved a career in the software industry as one of the world's leading software developers.

With his racing career ended, he was tempted to engineering. He spent time in the technology industry to work effectively on his opportu-

From the Editor

The Millennium Starts With A Bang



Bruce Milne, President & CEO, Corum Group Ltd.

The Millennium began with a bang, at least from an M&A standpoint. After a cautious last half of '99, we saw an explosion of activity starting from the very first day, and it hasn't let up. We have concluded a transaction every ten days, as witnessed by the enclosed tombstones. And the activity has been in all markets, including the Internet, telecom, ERP, CRM, financial services, and vertical markets. Further, this phenomenal activity is clearly being echoed worldwide as half of these transactions involve a non-US buyer or seller. In our feature story, we go into more detail on this trend and what we expect to see going forward.

Corum

Corum Group Ltd. is a software, database, and personnel services company. We are leaders in our field.

We are Buyside

Through our extensive international network, we are able to provide the right resources for your company.

The C

Corum Group International is a potential partner for your company. We have the strengths to help you succeed.

The C

The individual and company you are looking for is available to you.

A

International Merger Market Mushrooms

Corum Group Ltd. has served the software, related IT services, content, and Internet industries since 1985 from our corporate headquarters in Bellevue, Washington. As our business has expanded worldwide, we looked for additional avenues to bring our recognized industry leadership and expertise in M&A transactions to clients across the globe.

Corum is pleased to announce the formation of our International affiliate: **Corum Group International S.à.r.l.**

This company was formed beginning in 1999 and finalized in 2000 with the express purpose of enhancing Corum's service to international clients. Corum Group International is headquartered in Lausanne, Switzerland, with a staff devoted to the European Community and other international markets. Euro-centric research and writing is prepared in this office, and a multi-lingual staff is available to assist clients in identifying and completing transactions with optimum merger and acquisition candidates. Both Sellside and Buyside services are offered, as well as the Selling Up Selling Out, and Buying In Buying Out seminars. The extensive database of contacts and transactions that Corum Group Ltd. has built over the past 15 years is available to

Recent international transactions include:



The office in Lausanne can be contacted at:

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Luxembourg, succursale Lausanne
30 avenue Ruchonnet
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Telephone: (Int + 41 21) 341 1555
Telefax: (Int + 41 21) 341 1559
Website:
<http://www.corumgroupinternational.com>
Correspondence:
Case postale 313, CH-1001
Lausanne, Suisse

On staff will be Klara Scheidegger-Körösi in the Lausanne office, and Miro Parizek working out of Munich, Germany.

From the Editor

(continued from page 2)

supply chain sector. Many remaining independent ERP players were bought in the first six months of the year. **Great Plains'** purchase of **Solomon** and **Realworld**, **Gores Technology Group's** acquisition of **Infinium's** NT Financials, and **ACCPAC's** (CA) recent acquisition of **SBT Accounting Systems** are an example of this trend.

CRM is another hot market segment with transaction multiples approaching the dot.coms in their glory days. While many deals were announced, we were personally involved in several, including the acquisition of **Dexton** in Holland by **Infinium**, and **Staffware's** (U.K.) acquisition of **Marketforce** in Texas. Another related transaction was the acquisition of **Top Producer** in Vancouver (Canada) by **Home-store.com**, a good example of a dot.com company buying a well-known established and profitable industry leader. We expect to see more transactions like the Top Producer deal as Internet companies are forced to begin showing profit results to impatient shareholders.

EAI and **Workflow** companies are equally active in terms of number of deals and multiples paid. Leading vendors are quickly trying to fill the holes in their technology offerings.

In a recent poll, we asked:

“What were the projects, documents or tasks that they felt were most important when selling their company?”

we then asked:

“Which ones required professional skills, confidential M&A data, inside buyer knowledge, extensive transaction experience, or outside advisors?”

- Corporate Preparation
- **Business Plan**
- Marketing Plan
- Org Chart
- Staff Bios
- NDA
- Non Solicitation
- **Executive Summary**
- **Introduction Letter**
- **Financials (3 years)**
- **Recast Financials**
- Financial Package
- **3 Year Projections**
- Pipeline Analysis
- Lead Process
- Pricing Analysis
- Market Research
- **Competitive Research**
- **Buyer Research**
- **Ind. Buyer Strategy**

*Items in **RED** require professional skills, confidential M&A data, inside buyer knowledge, extensive transaction experience, or outside advisors*

- Corporate Presentation
- **Comparable Transactions**
- Industry Comps
- DCF Analysis
- **Replacement Cost**
- Terminal Value
- **Valuation Report**
- All Agreements
- All Litigation – Threats
- Shareholder Qualification
- HR Needs
- **Audit**
- **Activity Log**
- Terms Sheet(s)
- **Synergy Analysis**
- Dilution Analysis
- **Tax Analysis**
- Taxable Assets
- **Negotiation**
- **LOI**

*Items in **RED** require professional skills, confidential M&A data, inside buyer knowledge, extensive transaction experience, or outside advisors*

- Stand Still Prep.
- **Outside Opinions**
- DD Checklist
- DD Timeline
- **Merger Agreement**
- Asset Schedule
- **Fairness Opinion**
- **Employ. Agreement**
- **Non Competes**
- **Patent Analysis**
- Customer Overview
- **Client Sign-off**
- Bulk Sale
- **Sovereign Approval**
- Proxies
- **Security Agreements**
- **Registration**
- Shareholder Exp. Distr.
- Announcements
- **Integration Process**

*Items in **RED** require professional skills, confidential M&A data, inside buyer knowledge, extensive transaction experience, or outside advisors*

Top 60 Documents & Projects



11%

- Buyer solicitations that result in transaction



48%

- Average improvement from first offer with an auction process



60%

- Buyers that have never heard of you



75%

- How often another firm is willing to pay more than the initial bidder



80%

- “Self-managed” tech M&A failure rate



100%

- Deals involving only one bidder that are suboptimal

Top 60 Documents & Projects



11%

- Buyer solicitations that result in transaction



48%

- Average improvement from first offer with an auction process



60%

- Buyers that have never heard of you



80%

- “Self-managed” tech M&A failure rate



100%

- Deals involving only one bidder that are suboptimal

Self-managed M&A
is **ineffective and
expensive.**

Failing with your
most logical buyers
**may leave you
unsellable.**



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CEO Report: “Selling your Company? 60 MUST DO’s You Can’t Ignore”

Event Report

Deal Report

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Buyers Corner: “Best Practices for NDAs”

Special Report: “Tips for Successful Post-Merger Integration”

Closing

CORUM

Event Report

November 2023

Presented By
Brenden Keene
Senior Marketing
Coordinator
Corum Group Ltd.



MERGE BRIEFING

Online in:

Phoenix – Nov. 14

Pittsburgh – Nov. 28

Bogota – Nov. 15

Dallas – Nov. 29

Manchester – Nov. 23



Online M&A Bootcamp

Montreal – Nov. 15

Istanbul – Nov. 16

Raleigh-Durham – Nov. 21

Budapest – Nov. 22

Ho Chi Minh City – Nov. 23

Kuala Lumpur – Nov. 30

Ann Arbor – Nov. 30

WFS Event Report:
November 2023



Please visit:

www.corumgroup.com/events

to find a Tech M&A event near you!


WFS Content

Nov. 22, 2023

Artificial Intelligence

WFS EDUCATING TECHNOLOGY LEADERS

TECH MARKET SPOTLIGHTS



Nov. 29, 2023

Security

WFS EDUCATING TECHNOLOGY LEADERS

TECH MARKET SPOTLIGHTS



Dec. 6, 2023

RegTech

WFS EDUCATING TECHNOLOGY LEADERS

TECH MARKET SPOTLIGHTS



Dec. 7, 2023

Gaming

WFS EDUCATING TECHNOLOGY LEADERS

TECH MARKET SPOTLIGHTS

ASIA




Dec. 13, 2023

EdTech

WFS EDUCATING TECHNOLOGY LEADERS

TECH MARKET SPOTLIGHTS



16 NOVEMBER 2023

ASIA: GROWTH & EXIT STRATEGIES

BUILDING FOR SCALE,
BUILDING FOR SALE

ONLINE

 Webinar



VALUATIONS



TECH TRENDS



SELLERS



INVESTORS



BUYERS

WFS EDUCATING
TECHNOLOGY
LEADERS

World Financial Symposiums

Educating Technology Leaders



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CORUM

Deal Report

November 2023

**Presented
By**



Deal Report

Joel Espelien
Executive Director -
Client Services
Corum Group Ltd.



has acquired



Corum acted as exclusive M&A advisor to FileOnQ



Deal Report

William Hill
Senior Vice President
Corum Group Ltd.



have acquired



Corum acted as exclusive M&A advisor to Trusty Ox Systems



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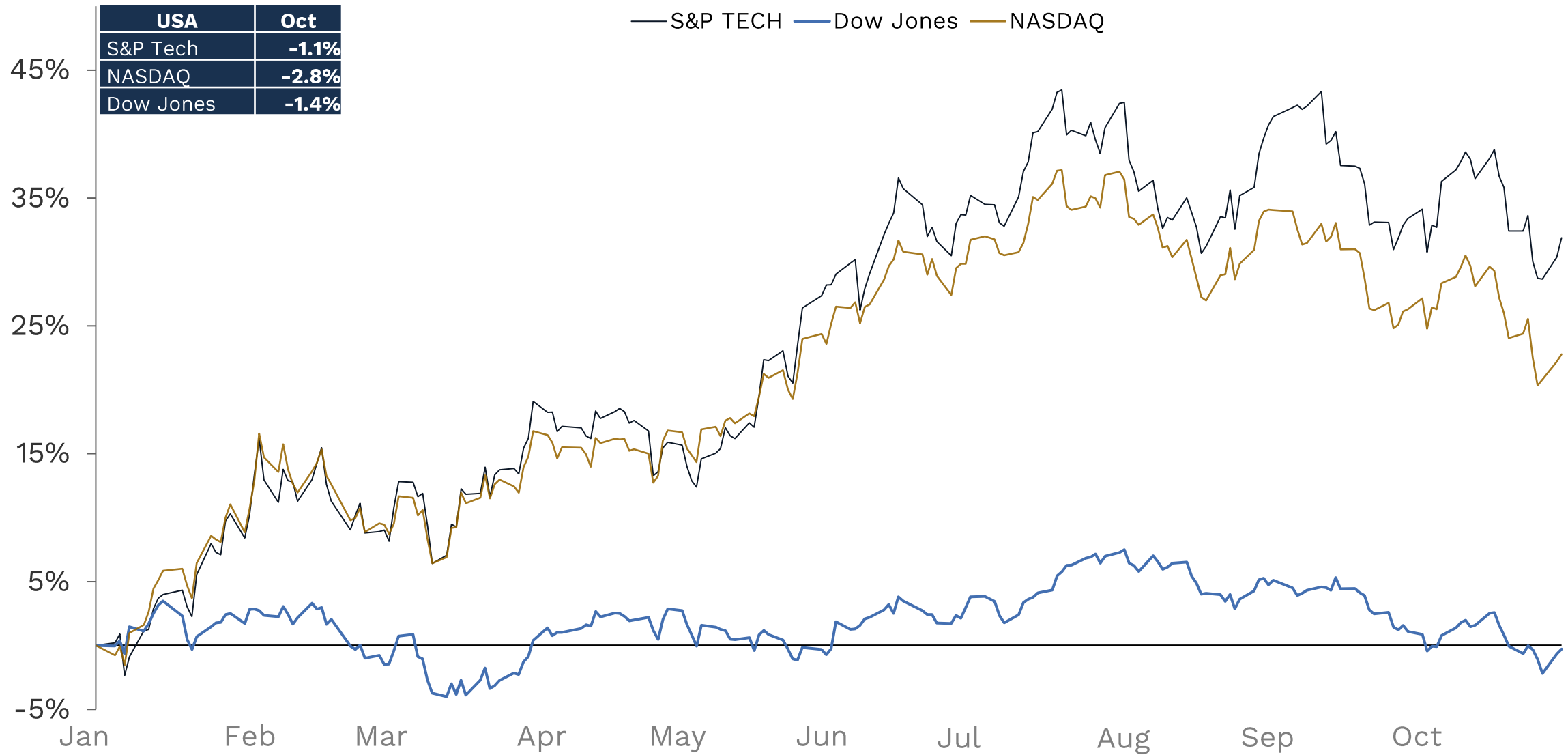
Special Report: “Tips for Successful Post-Merger Integration”

Closing

Tech M&A Research Report

Public Markets 2023 YTD

% CHANGE



Market

Transactions

Mega Deals

Largest Deal

Pipeline

Private Equity
Platform Deals

VC-Backed Exits

Non-Tech Acquirers

Attributes

Cross Border
Transactions

Start-Up Acquisitions

Average Life of Target

October 2022

328

6

\$4.6B

October 2022

30

67

20

October 2022

35%

19%

17 yrs

October 2023

403

2

\$2.5B

October 2023

35

97

34

October 2023

36%

23%

18 yrs

23%

67%

45%

17%

45%

70%



2023 Mega Deals (Jan-Oct)



HORIZONTAL
\$71B – 11 Deals



VERTICAL
\$35B – 11 Deals



INFRASTRUCTURE
\$14B – 5 Deals



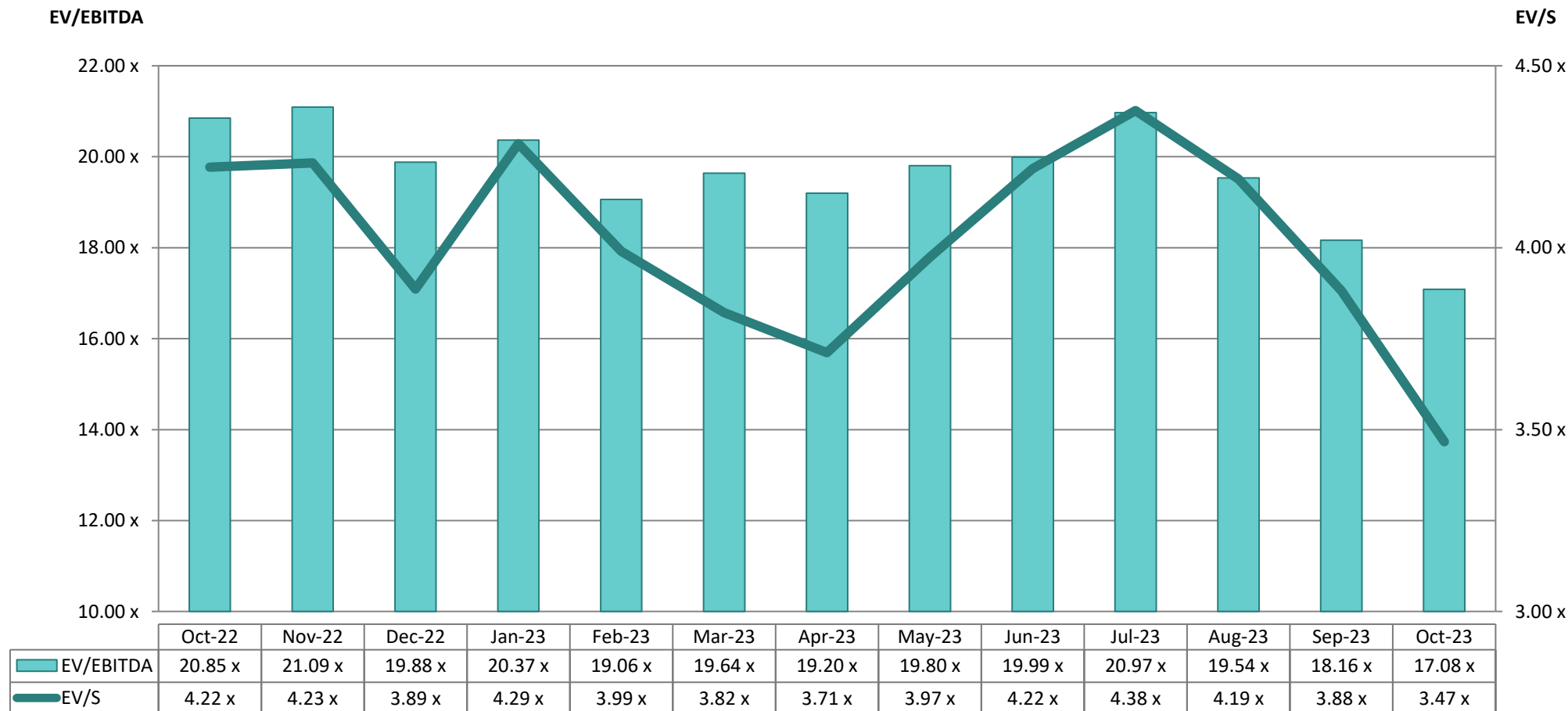
IT SERVICES
\$6.3B
–
2 Deals



CONSUMER
\$6.0B
–
2 Deals



Public Valuation Multiples





Subsector	Sales	EBITDA	Examples		
Business Intelligence	5.40x	15.0x	<i>MicroStrategy</i>	VERINT	NICE [®]
Marketing	3.15x	19.6x	WIX	 bread financial	HubSpot
ERP	3.96x	18.3x	ORACLE [®]	 PEGA [®]	SAP
Human Resources	7.00x	17.6x	 RECRUIT	PAYCHEX [®]	 workday.
SCM	11.1x	40.4x	 AMERICAN SOFTWARE	DESCARTES [™]	 Manhattan Associates.
Payments	2.18x	10.8x	ACI UNIVERSAL PAYMENTS.	 PayPal	 Square
Other	2.26x	15.2x	 NUANCE	opentext [™]	 salesforce



HORIZONTAL
\$71B – 11 Deals

EngageSmart   V I S T A

Seller: EngageSmart [USA]

Acquirer: Vista Equity Partners [USA]

Transaction Value: \$2.5B (10.3x EV/Sales and 82x EV/EBITDA)

- Customer engagement & payments SaaS



Call Center Software



Seller: LiveVox [USA]
Acquirer: NICE [Israel]
Transaction Value: \$382M and 2.6x EV/Sales
- AI-based contact center SaaS



Seller: Plum Voice [USA]
Acquirer: SharpenCX [TELEO Capital] [USA]
- Voice-based customer interaction SaaS



Seller: I-Net [United Kingdom]
Acquirer: NUSO [USA]
- Call center & telephony CPaaS



EHS

Trusty Ox Systems the developer of



SOLD TO 

Seller: Trusty Ox Systems [Canada]
Acquirer: Peoplesafe [ECI] [United Kingdom]
 - Workers safety management software



SOLD TO 

Seller: Lucidity [Australia]
Acquirer: Ideagen [HG Capital] [United Kingdom]
 - EHS management SaaS



have acquired



Corum acted as exclusive M&A advisor to Trusty Ox Systems





Data Management



SOLD TO



Seller: Manta [USA]
Acquirer: IBM [USA]
- Enterprise data lineage automation SaaS



Splitgraph

SOLD TO



EDB

BainCapital

Seller: Splitgraph [United Kingdom]
Acquirer: EDB [Bain Capital] [USA]
- SQL-based database management SaaS



SOLD TO



Seller: Datametica [India]
Acquirer: Onix [Tailwind Capital] [USA]
- Data migration, modernization & analytics SaaS



HORIZONTAL
\$71B – 11 Deals



metropolis

Seller: SP+ [USA]

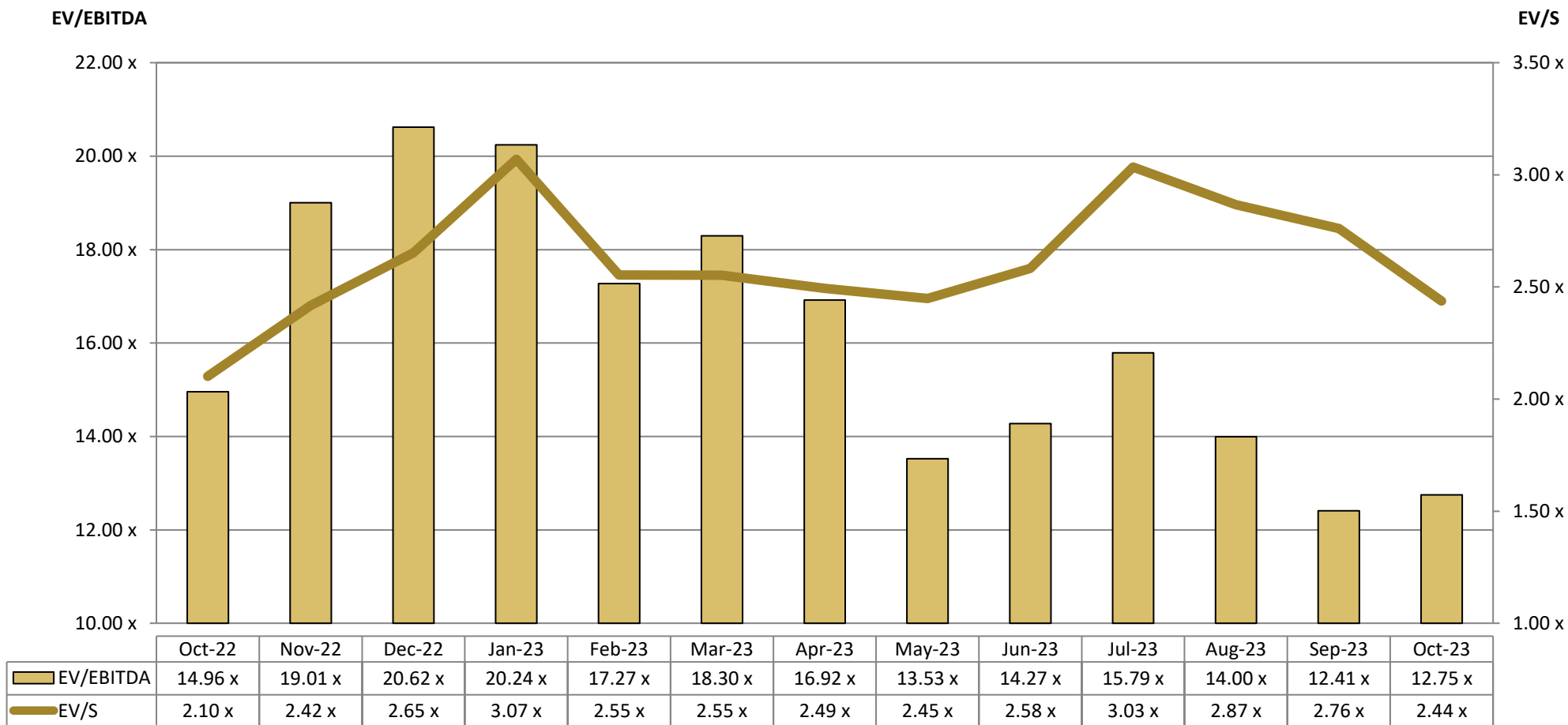
Acquirer: Metropolis [USA]

Transaction Value: \$1.5B (1.9x EV/Sales and 14x EV/EBITDA)







- Parking management SaaS & services



Public Valuation Multiples





Subsector	Sales	EBITDA	Examples		
Casual Gaming	2.37x	12.5x	EMBRACER ⁺ GROUP		
Core Gaming	3.70x	12.1x		Electronic Arts	
Other	2.28x	21.5x		NETFLIX	



Games



SOLD TO



Seller: Snowprint [Sweden]
Acquirer: MTG [Sweden]
- Mobile game development studio



SOLD TO



Seller: Digital Eclipse [USA]
Acquirer: Atari [France]
Transaction Value: \$6.3M
- Videogame development studio



Consumer Healthcare



Seller: aidhere [Germany]

Acquirer: Sidekick [Iceland]

- Prescription digital therapeutics mobile application



Messaging



Seller: Texts.com [USA]

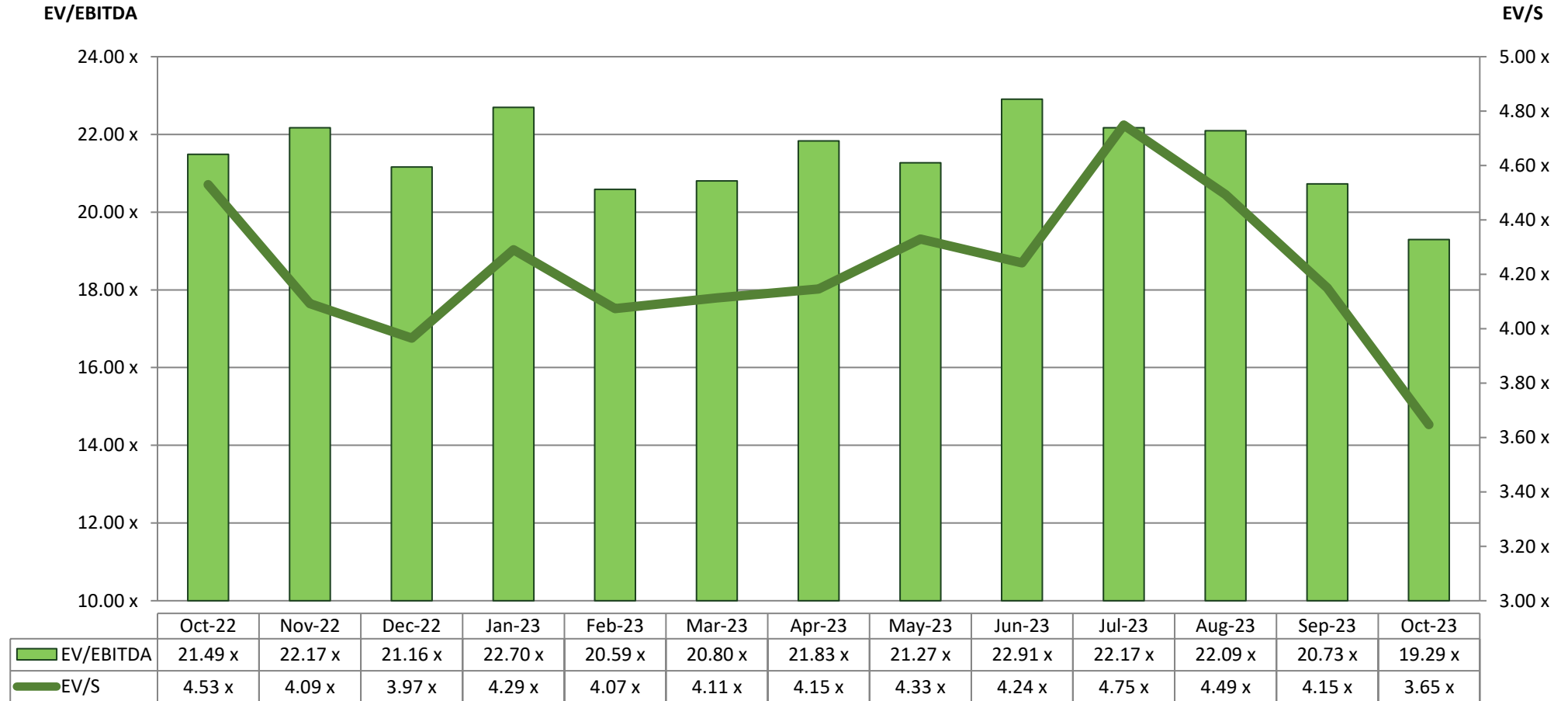
Acquirer: Automattic [USA]

Transaction Value: \$50M







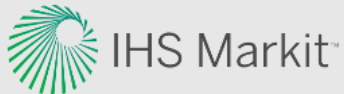

















- Social messaging mobile application



Public Valuation Multiples





Subsector	Sales	EBITDA	Examples		
A/E/C	9.59x	38.4x	 AUTODESK	 DASSAULT SYSTEMES	 SYNOPSYS®
Automotive	2.15x	15.5x	 AutoTrader	 Scout24	 CDK GLOBAL
Energy & Environment	3.18x	20.5x	 IHS Markit	 Itron	 xylem
Financial Services	4.32x	16.9x	 Broadridge	 SS&C	 fiserv.
Government	2.18x	13.9x	 NORTHROP GRUMMAN	 L3HARRIS	 tyler technologies
Healthcare	1.21x	20.5x	 Allscripts	 HealthCatalyst	 Teladoc HEALTH
Real Estate	1.09x	57.9x	 REDFIN	 CoStarGroup	 Zillow
Other	3.91x	25.2x	 AMADEUS	 Rockwell Automation	 Sabre



HealthTech

medicx  **OptimizeRx**

Seller: Medicx Health [USA]

Acquirer: OptimizeRx [USA]

Transaction Value: \$95M

- Omnichannel marketing & analytics SaaS

viewgol  **cpsi**

Seller: Viewgol [USA]

Acquirer: CPSI [USA]

Transaction Value: \$36M

- Ambulatory RCM analytics SaaS



EdTech



Seller: Parchment [USA]
Acquirer: Instructure [Thoma Bravo] [USA]
Transaction Value: \$835M
- Education transcript management SaaS



Seller: Tribal Group [United Kingdom]
Acquirer: Ellucian [Blackstone/Vista Equity Partners] [USA]
Transaction Value: \$193M (2.0x EV/Sales and 18.6x EV/EBITDA)
- Educational ERP & CRM SaaS



Seller: Kide Science [Finland]
Acquirer: Accelerate Learning [USA]
- STEM education management SaaS



GovTech



22nd Century Technologies, Inc.

Seller: Queues Enforth Development [USA]
Acquirer: 22nd Century Technologies [USA]
- Public safety CAD & records management SaaS



Seller: Avenu Insights & Analytics [Mill Point Capital] [USA]
Acquirer: Arlington Capital Partners [USA]
- Government revenue management SaaS



Seller: FileOnQ [USA]
Acquirer: Sloane Street Partners [USA]
- Safety and justice platform



has acquired



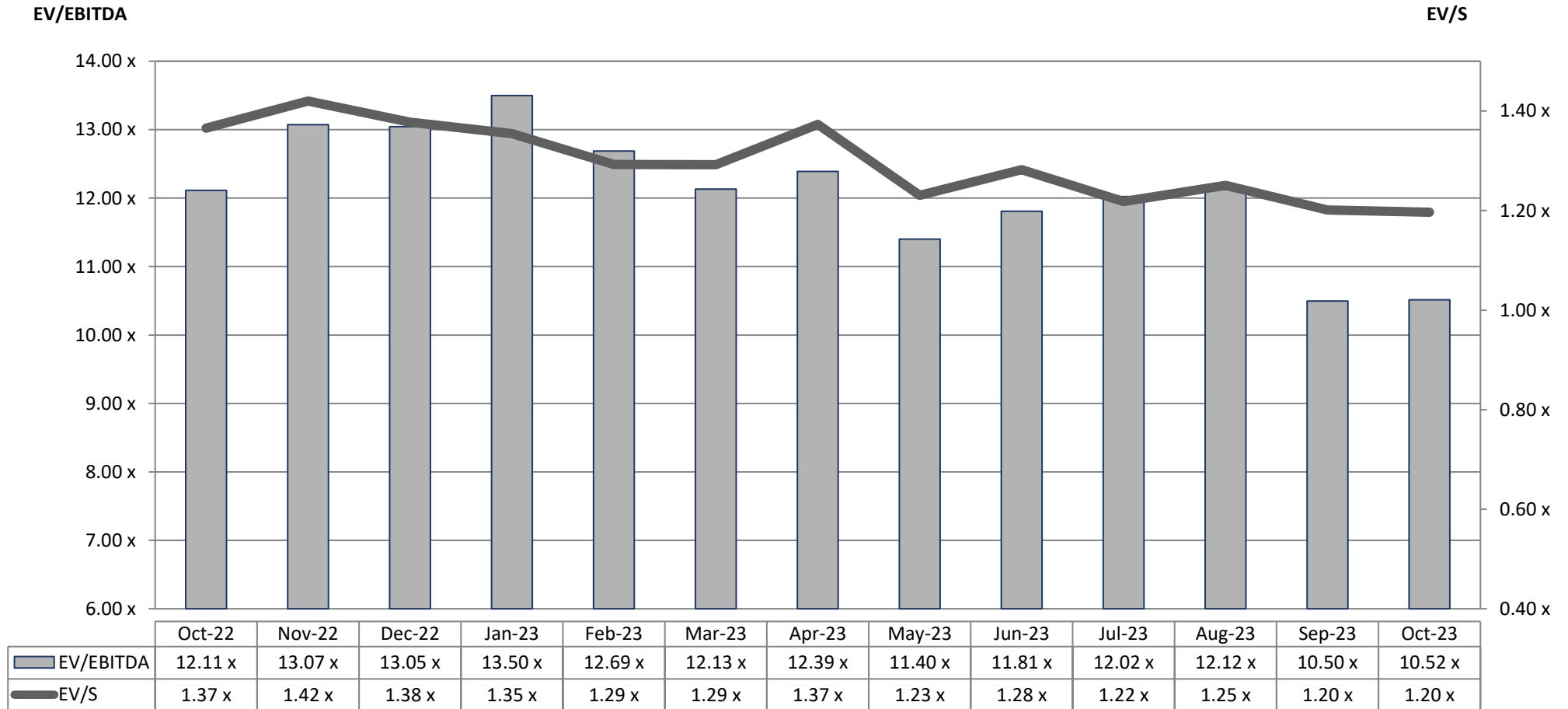
Public Safety & Justice

Corum acted as exclusive M&A advisor to FileOnQ





Public Valuation Multiples

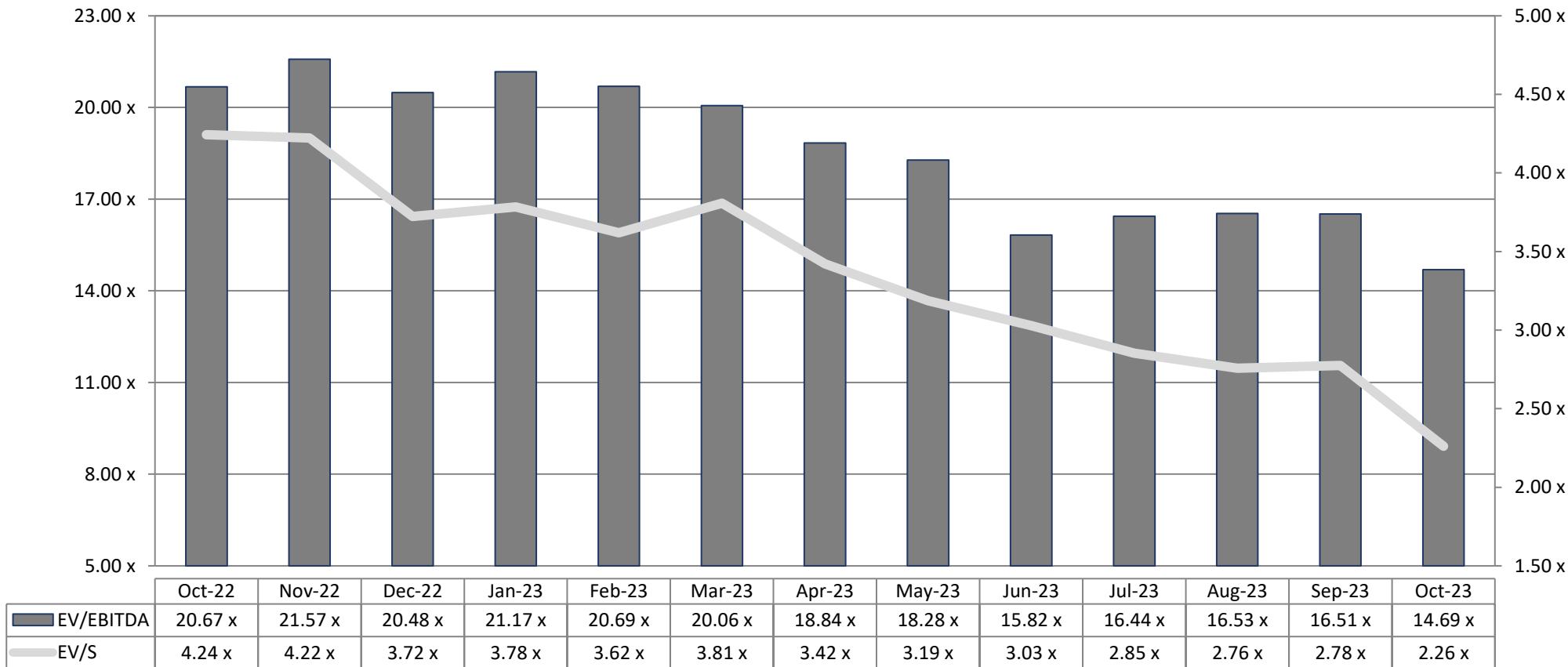




Public Valuation Multiples

EV/EBITDA

EV/S





Software Development Services



SOLD TO



Seller: teKnoluxion [USA]
Acquirer: Bridge Core [NewSpring] [USA]
- Software & systems engineering services



SOLD TO



Seller: Chapter 5 [Denmark]
Acquirer: Trifork Group [Switzerland]
- Fintech software development services



SOLD TO



Seller: Serempre [Colombia]
Acquirer: Realogic Solutions [USA]
- Custom software development services



Formidable

SOLD TO



Seller: Formidable [USA]
Acquirer: NearForm [Ireland]
- Software design & engineering consulting services



Focused Systems Integrators



SOLD TO



Seller: Silverline [USA]
Acquirer: Mphasis [USA]
Transaction Value: \$132M
- Salesforce-focused IT consulting services



SOLD TO



Seller: Beyond Technologies [Canada]
Acquirer: Syntax Systems [Novacap Investments] [Canada]
- SAP-partnered consulting and systems integration services



SOLD TO



Seller: Insomea [Tunisia]
Acquirer: Beyon Solutions [Bahrain Telecommunications Company] [Bahrain]
- Microsoft-partnered cloud IT consulting and managed services



SOLD TO



Seller: Cloudnexus [USA]
Acquirer: nClouds [Charles Thayne Capital] [USA]
- AWS-based IT consulting services and managed services



Security Services

MNEMO

SOLD TO

accenture

Seller: MNEMO [Mexico]

Acquirer: Accenture [USA]

- AI-enabled managed cybersecurity services

CASTRA

SOLD TO

lumifi

Seller: Castra [USA]

Acquirer: Lumifi Cyber [USA]

- Managed detection & response services



advanced network systems

SOLD TO

magna⁵
NEWSPRING

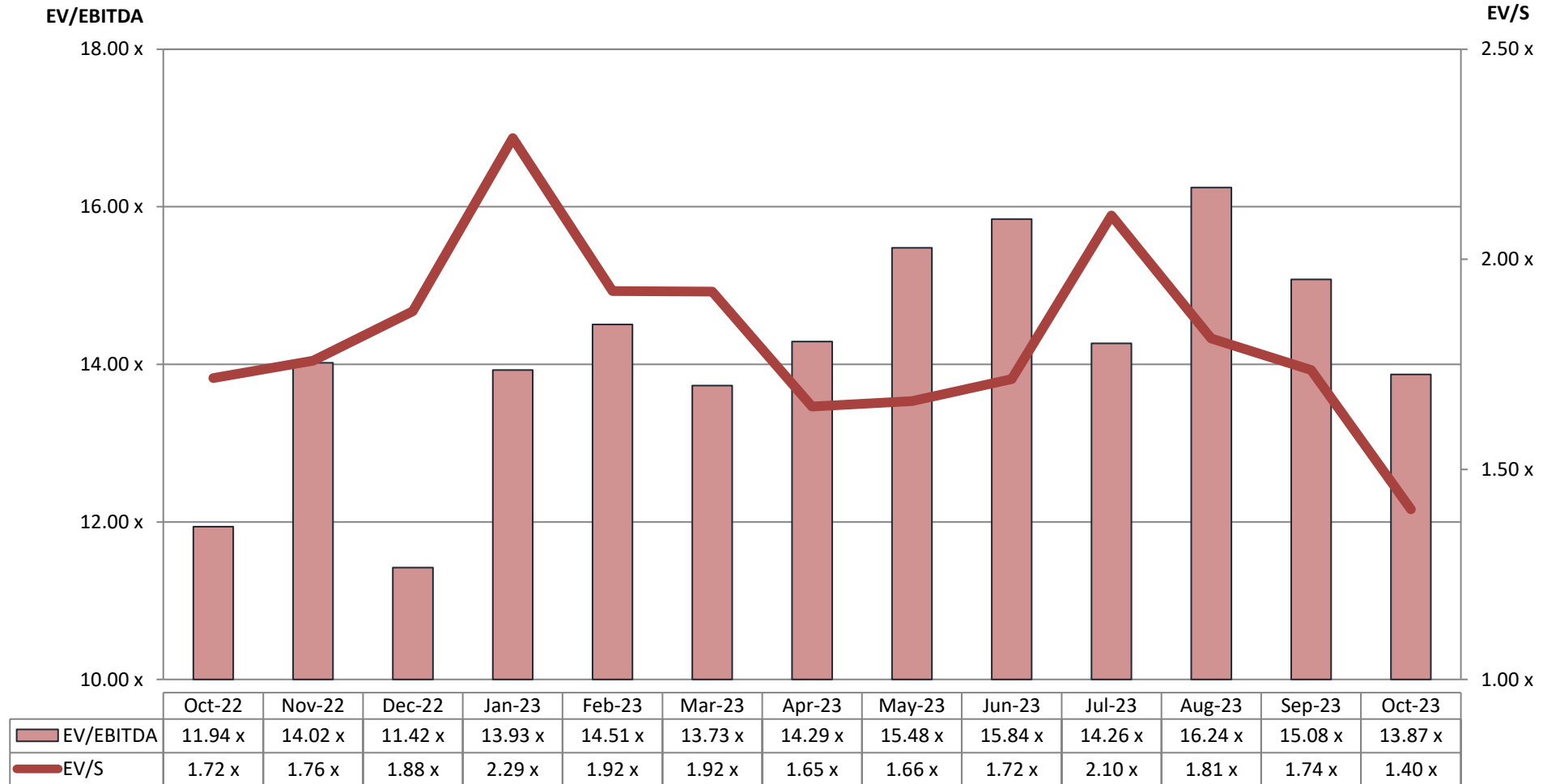
Seller: Advanced Network Systems [USA]

Acquirer: Magna5 [NewSpring] [USA]












- Managed cybersecurity & IT services



Public Valuation Multiples





Subsector	Sales	EBITDA	Examples
Diversified Internet	2.64x	15.2x	Alphabet  
eCommerce	0.74x	11.8x	  
Social Network	1.39x	3.43x	  
Travel & Leisure	3.06x	15.7x	  



Travel

NextTrip

SOLD TO



SIGMA
Additive Solutions

Seller: NextTrip [USA]

Acquirer: Sigma Additive Solutions [USA]

Transaction Value: \$50M

- Online travel booking

NOMI

SOLD TO

MEWS

Seller: Nomi Travel [USA]

Acquirer: Mews Systems [Czech Republic]

- Online hospitality guest experience & personalization site



Photo Marketplace

EyeEm
by Talenthouse



 **freepik**
EQT

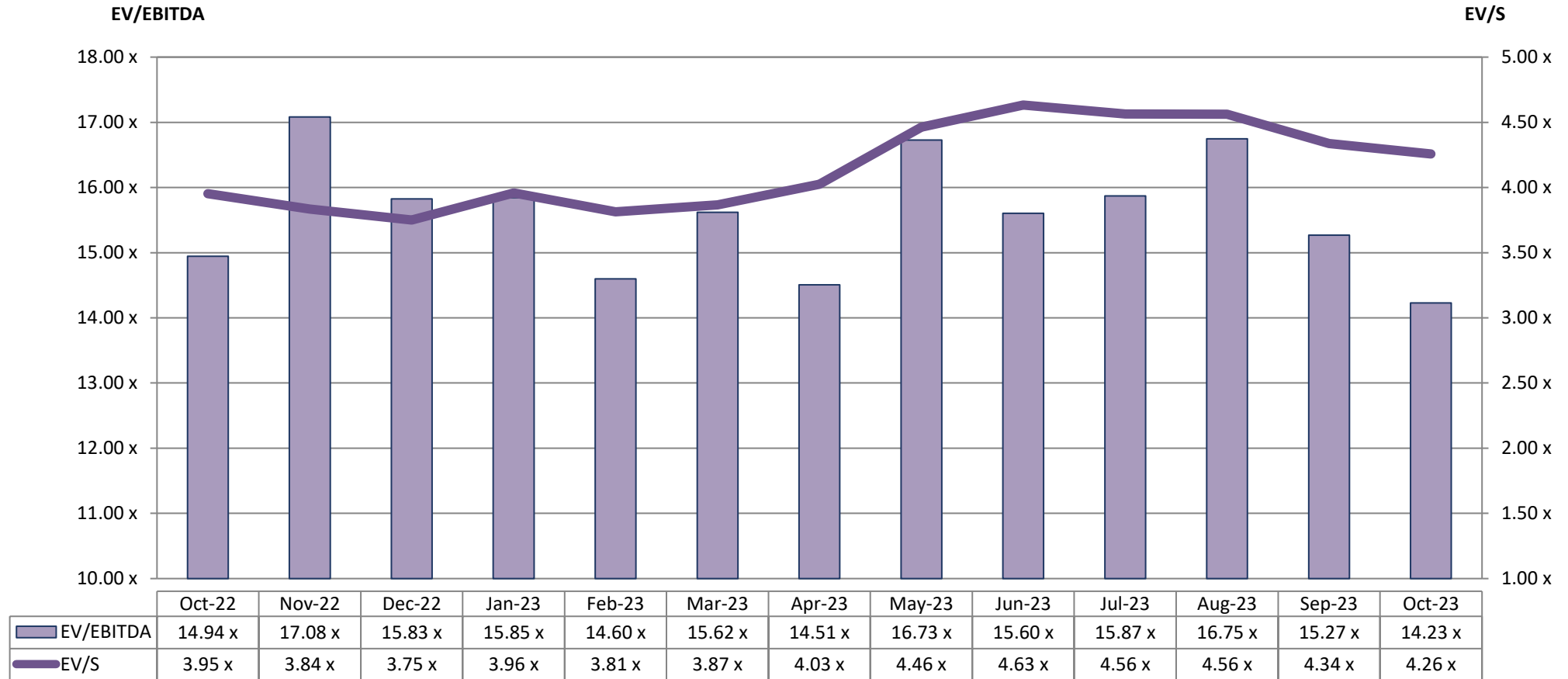
Seller: EyeEm [Talenthouse] [Germany]

Acquirer: Freepik [EQT] [Spain]



















- Photo-sharing online service



Public Valuation Multiples





Subsector	Sales	EBITDA	Examples		
Application Lifecycle	5.99x	12.5x	 ATLASSIAN	 new relic	 Progress
Endpoint	4.67x	19.5x	 zoominfo	 Opera	 vmware
Network Management	1.69x	12.5x	 f5	 CISCO	 JUNIPER NETWORKS
Security	5.41x	13.7x	 paloalto NETWORKS	 CHECK POINT	 FIREEYE
Storage & Hosting	3.47x	26.5x	 box	 COMMVault	 NetApp
Other	3.29x	16.5x	 Akamai	 appian	 twilio



Cybersecurity



Seller: Trustwave [Singtel] [USA]
Acquirer: MC2 Titanium [The Chertoff Group] [USA]
Transaction Value: \$205M
- Managed detection & response SaaS

SOLD TO



Seller: Avirtek [USA]
Acquirer: LOCH Technologies [USA]
- Autonomic cyber security SaaS

SOLD TO



Seller: SSS [New Zealand]
Acquirer: Acheron Capital [United Kingdom]
- Cybersecurity SaaS & services

SOLD TO



Seller: Revelstoke [USA]
Acquirer: Arctic Wolf [USA]
- Security automation SaaS

SOLD TO





Authentication



okta

Seller: Uno [India]
Acquirer: Okta [India]
- Password management software



nextAuth



Seller: nextAuth [Belgium]
Acquirer: itsme [Belgium]
- Multi-factor authentication SaaS



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Vice President



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Tech M&A Research Report

Complete Global Market Report
Available Upon Request
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CORUM

Buyers Corner

Best Practices for NDAs

Presented By
Alden Mendoza
Vice President
Corum Group Ltd.



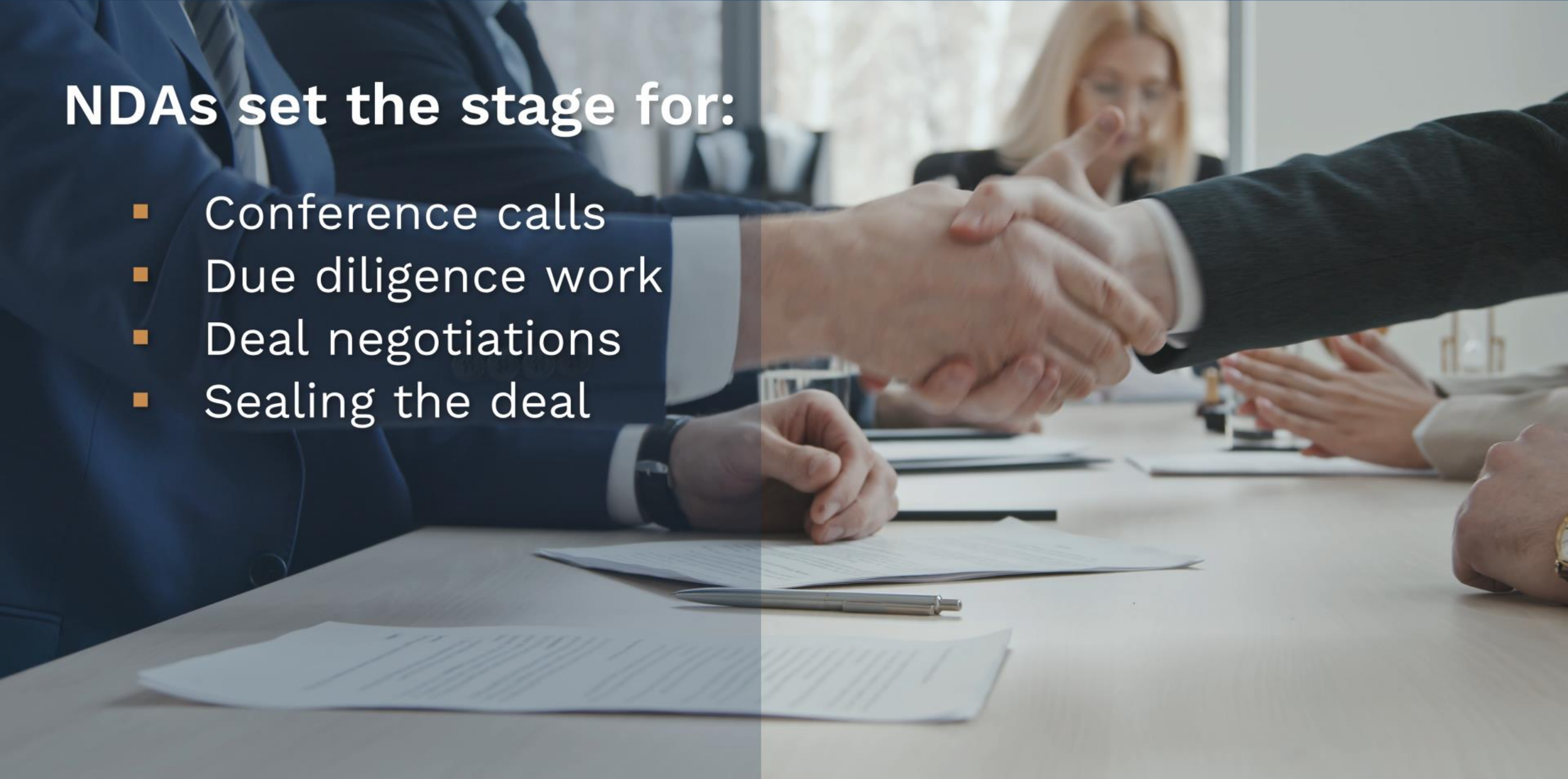
Confidentiality is Key

- NDAs, non-disclosure agreements, are the legally binding documents that enforce confidentiality
- Once finalized, NDAs allow both parties to exchange critical information to help validate a fruitful deal



NDAs set the stage for:

- Conference calls
- Due diligence work
- Deal negotiations
- Sealing the deal



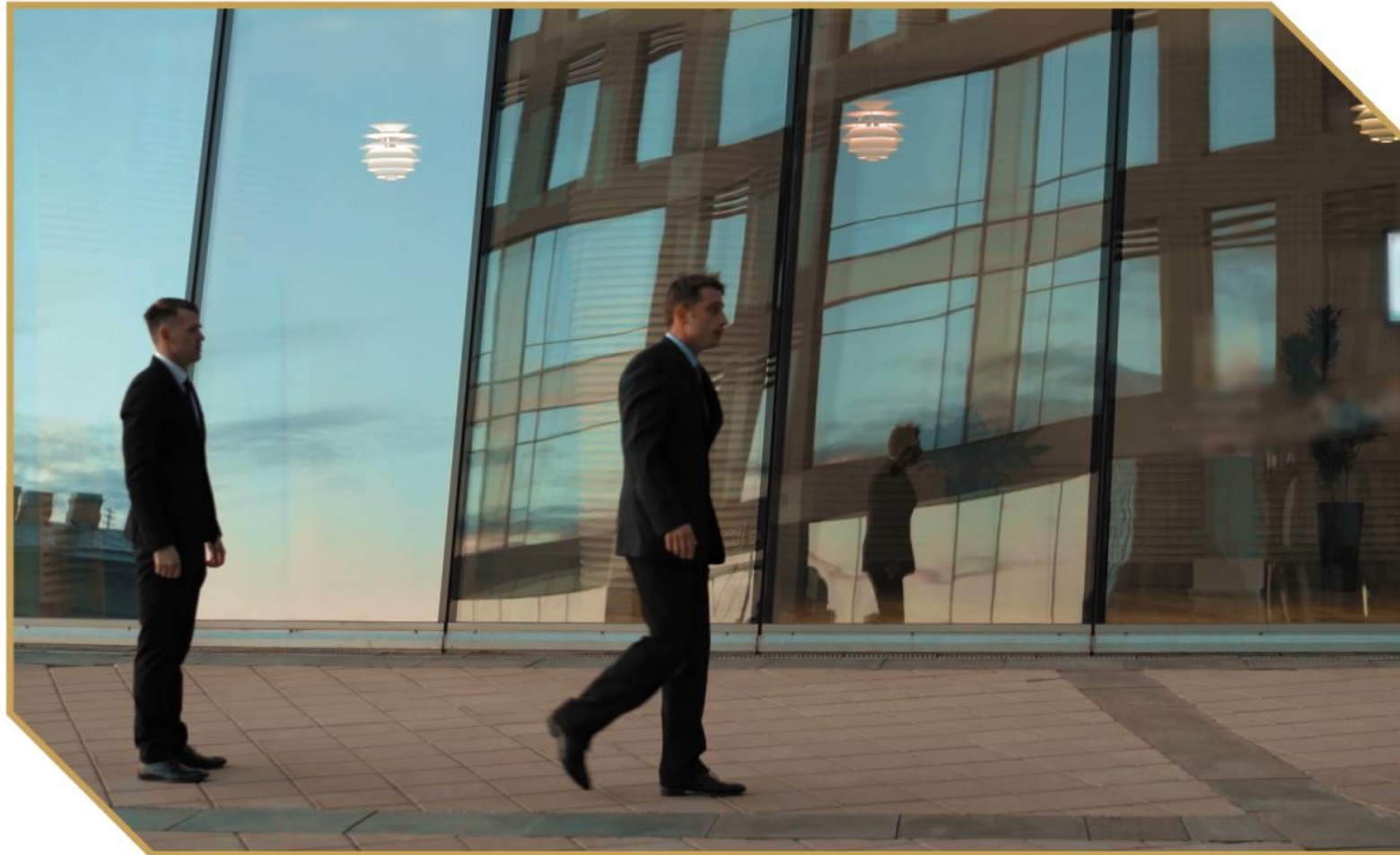
**Corum Has More Experience Than
Anyone Else...**

**...And With Decades of Experience in
Tech M&A, Corum Can Lead You to
the Optimal Outcome**

Buyers Corner: Best Practices for NDAs



Buyers Corner: Best Practices for NDAs



Reaching an Agreement

- NDAs are typically based on industry-standards that are agreeable to each party
- If hurdles arise, there are always ways to reach a compromise



Governing Law

- Jurisdiction can be a major point of contention
- Buyers and sellers tend to gravitate towards their own locality
- Finding a middle ground can help move the process forward



Survivability Terms

- Sellers want NDAs to last as long as possible while buyers want to limit the length of NDAs
- The typical length of an NDA is 24 months
- Buyers are often flexible as they are eager to pursue transactions



Extraneous Terms

- Certain subjects should be left out of NDAs, especially when the M&A process is still in its infancy
- For example, non-solicit and non-compete agreements should not be negotiated while creating NDAs



Non-Solicit and Non-Compete Agreements

- An NDA is neither the place nor the time for those issues to be negotiated
- These are complex considerations that need to be determined later



Later Negotiations

- There is an option to renegotiate confidentiality as part of the Letter of Intent (LOI)
- When buyers see the strategic benefit of the potential M&A transaction, they are willing to be more flexible to get the deal done



One Final Thought

- There are limitations to what buyers can accept during the NDA negotiation process
- Sellers should understand that rejection of demands is due to compliance and legal limitations
- Having a robust compliance process is a major advantage for buyers

Welcome

CEO Report: “Selling your Company? 60 MUST DO’s You Can’t Ignore”

Event Report

Deal Report

Tech M&A Market Research Report

Buyers Corner: “Best Practices for NDAs”

Special Report: “Tips for Successful Post-Merger Integration”

Closing

CORUM

Special Report

**Tips for Successful
Post-Merger Integration**

What is the percentage of deals that fail in integration?



What is the percentage of deals that fail in integration?



53%
FAILURE RATE

M&A Transactions that **fail** to meet the expectations of either the **Buyer or Seller**.

Overpayment by the **Buyer**,
or **undersold** by the **Seller**



A hand is shown placing a wooden block with a blue gear shape on top of a stack of three wooden blocks. The stack consists of two blocks with purple gear shapes and one block with a blue gear shape. The text "Lack of proper integration." is overlaid in red on the image.

Lack of proper integration.

Imagine a Scenario...

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MERGERS & ACQUISITIONS

Feels good right?



Imagine a Scenario...

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MERGERS & ACQUISITIONS



A few months later...

Imagine a Scenario...

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MERGERS & ACQUISITIONS



Shame!

**You took care of
yourself.
But you didn't
take care of
your employees.**



Shame!

**Now how does that
big check feel?**



Reasons for Failed Integration

- 1) Inadequate Due Diligence**
- 2) Changes in Environment/Strategy**
- 3) Poor Leadership/Direction**
- 4) Culture Clash**
- 5) Improper Retention Plans ★**

What Level of Integration?



**Limited
Integration**

Partial Integration

Full Integration

Example Areas of Integrations

MARKETING

- **Vision/Strategy**
- **Marketplace Positioning**
- **Sales Strategy**

HUMAN RESOURCES

- **HR Concepts, Benefits, Compensation Plans**
- **Organization**
- **People**

RELATIONSHIP MANAGEMENT

- **Customers**
- **Dealers/Partners**
- **Suppliers**

OPERATIONS

- **Processes**
- **Systems/Procedures**
- **Product/Technology**

Create a Team with Members from Both Sides



Team Leader

Be sure to consider all stakeholders:

- 1) Shareholders
- 2) Employees
- 3) Customers
- 4) Partners/vendors
- 5) Investment bankers



Your integration plan should:

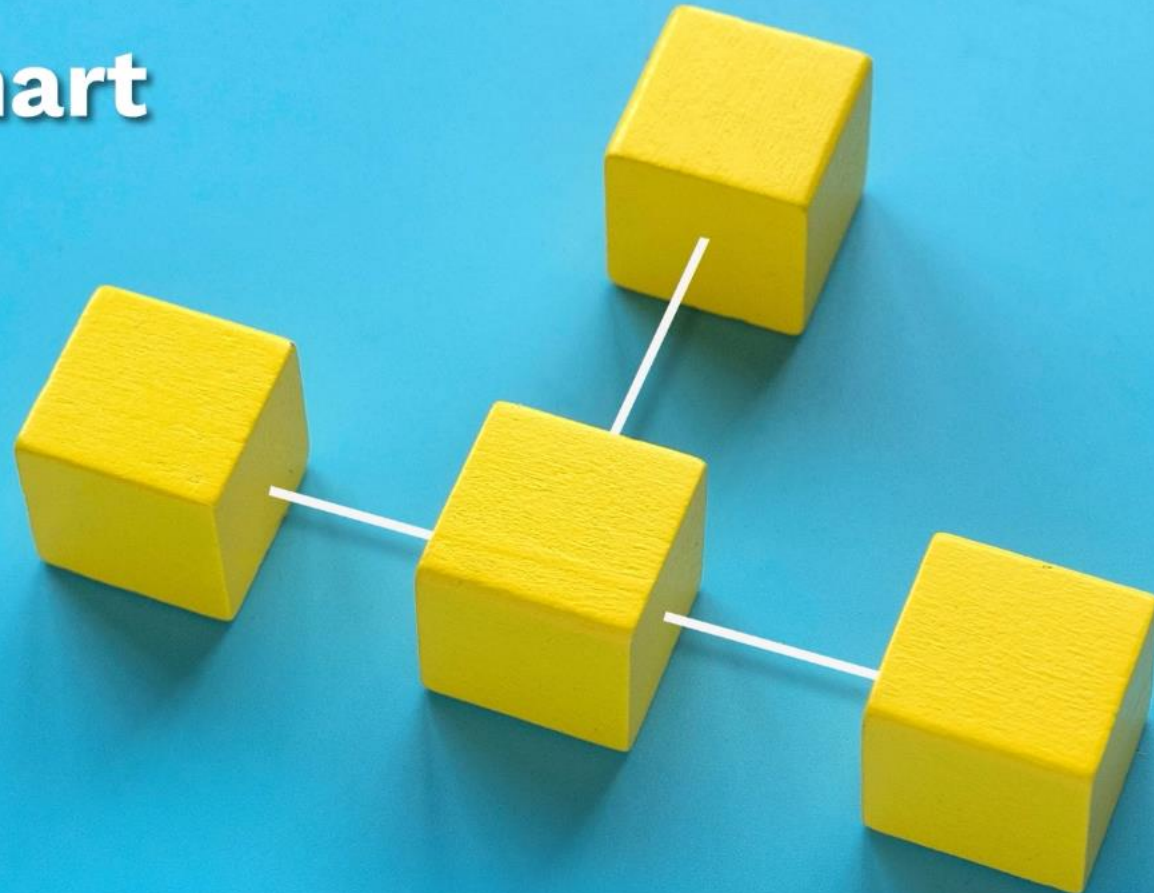
- 1) Retain key employees**
- 2) Protect intellectual property/confidential info**
- 3) Engineer short term wins in the first 100 days**

A man with a beard and short brown hair, wearing a dark blue suit jacket over a light blue button-down shirt, stands in the center of a modern office. He has his arms crossed and is smiling at the camera. The office background is bright and airy, with large windows showing a cityscape. In the foreground, the backs of several people sitting at desks are visible, suggesting a busy work environment. A large green plant is on the left side of the frame.

**Appoint an executive officer
to run the team.**

You need:

- 1) **Organizational Chart**
- 2) **Responsibilities**
- 3) **Compensations**
- 4) **Benefits**



A diverse group of smiling business professionals in an office setting. The group includes a man with glasses and a beard, a woman with glasses, and several other individuals in business attire. The background is a bright, modern office with large windows.

**You need
an employee
retention plan.**

Sample Employee Retention Plans

Company A	7 Employees	<ul style="list-style-type: none">• Quarterly Retention Bonuses for two years• Completion Bonus to R&D staff• Profit Sharing
Company B	26 Employees	<ul style="list-style-type: none">• Welcome Bonus (50% now; 50% in 12 mo)• New Stock Option – Vested four years• No cut; 12-month severance
Company C	60 Employees	<ul style="list-style-type: none">• Put key employees into earn-out – based on milestones• Two-year stay bonus – lump sum in 24 mo

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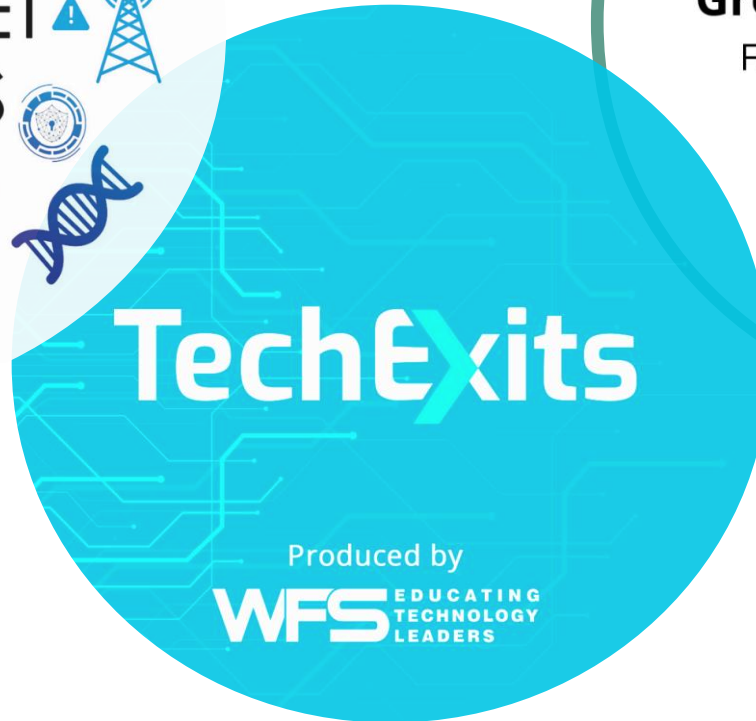
Tech M&A Monthly

Tips for Successful Post-Merger Integration





Webcasts



Podcasts



Conferences

After the Deal – Celebration



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Thank you!