



# Tech M&A Monthly

## 10 Tips for Postacquisition Success

December 13, 2018

# Welcome



Timothy Goddard  
EVP, Marketing  
Corum Group Ltd.

Timothy joined Corum in 2011, and oversees the company's marketing efforts globally from the headquarters near Seattle. Chief among these is Corum's extensive conference schedule, "Selling Up, Selling Out," the Merge Briefing, the Tech M&A Monthly webcast and Corum's platinum sponsorship of the World Financial Symposiums' live events and Market Spotlight series. Through these events, Corum Group serves as the world's leading educator in technology mergers and acquisitions.

Prior to joining Corum, Timothy 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. In addition to marketing for software startups, Tim has worked for a US Senate campaign and taught science in Rio de Janeiro.

Timothy graduated Magna Cum Laude from Bethel University in St. Paul, Minnesota, with degrees in History and Biology.

# Agenda

- Welcome
- Software Executive Magazine:  
*Tech M&A Edition*
- Forecast 2019 Preview
- December 2018 Research Report
- Special Report:  
*10 Tips for Postacquisition Success*
- Q&A

# Software Executive Magazine



# Software Executive Magazine



# Software Executive Magazine

**CORUM**  
MERGERS & ACQUISITIONS

The Global Leader  
in Software M&A

**"At Corum, we fully understand that an M&A transaction may be the most important financial event in your life.**

*Doing it right requires meticulous preparation, proper positioning, extensive research, aggressive followthrough, patient relationship building, in-depth valuation, professional negotiation, integrity, teamwork and tenacity. These qualities create a successful transaction, and these are the qualities we bring to a relationship with our clients."*

*Bruce Milne*  
Bruce Milne, CEO  
The Corum Group

*"We searched for a high-quality team and found them in Corum. Their expertise and knowledge of the technology industry made it possible for us to conduct a successful search for the right partner, and we're thrilled to have found the ideal match in Materline." DINA, CEO*

John Chambers  
CAPI OrthoView

*"It was great working with the Corum Group team. They helped walk us through the entire acquisition process and were extremely responsive to any questions we had. Corum Group was referred to us by a previous successful client and we would definitely recommend them to anyone else looking to take their company to market."*

Wayne Steagall  
Lending Manager

*"Corum helped change my life. They diligently worked on our behalf throughout all phases of the sales process. They came up with creative and effective approaches during our final negotiations with the buyer which made the whole transaction possible. We could never have found (much less closed) the deal without their help and guidance."*

John Ivory  
Tower Concepts Inc.

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# 2019 GLOBAL TECH M&A REPORT

January 17 · 1:00 PM (NY Time)

**CORUM**  
MERGERS & ACQUISITIONS

# Corum Research Report



**Elon Gasper**  
EVP, Research



**Amanda Tallman**  
Senior Analyst



**Alden Mendoza**  
Research Analyst



**Becky Hill**  
Research Analyst

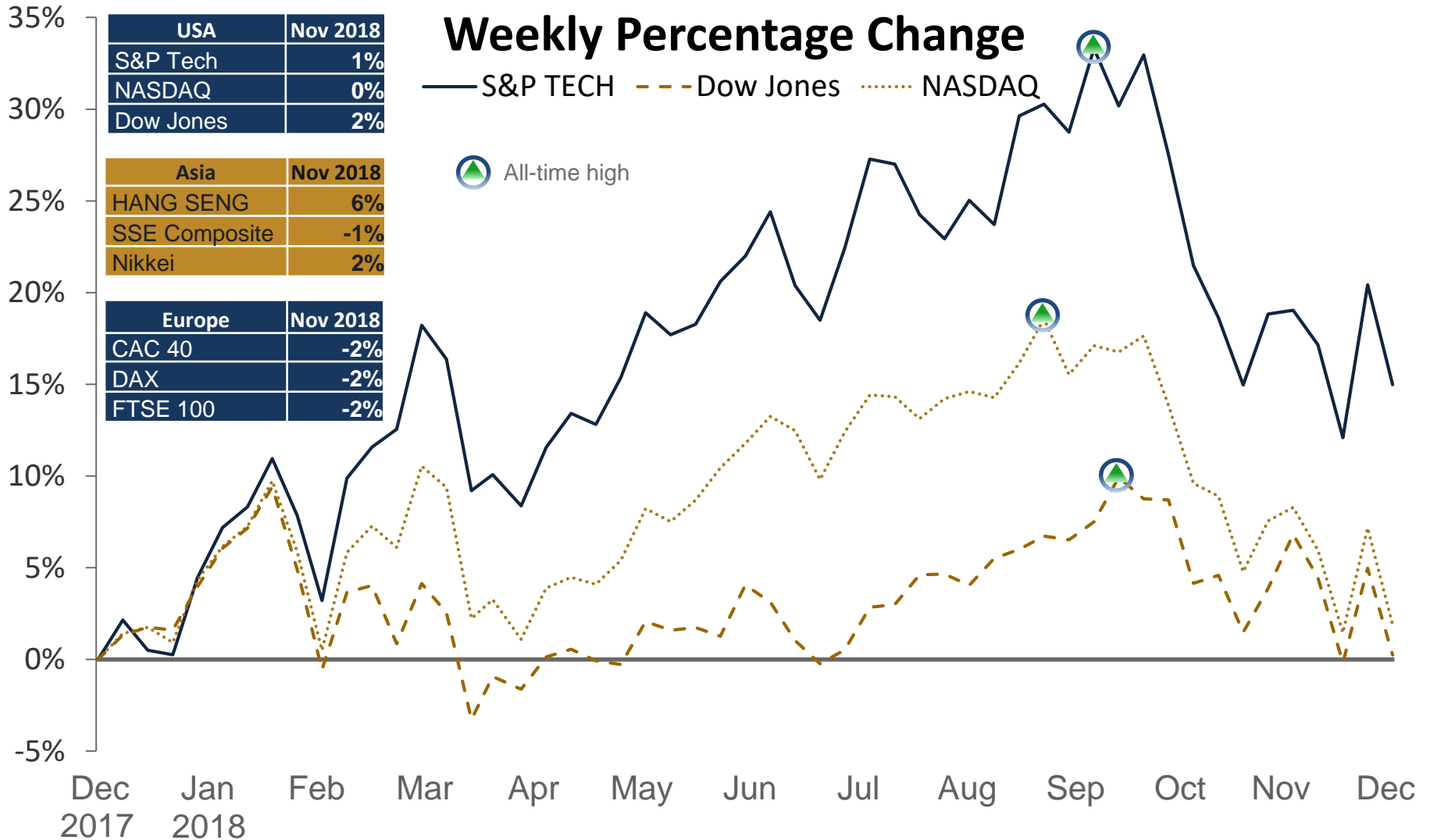


# Public Markets

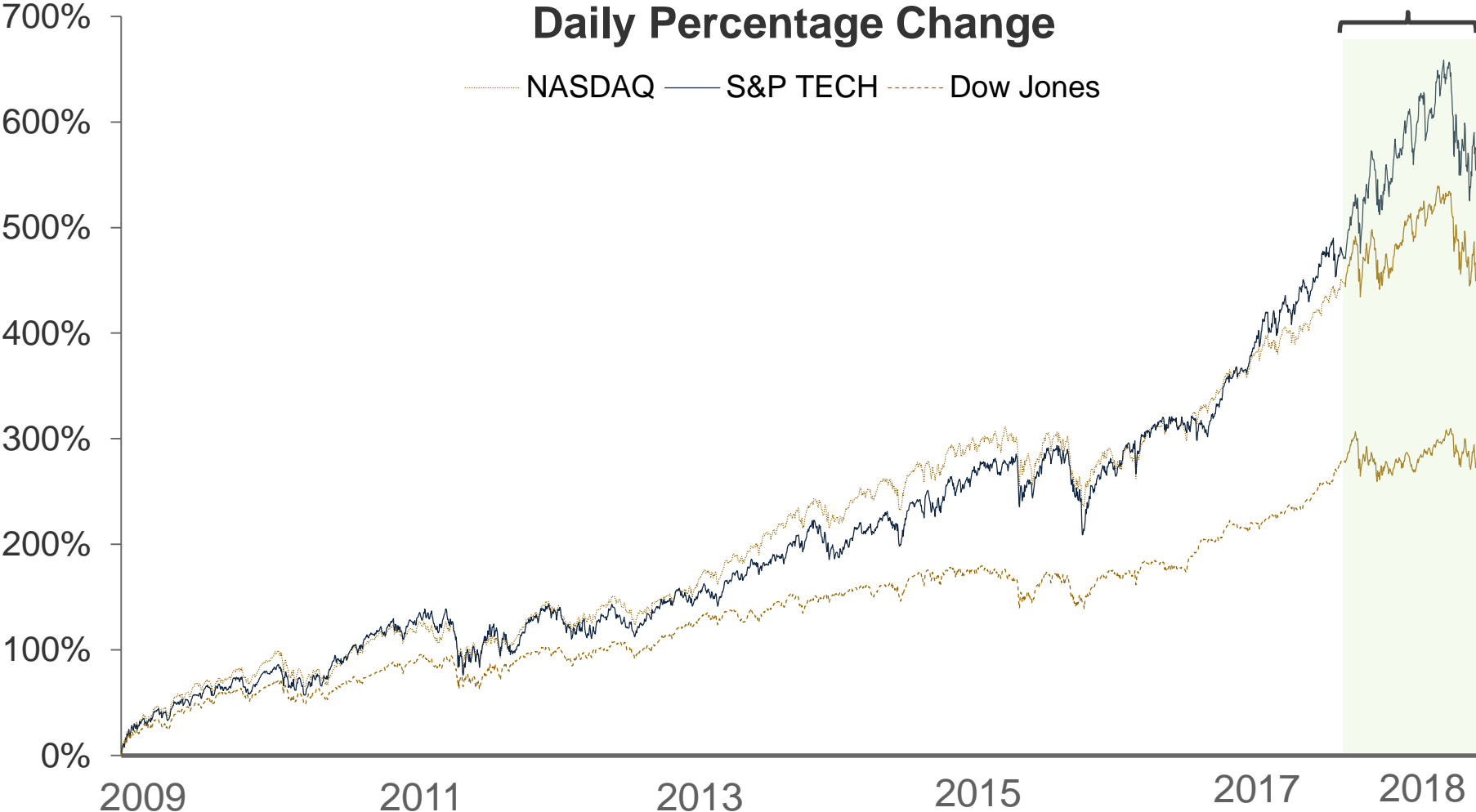
## Weekly Percentage Change

— S&P TECH - - - Dow Jones ..... NASDAQ

 All-time high



# The Long Bull Market: 2009-2018



# Corum Index – Tech M&A

## Market

Transactions

Nov. 2017

246

Nov. 2018

253

3%

Mega Deals

5

8

60%

Largest Deal

\$6.0B

\$8.0B

33%

## Pipeline

Private Equity  
Platform Deals

Nov. 2017

30

Nov. 2018

37

23%

VC-Backed Exits

46

55

20%

## Attributes

Cross Border  
Transactions

Nov. 2017

37%

Nov. 2018

36%

Start-Up  
Acquisitions

13%

14%

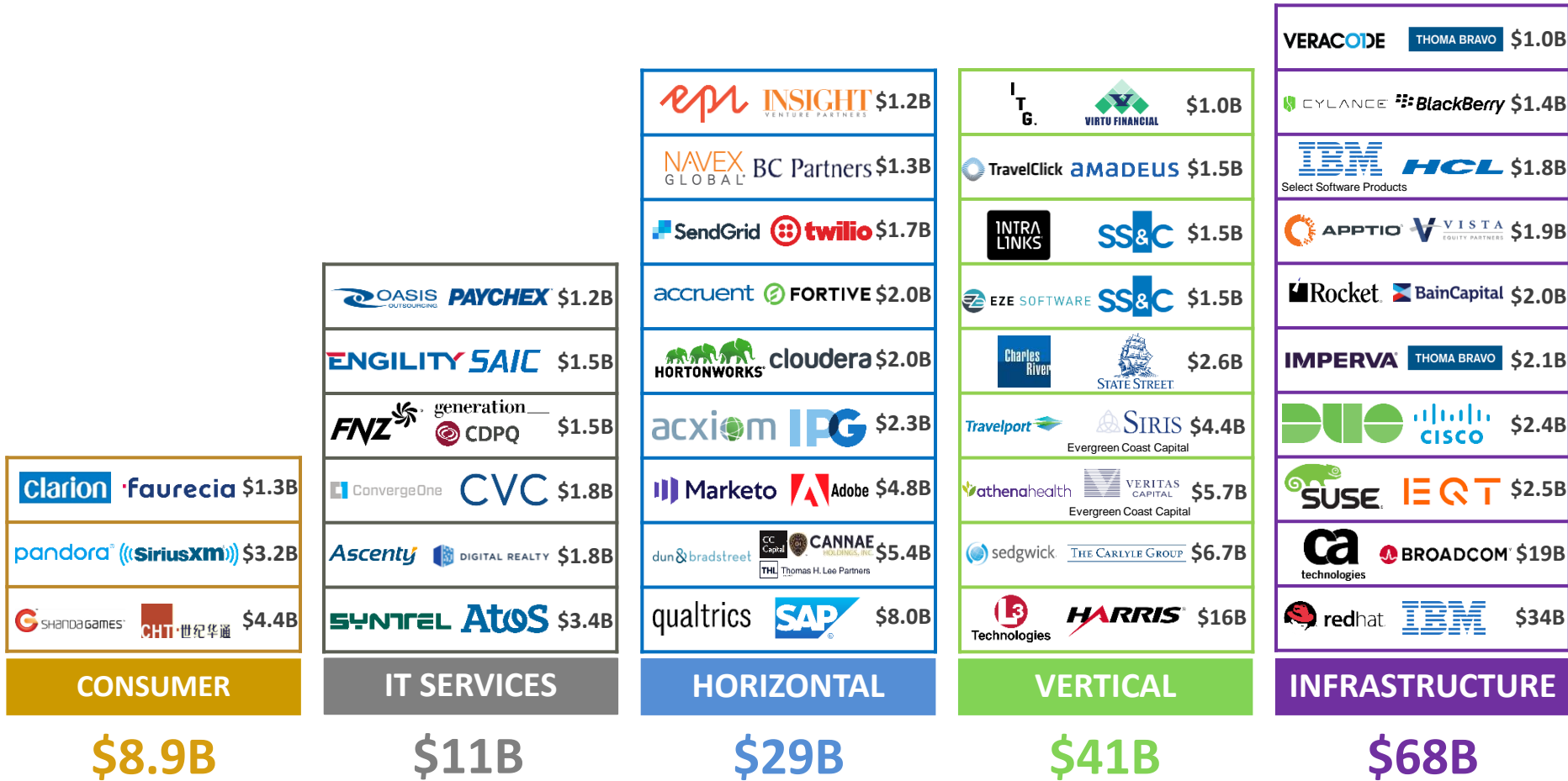
Average Life  
of Target

15 yrs

17 yrs

CORUM

# Megadeals H2 2018 to Date



# Megadeals H2 2018 to Date

**Clarion**

Sold to

**faurecia**

**Target:** Clarion [Hitachi] [Japan]

**Acquirer:** Faurecia [France]

**Transaction Value:** \$1.3B

- Car audio & navigation systems

<b>Clarion</b> · faurecia	\$1.3B
pandora™ ((SiriusXM))	\$3.2B
G SHANDA GAMES · 世纪华通	\$4.4B

CONSUMER

\$8.9B

OASIS OUTSOURCING · PAYCHEX	\$1.2B
ENGILITY SAIC	\$1.5B
FNZ · generation CDPQ	\$1.5B
ConvergeOne CVC	\$1.8B
Ascenty · DIGITAL REALTY	\$1.8B
SYNTEL Atos	\$3.4B

IT SERVICES

\$11B

SendGrid · twilio	\$1.7B
accruent · FORTIVE	\$2.0B
HORTONWORKS · cloudera	\$2.0B
axiom IPG	\$2.3B
Marketo · Adobe	\$4.8B
dun & bradstreet · CC Capital · CANNAE · THL Thomas H. Lee Partners	\$5.4B
qualtrics · SAP	\$8.0B

HORIZONTAL

\$29B

VIRTU FINANCIAL	\$1.0B
Click · amadeus	\$1.5B
INTRALINKS · SS&C	\$1.5B
EZE SOFTWARE · SS&C	\$1.5B
Charles River · STATE STREET	\$2.6B
Travelport · SIRIS · Evergreen Coast Capital	\$4.4B
athenahealth · VERITAS CAPITAL · Evergreen Coast Capital	\$5.7B
sedgwick · THE CARLYLE GROUP	\$6.7B
Technologies · HARRIS	\$16B

VERTICAL

\$41B

VERACODE · THOMA BRAVO	\$1.0B
CYLANCE · BlackBerry	\$1.4B
IBM · HCL	\$1.8B
Select Software Products	
APPTIO · V VISTA EQUITY PARTNERS	\$1.9B
Rocket · BainCapital	\$2.0B
IMPERVA · THOMA BRAVO	\$2.1B
Duo · CISCO	\$2.4B
SUSE · IEQT	\$2.5B
ca technologies · BROADCOM	\$19B
redhat · IBM	\$34B

INFRASTRUCTURE

\$68B

# Megadeals H2 2018 to Date



Sold to



**Target:** Oasis Outsourcing [MBO] [USA]

**Acquirer:** Paychex [USA]

**Transaction Value:** \$1.2B

- HR & payroll BPO services

\$1.2B
\$1.5B
\$1.5B
\$1.8B
\$1.8B
\$3.4B

IT SERVICES

\$11B

\$1.7B
\$2.0B
\$2.0B
\$2.3B
\$4.8B
\$5.4B
\$8.0B

HORIZONTAL

\$29B

\$1.0B
\$1.5B
\$1.5B
\$1.5B
\$2.6B
\$4.4B
\$5.7B
\$6.7B
\$16B

VERTICAL

\$41B

\$1.0B
\$1.4B
\$1.8B
\$1.9B
\$2.0B
\$2.1B
\$2.4B
\$2.5B
\$19B
\$34B

INFRASTRUCTURE

\$68B

\$1.3B
\$3.2B
\$4.4B

CONSUMER

\$8.9B

# Megadeals H2 2018 to Date

qualtrics

Sold to

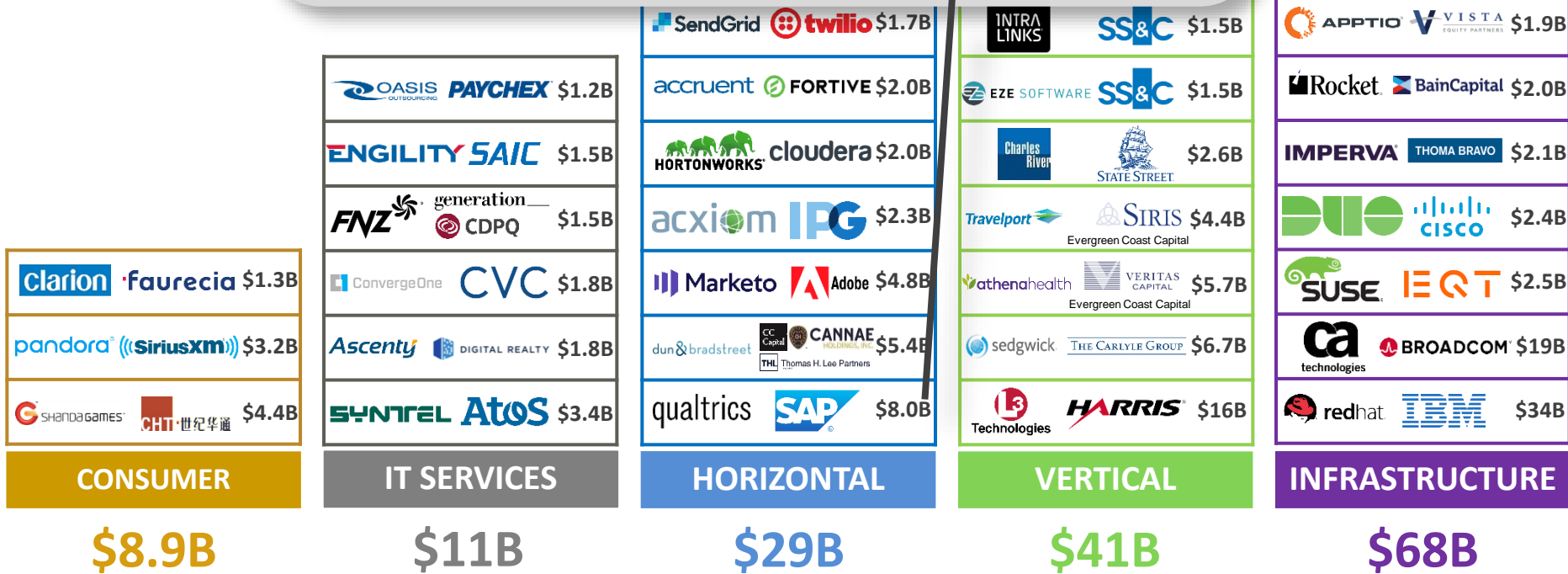


**Target:** Qualtrics International [USA]

**Acquirer:** SAP [Germany]

**Transaction Value:** \$8B (21.5x EV/Sales)

- Marketing automation & customer experience SaaS



# Megadeals H2 2018 to Date

**athenahealth**



**VERITAS CAPITAL**  
Evergreen Coast Capital

**Target:** athenahealth [USA]

**Acquirer:** Veritas Capital / Evergreen Coast Capital [USA]

**Transaction Value:** \$5.7B (4.1x EV/Sales)

- EHR and practice management SaaS

<b>Clarion</b>	<b>faurecia</b>	\$1.3B
<b>pandora</b>	<b>(SiriusXM)</b>	\$3.2B
<b>SHANDA GAMES</b>	<b>世纪华通</b>	\$4.4B

**CONSUMER**

**\$8.9B**

<b>OASIS</b>	<b>PAYCHEX</b>	\$1.2B
<b>ENGILITY</b>	<b>SAIC</b>	\$1.5B
<b>FNZ</b>	<b>generation CDPQ</b>	\$1.5B
<b>ConvergeOne</b>	<b>CVC</b>	\$1.8B
<b>Ascenty</b>	<b>DIGITAL REALTY</b>	\$1.8B
<b>SYNTEL</b>	<b>Atos</b>	\$3.4B

**IT SERVICES**

**\$11B**

<b>SendGrid</b>	<b>twilio</b>	\$1.7B
<b>accruent</b>	<b>FORTIVE</b>	\$2.0B
<b>HORTONWORKS</b>	<b>cloudera</b>	\$2.0B
<b>axiom</b>	<b>IPG</b>	\$2.3B
<b>Marketo</b>	<b>Adobe</b>	\$4.8B
<b>dun &amp; bradstreet</b>	<b>CANNAE</b>	\$5.4B
<b>qualtrics</b>	<b>SAP</b>	\$8.0B

**HORIZONTAL**

**\$29B**

<b>VIRTU FINANCIAL</b>	\$1.0B	
<b>Click</b>	<b>AMADEUS</b>	\$1.5B
<b>INTRALINKS</b>	<b>SS&amp;C</b>	\$1.5B
<b>EZE SOFTWARE</b>	<b>SS&amp;C</b>	\$1.5B
<b>Charles River</b>	<b>STATE STREET</b>	\$2.6B
<b>Travelport</b>	<b>SIRIS</b>	\$4.4B
<b>athenahealth</b>	<b>VERITAS CAPITAL</b>	\$5.7B
<b>sedgwick</b>	<b>THE CARLYLE GROUP</b>	\$6.7B
<b>Technologies</b>	<b>HARRIS</b>	\$16B

**VERTICAL**

**\$41B**

<b>VERACODE</b>	<b>THOMA BRAVO</b>	\$1.0B
<b>CYLANCE</b>	<b>BlackBerry</b>	\$1.4B
<b>IBM</b>	<b>HCL</b>	\$1.8B
<b>APPTIO</b>	<b>VISTA</b>	\$1.9B
<b>Rocket</b>	<b>BainCapital</b>	\$2.0B
<b>IMPERVA</b>	<b>THOMA BRAVO</b>	\$2.1B
<b>Duo</b>	<b>CISCO</b>	\$2.4B
<b>SUSE</b>	<b>IEQT</b>	\$2.5B
<b>ca technologies</b>	<b>BROADCOM</b>	\$19B
<b>redhat</b>	<b>IBM</b>	\$34B

**INFRASTRUCTURE**

**\$68B**



# Megadeals H2 2018 to Date



Sold to



**Target:** Cylance [USA]

**Acquirer:** BlackBerry [Canada]

**Transaction Value:** \$1.4B (10.8x EV/Sales)

- AI-powered cybersecurity products

Clarion	faurecia	\$1.3B
pandora	(SiriusXM)	\$3.2B
Shanda Games	世纪华通	\$4.4B

CONSUMER

\$8.9B

OASIS OUTSOURCING	PAYCHEX	\$1.2B
ENGILITY	SAIC	\$1.5B
FNZ	generation CDPQ	\$1.5B
ConvergeOne	CVC	\$1.8B
Ascenty	DIGITAL REALTY	\$1.8B
SYNTEL	Atos	\$3.4B

IT SERVICES

\$11B

SendGrid	twilio	\$1.7B
accruent	FORTIVE	\$2.0B
HORTONWORKS	cloudera	\$2.0B
axiom	IPG	\$2.3B
Marketo	Adobe	\$4.8B
dun & bradstreet	CANNAE	\$5.4B
qualtrics	SAP	\$8.0B

HORIZONTAL

\$29B

INTRA LINKS	SS&C	\$1.5B
EZE SOFTWARE	SS&C	\$1.5B
Charles River	STATE STREET	\$2.6B
Travelport	SIRIS	\$4.4B
athenahealth	VERITAS CAPITAL	\$5.7B
sedgwick	THE CARLYLE GROUP	\$6.7B
Technologies	HARRIS	\$16B

VERTICAL

\$41B

VERACODE	THOMA BRAVO	\$1.0B
CYLANCE	BlackBerry	\$1.4B
IBM	HCL	\$1.8B
APPTIO	VISTA EQUITY PARTNERS	\$1.9B
Rocket	BainCapital	\$2.0B
IMPERVA	THOMA BRAVO	\$2.1B
Duo	CISCO	\$2.4B
SUSE	IEQT	\$2.5B
ca technologies	BROADCOM	\$19B
redhat	IBM	\$34B

INFRASTRUCTURE

\$68B



# Internet Market

## Public Valuation Multiples

Since Q3

Nov. 2018

Corum Analysis

EV  
Sales



3.7x

*Steepest drop among all sectors, back to June 2016 levels...*

EV  
EBITDA



16.9x

*...though the drop in EBITDA multiples was more in line with other sectors.*



# Internet Market

## Deal Spotlights: Travel & Leisure



Sold to

secret Escapes

**Target:** TravelBird [Netherlands]  
**Acquirer:** Secret Escapes [United Kingdom]  
- Online vacation package reservation website



Sold to

dōmio

**Target:** Reserve Rentals [USA]  
**Acquirer:** Domio [USA]  
**Transaction Value:** \$1.4M  
- Short-term property rental platform

RESERVE

Sold to

RESY

**Target:** Reserve Media [USA]  
**Acquirer:** Resy Network [USA]  
- Restaurant reservation management SaaS

bite squad

Sold to

WAITR

**Target:** Bite Squad [USA]  
**Acquirer:** Waitr [USA]  
**Transaction Value:** \$321M  
- Online restaurant delivery service



# Internet Market

## Deal Spotlights: E-Commerce

# Tictail

Sold to



**Target:** Tictail [Sweden]

**Acquirer:** Shopify [Canada]

- Global marketplace for independent fashion, art, and décor brands

# ezbuy

Sold to

Light**in**thebox.com

**Target:** EZbuy Holding [Singapore]

**Acquirer:** LightInTheBox Holding [China]

**Transaction Value:** \$85.55M (1.8x EV/Sales)

- Online shopping platform, sourcing products from China, Korea, Taiwan, and the USA



# TEEPUBLIC

Sold to



# REDBUBBLE

**Target:** TP Apparel [dba TeePublic] [USA]

**Acquirer:** Redbubble [Australia]

**Transaction Value:** \$41M (1.6x EV/Sales)

- Online customized apparel retailer

# wikibuy.

Sold to



**Target:** Wikibuy [USA]

**Acquirer:** Capital One Financial [USA]

- Chrome-based, crowd sourced online shopping and price comparison extension



# Internet Market

## Deal Spotlights: Car Classifieds



**Target:** Carizy [France]  
**Acquirer:** Renault [France]  
- Used vehicle sales startup



**Target:** Wholesale [USA]  
**Acquirer:** RumbleOn [USA]  
**Transaction Value:** \$23M  
- Used vehicle classifieds

# Consumer Application Software Market

## Public Valuation Multiples

Since Q3

Nov. 2018

Corum Analysis

EV  
Sales



**2.9x**

*Dropped down to November 2017 levels...*

EV  
EBITDA



**15.9x**

*...with EBITDA valuations still tracking closely.*

# Consumer Application Software Market

## Deal Spotlights: THQ Nordic Video Gaming Buying Spree



Sold to



**Target:** BugBear Entertainment [Finland]

**Acquirer:** THQ Nordic [Sweden]

**Transaction Value:** \$1.1M

- Action driving game studio



Sold to



**Target:** Coffee Stain Holding [Sweden]

**Acquirer:** THQ Nordic [Sweden]

**Transaction Value:** \$43M

- Video game developer



Sold to



**Target:** Logic Artists (IP assets) [Denmark]

**Acquirer:** THQ Nordic [Sweden]

- Expeditions: Conquistador and Expeditions: Viking are party-based tactical RPG's.

# Consumer Application Software Market

## Deal Spotlights: Microsoft Video Gaming Buying Spree



Sold to



**Target:** InXile Entertainment [USA]

**Acquirer:** Microsoft Corporation [USA]

- Online RPG & vintage games developer



Sold to



**Target:** Obsidian Entertainment [USA]

**Acquirer:** Microsoft Corporation [USA]

- Console-based video game developer



# Consumer Application Software Market

## Deal Spotlights: Consumer Education

**CONSTRUCTIVE  
MEDIA**

Sold to



Sandbox & Co

**Target:** Constructive Media [H.I.G. Capital] [USA]

**Acquirer:** Sandbox & Co. [United Kingdom]

- Digital learning solutions for mathematics

**Acadview**

Sold to



**UpGrad**

**Target:** Acadview [India]

**Acquirer:** UpGrad [India]

- Online job skilling platform for undergraduates



# Horizontal Application Software Market

## Public Valuation Multiples

Since Q3

Nov. 2018

Corum Analysis

EV  
Sales



**5.0x**

*Slight dip to mid-year metrics, with cloud & enterprise valuations weathering the storm...*

EV  
EBITDA



**21.7x**

*...with EBITDA metrics holding steady.*



# Horizontal Application Software Market

## Deal Spotlights: HR



Sold to



**Target:** Grovo Learning [USA]  
**Acquirer:** Cornerstone OnDemand [USA]  
**Transaction Value:** \$24M (2.7x EV/Sales)  
- Microlearning solution for mixed-media lessons



Sold to



**Target:** Mindflash Technologies [USA]  
**Acquirer:** Applied Training Systems [Turn/River Capital] [USA]  
- SaaS for employee and client training



Sold to



**Target:** Simpler [USA]  
**Acquirer:** Teamable [USA]  
- SaaS for hiring managers and recruiters



Sold to



**Target:** SimplyWell [USA]  
**Acquirer:** Virgin Pulse [Marlin Equity Partners] [USA]  
- Enterprise health solutions for employers, including trainers, screening reminders, and analytics



# Horizontal Application Software Market

## Deal Spotlights: Customer Engagement



**Target:** QM Scientific [USA]

**Acquirer:** Ulta Beauty [USA]

- AI-enabled retail analytics and optimization platform



**Target:** GlamST [USA]

**Acquirer:** Ulta Beauty [USA]

- Composite Commerce customer engagement via AI-enabled AR makeover visualization



**Target:** Aprinsic [USA]

**Acquirer:** Gainsight [USA]

- Personalized product experience platform



# Horizontal Application Software Market

## Deal Spotlights: Business Intelligence

 DATAWATCH

Sold to

 Altair

**Target:** Datawatch [USA]

**Acquirer:** Altair Engineering [USA]

**Transaction Value:** \$176M (4x EV/Sales)

- Software to self-service data preparation and visual data discovery markets

 bluedata™

Sold to

  
Hewlett Packard  
Enterprise

**Target:** BlueData Software [USA]

**Acquirer:** Hewlett Packard Enterprise [USA]

- Software for deployment of AI, machine learning, and big data analytics application

 DataFox

Sold to

 ORACLE®

**Target:** DataFox [USA]

**Acquirer:** Oracle Corporation [USA]

- SaaS for sales and marketing teams to prospect personalized conversations



# Horizontal Application Software Market

## Deal Spotlights: Project Management



**Target:** Tempo [Iceland]

**Acquirer:** Diversis Capital [USA]

- Software for self-service data preparation and visual data discovery



**Target:** Wrike [USA]

**Acquirer:** Vista Equity Partners Management [USA]

- Project management and collaboration software



# Horizontal Application Software Market

## Deal Spotlights: Social Media Intelligence



**Target:** Synthesio [USA]

**Acquirer:** Ipsos [France]

**Transaction Value:** \$50M

- Social intelligence platform for enterprises

**DELMONDO**



**CONVIVA®**

**Target:** Delmondo [USA]

**Acquirer:** Conviva [USA]

- Social video intelligence solution for streaming TV

# Megadeals H2 2018 to Date



Sold to



Select Software Products

**Target:** IBM (Multiple software products) [USA]

**Acquirer:** HCL [India]

**Transaction Value:** \$1.8B

- Various software product units including Appscan, BigFix, Notes, Domino, Connections; on-premises Unica, Commerce, Portal

VERACODE	THOMA BRAVO	\$1.0B
CYLANCE	BlackBerry	\$1.4B
IBM	HCL	\$1.8B
Select Software Products		
APPTIO	VISTA EQUITY PARTNERS	\$1.9B
Rocket	BainCapital	\$2.0B
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CONSUMER

IT SERVICES

HORIZONTAL

VERTICAL

INFRASTRUCTURE

\$8.9B

\$11B

\$29B

\$41B

\$68B



# Corum Research Report



**Elon Gasper**  
EVP, Research



**Amanda Tallman**  
Senior Analyst



**Alden Mendoza**  
Research Analyst

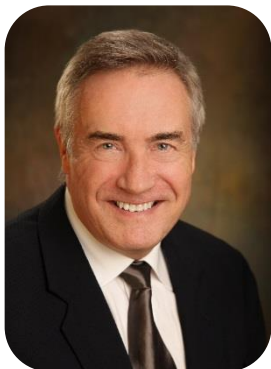


**Becky Hill**  
Research Analyst



# 10 Tips for Postacquisition Success

# Introduction



Bruce Milne  
Founder & CEO  
Corum Group

In his capacity as CEO of the Corum Group, Bruce Milne has overseen more technology M&A transactions than anyone in the world, netting sellers over \$7 billion in personal wealth.

Prior to Corum, he founded or owned four software/IT/internet related firms, including the largest vertical market software company in its time, AMI. This Inc. 500 firm, at its peak, was rated by IDC as the fastest growing computer-related company in the world. He has also been at the vanguard of creative financing and, at one point, raised more venture capital in a single closing than anyone in history without a lead investor. Through Corum, he has helped execute over \$1 billion in financings/recapitalizations with VC and PE firms in the U.S. and Europe.

As a recognized expert in software, he has served on numerous advisory boards including Bill Gates at Microsoft, IBM, and Apple. He was founding investor in a number of firms, including Blue Coat, Bright Star and Sabaki, as well as advisor to two governors, a senator, and the Canadian Government. He was a board member of the Washington Technology Center, and founded the WTIA, the nation's most active regional technology trade association.

Bruce is a Dean's List graduate from the University of Washington in International Business, and graduated from Harvard Business School with Distinction. He has authored hundreds of articles on tech M&A, management, and three books on business models, including "Power Planning - How to Structure Your Software Company for Success."

# Integration

**53%**  
**FAILURE RATE**

**“How often do mergers fail to meet the buyer’s or seller’s expectations?”**  
*- Ernst and Young*

# Tips for Postacquisition Success

1. Know How Integrations Fail
2. Understand the Levels of Integration
3. Start the Conversation Early
4. Create a Team to Set the Right Expectations
5. Mitigate Risk & Satisfy Stakeholders
6. Establish the Operating Model
7. Retain Your Key Employees
8. Learn from Others
9. The Importance of Celebration
10. Don't Shortcut the Process

# 10 Tips for Postacquisition Success



Jon Scott  
Managing Director  
Corum Group International

## Know How Integrations Fail

# Top 6 Reasons for Integration Failure

- 1. Inadequate Due Diligence**
- 2. Change in Environment/Strategy**
- 3. Poor Leadership/Direction**
- 4. Culture Clash**
- 5. Improper Retention Plans**
- 6. Stifling Management**

# 10 Tips for Postacquisition Success



Lonnie Schilling  
Vice President  
Corum Group

#2

## Understand the Levels of Integration



# Integration Overview

## Limited Integration

Leaves business unit intact; consolidates treasury, legal, and corporate functions

## Partial Integration

Some departments are merged; some remain as standalone groups (i.e. R&D, etc.)

## Full Integration

Every part of the business unit is absorbed, leaving no separate entities

# 10 Tips for Postacquisition Success



Jim Perkins  
Executive Vice President  
Corum Group

#3

**Start the  
Conversation  
Early**

# Integrating – Best Practices

## 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

# 10 Tips for Postacquisition Success



Peter Prince  
Senior Vice President  
Corum Group

**#4**  
**Create a Team to  
Set the Right  
Expectations**

# The Integration Plan

- Both sides should define a multi-disciplined task force that works together as one team
- Hire a full-time executive officer as dedicated integration manager to guide the process
- Have the integration team develop the plan and execute it
- Have regular reporting
- **Goal: establish operating model, mitigate risk, satisfy stakeholders**

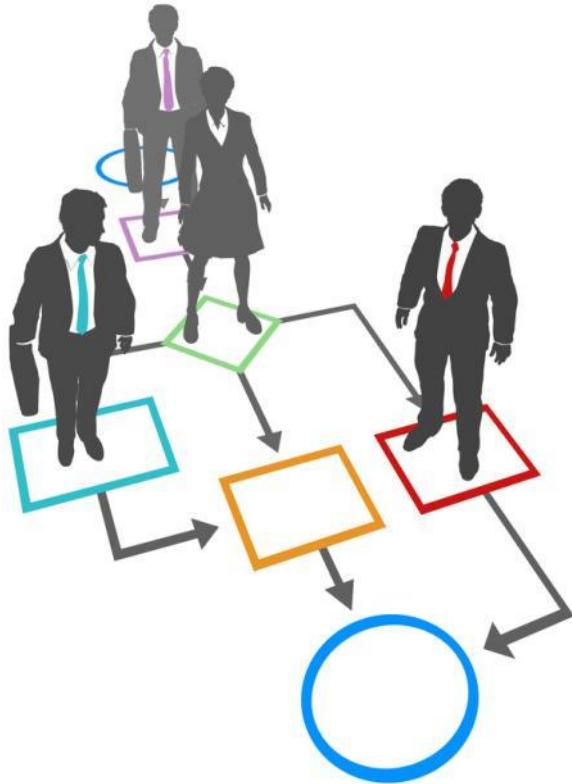
# 10 Tips for Postacquisition Success



Arnaud Viviers  
Vice President  
Corum Group

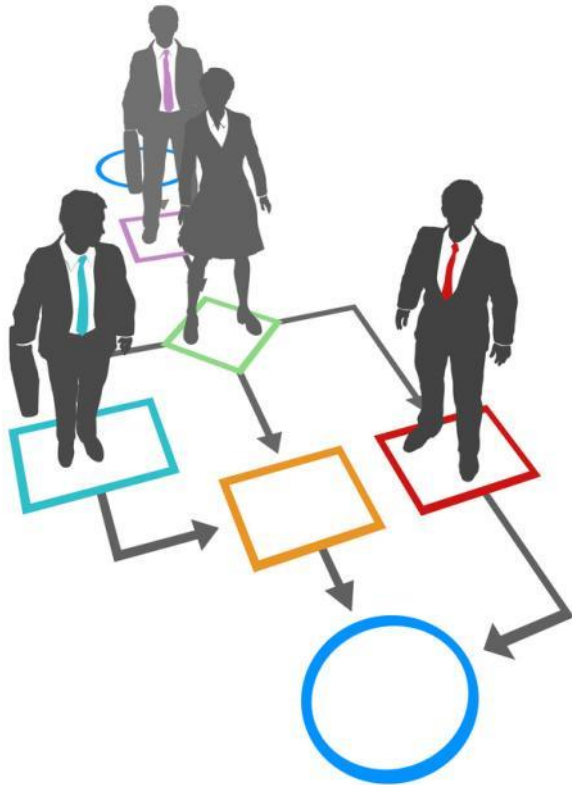
## Mitigate Risk & Satisfy Stakeholders

# Mitigate Risks



- Retain key employees
- Protect Intellectual Property and other confidential information
- Engineer short-term wins, within the first 100 days after closing

# Satisfy Stakeholders



- Shareholders
- Employees
- Customers
- Partners/Vendors
- Investment Banking Community



# 10 Tips for Postacquisition Success

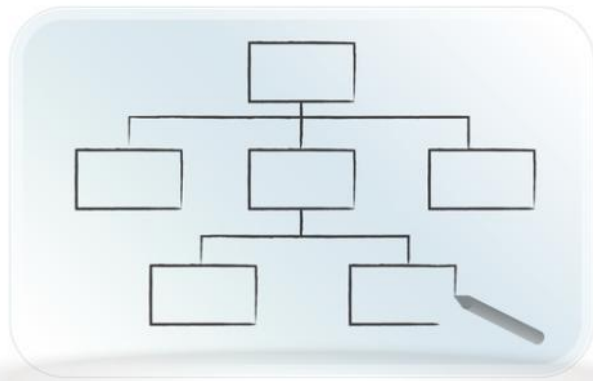


Steve Jones  
Senior Vice President  
Corum Group

#6

## Establish the Operating Model

# Establish Operations Model



- Organizational Chart
- Roles and Responsibilities
- Compensation and Benefits

# 10 Tips for Postacquisition Success



Martin Lowrie  
Vice President  
Corum Group

## Retain Your Key Employees

# Retaining Key Employees



- Great communication
- Welcome/retention bonuses
- Completion bonuses
- Profit sharing
- Stock options
- Earn out provision

# 10 Tips for Postacquisition Success



Rob Griggs  
Senior Vice President  
Corum Group International

## Learn from Others: Retention Plan Case Studies

# Sample Employee Retention Plans

<b>Company A</b>	<b>7 Employees</b>	<ul style="list-style-type: none"><li>• Quarterly Retention Bonuses for two years</li><li>• Completion Bonus to R&amp;D staff</li><li>• Profit Sharing</li></ul>
<b>Company B</b>	<b>25 Employees</b>	<ul style="list-style-type: none"><li>• Welcome Bonus (50% now; 50% in 12 mo)</li><li>• New Stock Option – Vested four years</li><li>• No cut; 12-month severance</li></ul>
<b>Company C</b>	<b>60 Employees</b>	<ul style="list-style-type: none"><li>• Put key employees into earn-out – based on milestones</li><li>• Two-year stay bonus – lump sum in 24 mo</li></ul>

# 10 Tips for Postacquisition Success



Dan Bernstein  
Senior Vice President  
Corum Group Ltd.

#9

## The Importance of Celebration

# Don't Forget to Celebrate





# 10 Tips for Postacquisition Success



Joel Espelien  
President  
Corum Group Ltd.

**Don't Try to  
Shortcut the  
Process**

# 8 Stages for an Optimal Outcome



# Tips for Postacquisition Success

1. Know How Integrations Fail
2. Understand the Levels of Integration
3. Start the Conversation Early
4. Create a Team to Set the Right Expectations
5. Mitigate Risk & Satisfy Stakeholders
6. Establish the Operating Model
7. Retain Your Key Employees
8. Learn from Others
9. The Importance of Celebration
10. Don't Shortcut the Process

# Q&A

- We welcome your questions!
  - Use Q&A chat box on your screen
  - Submit to queue at any time

# Upcoming Conference Schedule

**Selling Up Selling Out (SUSO)** - Ready to go to market? During this half-day workshop, learn to prepare, position, research, value, negotiate, and execute due diligence for maximum price and structure. This is the most attended Tech M&A event ever – participants have done over \$1 trillion in transaction value.

**Merge Briefing (MB)** - The Merge Briefing is a 90-minute executive briefing providing a current M&A market update (trends, valuations, etc.), as well as a brief overview of the Tech M&A process: “8 Steps To An Optimal Outcome.”

La Jolla

Singapore

Los Angeles

Rennes

Boston

Denver

New York

Santa Cruz

Paris

Helsinki

Berlin

Barcelona

Atlanta

Grenoble

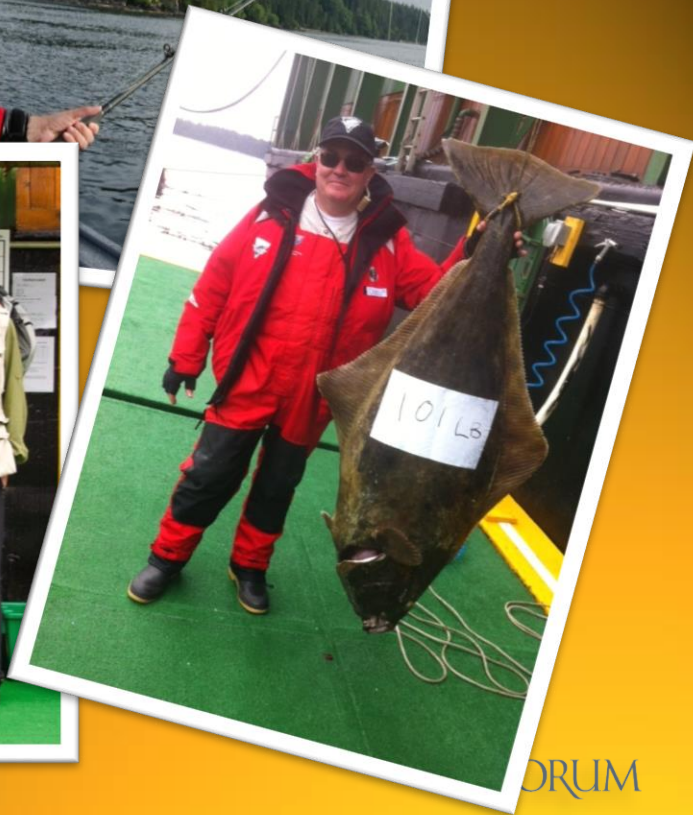
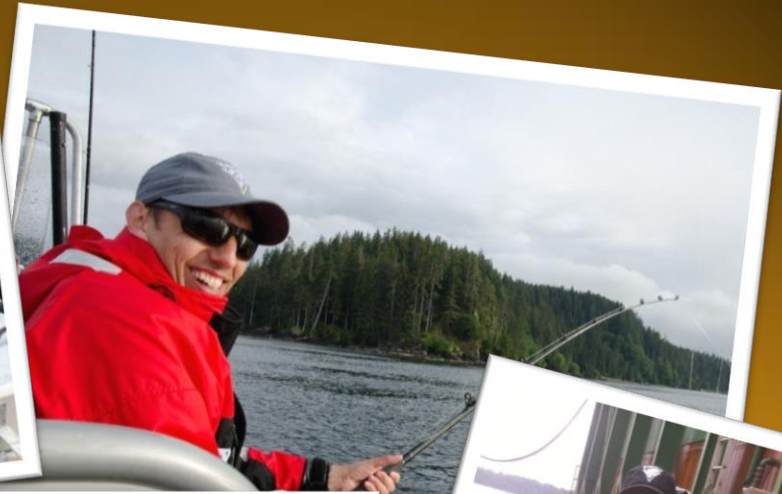
Zurich

Amsterdam

[www.CorumGroup.com/Events](http://www.CorumGroup.com/Events)

CORUM

# After the Deal – Celebration





[www.corumgroup.com](http://www.corumgroup.com)