

CASE STUDY

Assessing technology strength and potential for global market intelligence firm

Executive Summary

A global market intelligence firm was seeking a third-party advisor to complete technology diligence on its acquisition targets.

The company initially engaged Digital Prism Advisors to bid on the technology due diligence exercise. Seeing clear differentiation between dPrism and the other technology consulting firms in the market, the client quickly adopted Digital Prism Advisors as an active house partner for technology strategy diligence in the client's acquisition process.



"Digital Prism Advisors was the perfect fit for the project. The client has benefitted greatly from our engagement, specifically the strategic insight and the recommendations for the implications on overall business strategy. We're not afraid to tell the client the uncomfortable truth if needed, and clients truly appreciate and value this approach."

Jonathan Murray
CTO, dPrism

Industry:

Market Intelligence

Client Description:

Premier global provider of market intelligence, advisory services, and events for the technology industry.

Stats:

- \$300-500M in annual revenue
- 2,000+ global employees
- 1,100 leading analyst experts in more than 50 countries

Key Results:

- ✓ Technology diligence went from "checklist" to "strategic"
- ✓ Deeper target analysis; layered identification of value, risks and exposures
- ✓ Uncovered less obvious investment requirements, costs, and trade-offs required
- ✓ Secured a trusted partner they can confidently engage for future due diligence

The Challenge

The client had a traditional information product that was used by companies around the world to determine the financial parameters and calculations.

While traditional “Big Five” consulting firms provide technology due diligence, most of these firms follow a methodology that is generally more focused on checking the boxes for a standard technology diligence process.

The output of these types of engagements typically leads to a comprehensive report. However, the report does not typically delve into business strategy as a result of the findings. Nor does it provide strategic guidance regarding next steps for the organization.

"The global market intelligence firm was seeking a more strategic approach to the technology assessment process, plus an external partner who could advise on strength of potential acquisitions."

For this global market intelligence company, this scenario was spot-on. The company had hired consultants in the past for due diligence but were at a point where they needed a more strategic approach to the technology assessment process.

Subsequently, senior leadership at the organization realized they needed a partner who would play an interactive and strategic role in helping them assess the technology strength and potential of these acquisitions. They were also looking for a team who had the ability to get involved in key conversations from pre-acquisition to post-transaction – a firm they could trust with future diligence exercises as well.

Because executives at the company were seeking a high level of detail, candor, and intuition in their technology diligence, an operator-led firm like dPrism was the perfect match.

The Approach

Digital Prism Advisors began their due diligence exercise by zooming out, using a solid set of questions to get to the root of the desired outcome.

These questions included things like:

- Is this company and technology going to be a good fit?
- Is this a smart business decision?
- What risks may we encounter?
- What things should we monitor if the deal moves forward?
- Will we need to spend more in the future to invest in the product?

dPrism consultants were meticulous about analyzing the technology itself, but they also paid close attention to other critical elements such as the target acquisition company's engineering culture and leadership.

This big picture approach to technology due diligence is what sets dPrism apart from the traditional and rigid checkbox models – and the client quickly realized this.

The Solution

To help the client understand what was going on beneath the surface, they used an investigative interview approach to peel back the layers of the target acquisition company.

Aside from data and objective facts, perspectives generally vary from person to person and team to team. Because of this, dPrism's cross-examination strategy was massively important as they sought to gain an informed, strategic viewpoint.

The overall solution design followed seven key steps:

1. Planning
2. Information Gathering
3. Technology Analysis
4. Debrief
5. Deep Dive & Cross Examination
6. Final Findings
7. Implementation

A Visual Look at the Solution

With all clients, dPrism communicates the scope of their work so that all parties understand the journey and expectations of the project. In this case, each step of the process involved key outcomes and led to the overall recommendations and implementation that followed.

 STEP 1 Planning	dPrism worked with the client to plan out multiple benchmarks and milestones.
 STEP 2 Information Gathering	In this stage, dPrism mapped out and conducted a series of interviews with the target. These diagnostic interviews were held with C-level executives and strategic members of the technology team.
 STEP 3 Technology Analysis / Audit	dPrism reviewed documentation, setup and details of the technology strategy and build – an expected element of a technology due diligence exercise.
 STEP 4 Debrief	The initial findings were presented to the client, prompting more questions and information for dPrism to take to the next stage.
 STEP 5 Deep Dive & Cross Examination	To build the validity and consistency of the information, the dPrism team cross-examined the initial interviewees and dug deeper into areas that needed more definition.
 STEP 6 Final Findings	dPrism created final recommendations and a technology due diligence report that was presented to the client, along with potential risks, implications, and advice for next steps.
 STEP 7 Implementation	After a decision had been made on whether to go forward, dPrism worked with the client to calibrate what their next steps should be.

Solution Analysis and Results

By all accounts, the initial project was a success, but merely laid the groundwork for continued work together. The solution that dPrism has been able to craft for this global market intelligence firm can be summarized by a few key outcomes:

1. The client found a technology diligence partner who provided the strategic viewpoint they were looking for in their acquisition process.
2. Because of the success of the initial engagements, the decision to bring dPrism on as an active partner for due diligence was straightforward and simple.
3. Due to the expertise of dPrism and the thorough investigative approach, the market intelligence company was able to understand every angle and implication of the potential transaction.

Taking the Next Step

With this successful technology diligence exercise complete, the client could now move their decision-making process forward with confidence.

And thanks to dPrism's thorough analysis and findings, the client had a strategic technology viewpoint to understand how the target could be integrated, operated and communicated post-close.

Are you searching for an operator-led technology team to provide strategic due diligence?

Schedule your free consultation with a member of our executive team today.

LET'S TALK!



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