

## Mergers & Acquisitions Services

### What is technical due diligence?

Whether you've recently acquired a company or are planning to do so, our proven methodology offers a fast, cost-effective way to "inspect" the acquisition.

When people shop for a house, they wouldn't think of finalizing the purchase before performing a formal home inspection. Buying a new business shouldn't be any different.

We perform the "technical inspection" to help buyers find IT risks in a timely manner. From processes to people to hardware and software, we pinpoint the technology-related hazards.

### Why do it?

Joining any two companies is **highly complex and often painful**. Financial, technical, and human considerations can delay and even derail the M&A transaction. This costs time and money.

Technology problems can impact the **viability of a deal**. We help buyers identify these problems (and solutions) early. The sooner we find the problem, the cheaper it is to correct.

We can provide your company with technical due diligence results **within one to two weeks**. We take pride in delivering immediate, tangible value.

**Top 10 M&A Transactions – "How prepared were they?"**

M&A Deal	Year	Shareholder Value Since Acquisition
AOL / Time Warner	2001	(\$148B)
Vodafone / Mannesmann	2000	(\$299B)
Pfizer / Warner-Lambert	2000	(\$78B)
Glaxo / SmithKline	2000	(\$40B)
Chase / J.P. Morgan	2000	(\$26B)
Exxon / Mobil	1999	\$8B
SBC / Ameritech	1999	(\$68B)
WorldCom / MCI	1998	(\$94B)
Travelers / Citicorp	1998	\$109B
Daimler / Chrysler	1998	(\$36B)

### How we do it?

We streamline the M&A process by identifying red flags *prior* to the transaction as well as identifying the issues within a merged company. Here's how we do it:

- ❑ **Technical Due Diligence in Action** - It's tough merging dissimilar systems. Functional, data, and training issues must be carefully cataloged. We begin by taking a **quick inventory** of all existing systems, web sites, and other technologies of each business. We find the potential pitfalls and put cost estimates on the gaps. We don't just find more headaches - we deliver practical short-term and long-term solutions. We focus on what's *really* important and why.
- ❑ **People & Process Transition Services** - People crave structure - it brings focus and efficiency to your employees' lives. We work alongside your team to build new business processes together to restore the structure and harmony for your people. We focus on the **human aspects** of an acquisition while optimizing the roadmap for your business.
- ❑ **Technology Arbitration Services** - Differences are the norm. Company A may have Oracle while Company B could have PeopleSoft. Is one system better than the other? Can they be integrated? Maybe a *new* system should be implemented? We serve as the technical "**referee**" helping you and your team select the best technologies for your business. Someone has to decide - let us guide you.

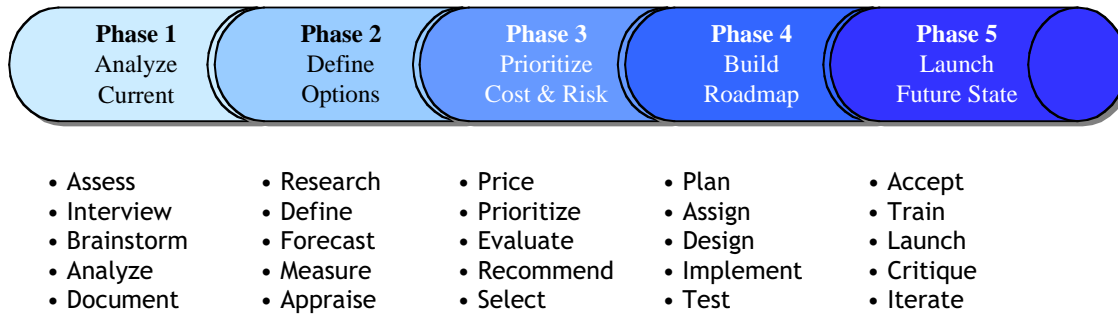
### Who needs technical due diligence?

- ❑ **Merging & Acquiring Companies** - About 80% of all business combinations fail within ten years. Many fail to achieve their expected benefits, often due to *preventable* incompatibilities in information systems. Early

analysis **uncovers these liabilities** in time for the buyer to take corrective action or even cancel the transaction altogether.

- ❑ **M & A Law Firms** - Lawyers are very good at covering all the bases. But are they expected to know all the technology implications of a merger or acquisition? What points of failure do they need to include in the legal contracts? As the **trusted business advisor** to the M&A counsel, our team helps protect your investment and lowers the risk of the transaction.
- ❑ **Financial Institutions** - Bankers and lenders safeguard their assets as well as anyone. Mezzanine lenders, for example, judge the “buyability” of a business. Their financial performance is tied directly to this company’s success, so they care if the company they’re buying has legacy systems 20 years older than their nearest competitors. We let the institutions **know their vulnerability**.

## What actions do we take?



## Why JD Warren Associates?

- ❑ **Principled** - We use the three cornerstones of **Independence**, **Innovation**, and **Integrity** as the basis for every client engagement. We are prepared to decline engagements where these principles cannot be upheld.
- ❑ **Experienced** - We mix strategy and experience from a variety of industries and business models so we see **beyond the limits** of any single company, industry, or problem.
- ❑ **Dedicated** - We operate efficiently. Our fees are competitive. We will tell you what we think and why - always **framed by your desired outcomes** and plans. And, we stand behind the work we do.
- ❑ **Independent** - We are independent of all product vendors and binding financial arrangements. Our success is **not tied to any vendor revenue stream**, agency arrangements, or other hidden reasons why we would skew our results for anything other than what is best for you.

If you'd like to learn more about our services, contact us at **415 982 9900** or please visit our website at [www.jdwa.biz](http://www.jdwa.biz).  
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# Mergers & Acquisitions Services

## Who?

1. Merging & Acquiring Companies
2. M&A Law Firms
3. Financial Institutions

## What?

1. Technical Due Diligence
2. People & Process Transition
3. Technology Arbitration

## When?

1. Before & after acquiring a company
2. During the drafting of legal contracts
3. Before & after mezzanine financing

## Why?

1. Mitigates risk to buyer (top 10 M&A = -\$672B)
2. Lowers long-term cost of transaction
3. Easier transition to integrated technologies

## How?

1. Using our proven methodology
2. Analyze, Select, Prioritize, Build, Launch
3. Independence, Innovation, Integrity