

» SOLUTION BRIEF

The key role of ITAM in navigating M&A

Uncertain conditions breed chaotic IT environments

Although M&A activity got off to a slow start in the first half of 2023, the consensus is that dynamic market conditions are likely to result in a more buoyant M&A market over the coming months. We're unlikely to see major deals like Charles Schwab's announced merger with TD Ameritrade in late 2019. However, we can expect to see a healthy level of mid-market deals take place.

IT's mission for M&A: Avoid disruption

IT is tasked with a tall order when it comes to a M&A. Along with making sure there isn't disruption in service to employees and customers, CIOs and IT leaders are also responsible for assessing prior due diligence as well as mitigating risk throughout the integration.

IT must also determine the best ways to support business unit and corporate function assimilation—finance, HR, operations and more. Not to mention the more traditional IT management tasks, like rationalizing hardware and software, plus identifying standard applications for deployment, optimizing software licensing and ensuring compliance.

As enterprises grow through M&A, it's also not uncommon for business units to retain control over the IT spend allocated to their cost centers. [Flexera 2022 Tech Spend Pulse](#) found that 25 percent of respondents overall had IT spend decentralization, with business units controlling their own IT spend. Add the fact that this type of growth brings new technologies into the portfolio, and many organizations are at various stages of digital transformation planning and processing, the normalization of assets and processes becomes even more demanding.

» HIGHLIGHT

ITAM plays a significant role in the success of any M&A deal

How ITAM fits in

There are several considerations for ITAM teams if their organization is a part of an M&A deal. ITAM plays a significant role in the success of any M&A deal. It's crucial organizations be prepared and have standards and practices in place.

There are many ways ITAM supports a healthy and effective M&A:

Visibility, control and consolidation

- During a M&A, organizations need to be able to identify all their IT assets, from software to hardware. ITAM allows you to discover duplicate, obsolete or redundant IT assets so they can be retained, disposed of or upgraded. In the case of a M&A, the organizations will likely identify multiple applications that serve the same purpose, and thus can consolidate to save on costs and improve efficiency.

Company valuation

- An incredibly important part of the M&A process is uncovering the valuation of the organizations. This includes valuing the IT assets owned by the company, considering lifecycle, usage, cost and risk.

Data security and compliance

- Regulatory and software vendor compliance is of utmost importance. And that is still the case during a M&A. ITAM not only assists in organizations aligning to compliance standards, but can also help mitigate data breaches, cyberattacks and other security threats.

About Flexera

Flexera saves customers billions of dollars in wasted technology spend. A pioneer in hybrid ITAM and FinOps, Flexera provides award-winning, data-oriented SaaS solutions for technology value optimization (TVO), enabling IT, finance, procurement and cloud teams to gain deep insights into cost optimization, compliance and risks for each business service. Flexera One solutions are built on a set of definitive customer, supplier and industry data, powered by Technopedia, that enables organizations to visualize their Enterprise Technology Blueprint™ in hybrid environments—from on-premises to SaaS to containers to cloud.

More than 50,000 customers subscribe to Flexera's technology value optimization solutions, delivered by 1,300+ team members worldwide. Learn more at flexera.com

Post-merger integration

- After a M&A, ITAM can also drive faster integration of the two companies by optimizing the process of combining the two IT infrastructures. This helps employees get up to speed quicker and start achieving their business goals.

M&A preparedness starts with Flexera One

ITAM plays a critical role in the M&A process, enabling organizations to meet their business objectives. Leveraging a sound ITAM practice before, during and after a M&A will help companies reduce costs, increase efficiency, mitigate risks and ultimately gain a competitive advantage in the marketplace.

» NEXT STEPS

Learn more about how Flexera One ITAM can help you meet your M&A goals

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