

BEST PRACTICES OF DIGITAL TRANSFORMATION IN M&A AND DIVESTITURES
FOR SMALL AND MEDIUM-SIZED ORGANIZATIONS

by

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ABSTRACT

BEST PRACTICES OF DIGITAL TRANSFORMATION IN M&A AND DIVESTITURES
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2025

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Mergers, Acquisitions, and Divestitures are the driving forces of change and growth in the business world. The business transformations in the context of mergers and acquisition (M&A) are complex, resource intensive, involve multi organizations, teams, optimization and convergence of workflow processes, IT systems, and cultures. The M&A business decision outcomes such as strengthening competitive position by developing the new capabilities, increasing sales and profits, capitalizing on potential opportunities after merger takes extended period to realize the benefits. The M&A integration execution needs to be orchestrated by leveraging the strategic and tactical means within the rigid timelines of transfer services agreement (TSA). Digital transformation solutions that enable and empower the integration process need thorough attention from the early phases of M&A planning and integration.

The thesis aims to provide a modular structure, M&A priorities, and the best transformation practices for M&A technology practitioners and management practitioners. Thesis aims to provide an end-end view of the M&A journey, building blocks of understanding M&A, areas of

focus leading to the solution selection till post-merger integration. The current thesis aims to provide applicable best practices at different phases of M&A journey that can be applied to any industry segment so a practitioner can apply to any real-time situation of M&A integration. Research provides a modular view of business transformation and the building blocks that influence the transformation journey. To highlight the best practices of digital transformations, it is imperative to consider the lifecycle of the M&A, establish key priorities for each stakeholder to help facilitate the decision-making prior to embarking on the journey of integration

Thesis will try to leverage the industry's best practices and provide the required knowledge to experienced or inexperienced M&A technology professionals to take a broader view and dive into the details to provide strong foundation and direction to make decisions. The thesis will focus on the boundaries of technology due diligence, technology solutions and post-merger integration best practices. The types of mergers, acquisitions, valuations of the companies, value drivers for mergers, and influencing factors such as compliance and legal requirements, objectives of mergers for a given situation will be researched and presented from the perspective of the business context.

Literature reviews paved the path to finalize broader areas of research to structure the best practices of transformation in M&A. The broader domains which act as pillars of this thesis are

- Business Context
- M&A Priorities that Influence Digital Transformations
- Buyer IT Assessment
- Seller IT Assessment
- Due Diligence during Deal Planning
- Due Diligence post Deal closure

- Finalize Digital Transformation Solutions
- PMI - Post-Merger Integration

The research journey focused on the identification of experts who have firsthand experience in leading M&A. The expectation from the experts has been to challenge the premise, provide deep perspectives in interviews, highlight industry's best practices, high risks, risk remediation solutions, provide scoring for specific questions and provide feedback on the best practices or models developed as a part of the journey. Another expectation from experts was to prioritize the topics during the discussions that influence business decisions and digital transformation technical solution decisions in M&A. The research method used to reach conclusions is a hybrid approach with quantitative and qualitative analysis by interviewing experienced finance and IT professionals. Extensive effort has gone into structuring the questions with various stakeholders to capture the responses with scores to perform quantitative analysis. Interviews and data analysis provided the required directions to carve out the best practices for digital transformations in M&A.

The business context can be attributed to foundational aspects of M&A which act as the business premise for other research focus areas. Business context helps in identifying the M&A priorities for any M&A transaction, the M&A priorities eventually influence the digital transformation decisions. Business context provides the magnitude of the M&A transaction and scale of planning required for M&A integration. Understanding the organizational maturity of the seller and buyer companies from the perspective of IT governance and IT Platform maturity will play an important role in making the digital transformation solution decisions. To make an offer to buy a company, the buyer needs to perform thorough due diligence during the decision-making process to ensure the buying organization's strategic and financial objectives are

achieved. Due diligence will be an iterative process from the initial evaluation during deal planning with limited time restrictions. IT readiness of the buying and selling organizations is evaluated through SWOT (strengths, weaknesses, opportunities, threats) analysis of their respective IT platforms and IT governance maturity. Modeling iterative due diligence to make key decisions, carving out the transformation and integration strategy with a focus on schedule and budgets is important. Taking all the above aspects into consideration, the solutions required for the transformation are finalized keeping cost, risk appetite, situation dynamics, leadership support into perspective. Finally completing the post-merger integration provides a closure for the Digital Transformation journey for M&A. M&A is a business transformation achieved through digital transformation solutions.

While the objective of research is to identify the best practices in digital transformations in M&A, a life cycle phased approach of M&A is taken into consideration. The objective of my research is to provide the best transformation practices model for M&A technology practitioners, integrators across various industry verticals to view the M&A from lifecycle perspective and identify the best practices at different stages of the M&A that will provide guidance for the digital transformation integration of both entities.

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Chapter I

1. Introduction

1.1 Introduction

Peter Drucker(2025), a renowned management guru defined the term business as , “Any organization that fulfils itself through the marketing of a product or service is a business”. Potor (2025) indicated that Michael Porter’s five force theory to evaluate competition and profitability of a business are highly relevant for the success of any business. The five forces are competition in the market, threat of new entrants, threat of the substitutes, power of buyer and power of seller which shape any organization or industry. Renowned M&A expert Robert Furner defines M&A as a strategic process where companies go through mergers or acquisition for financial growth or competitive advantage. Robert indicated that success criteria for M&A are dependent on extensive analysis, due diligence and strategic alignment. Mergers, Acquisitions, and divestitures are common business strategies organizations undertake to achieve various business transformations, such as increasing revenues, achieving business goals, entering new markets, inorganic business growth, focusing on core business functions, and more.

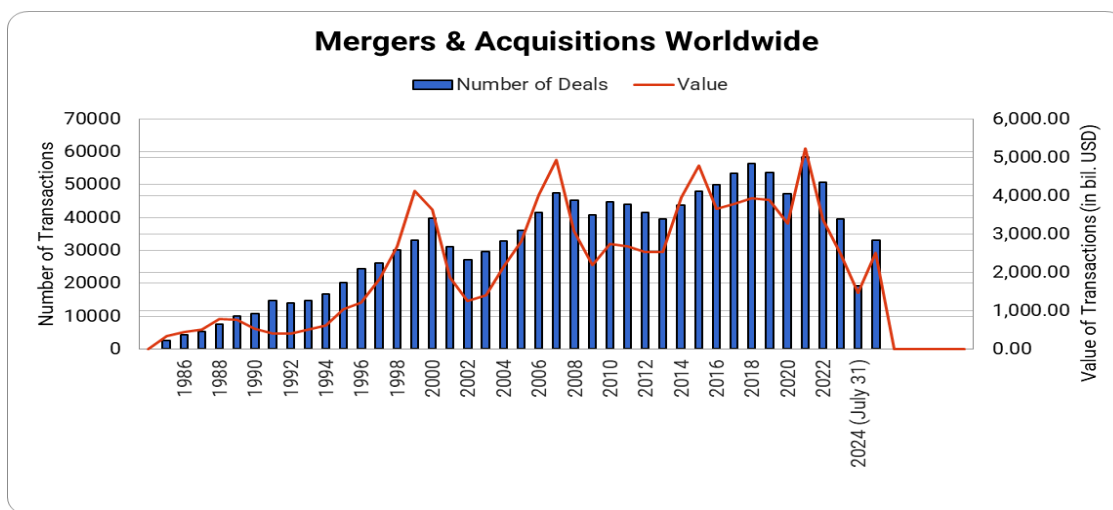
Market expansion, competitive advantages, changing industry trends, market trends and business drivers could be attributed as driving factors for M&A and divestitures. Once the decisions are made between the buying and selling organizations, the formal transfer services contract between the business entities sets the stage for integration. The thesis aims to provide a phased view of the end-end M&A workflow, provide detailed M&A priorities which helps the reader to undestand factors that will influence business decisions. Research is aimed at audience, who are keen to understand the high level phased view of M&A.

While technology is the key enabler for organizations to converge or diverge, a successful M&A or divestiture can be orchestrated through planning with a pre-determined focus on progressive outcomes, cultural dynamics, team dynamics, and overall transformation journey. In any divesture or merger, the buyer and seller organizations impact business functions such as

Sales, HR, Marketing, Finance, Procurement and vendor management, Technology, Security, compliance, workforce, and facilities.

Graham (2020), in an article published in Harvard Business Review, indicates that the failure percentage of Mergers and acquisitions is between 70 to 90 percent due to integration challenges. The following figures highlight the scale of M&A worldwide. M&A is a global phenomenon, with large, high-value transactions for many decades.

FIGURE 1-M&A TRENDS - WORLDWIDE TRENDS, SOURCE: IMMA-INSTITUTE (2024)



American Online and Time Warner Merger in 2001:

The AOL merger is rated as one of the most significant merger failures due to the catastrophic losses reported within a short period of the merger. After one year of merger, the organization reported an annual loss of 99 billion dollars in 2002. As indicated by Steve Case, former CEO and chairman of AOL, the causes of the failure were a culture mismatch between the companies; the Internet bubble burst immediately after the merger, dictating marketing conditions, and poor PMI execution. The economy went into recession immediately after the merger between the two entities, which sealed the options for recovery for the integrated company. Meanwhile, AOL primarily focused on P&L management on a quarter-by-quarter basis to impress its shareholders. Other factors that hindered the recovery of the merger were the

SEC lawsuits for accounting improprieties reaching \$300 million. While AOL primarily focused on shareholder primacy, Timer Warner believed in the traditions and culture of the organization. While Time Warner had more significant revenue streams than AOL, the organizations were operating on different tracks, and the recession was a fateful market condition that none of the companies predicted.

FIGURE 2-M&A TRENDS – NORTH AMERICA, SOURCE: IMMA-INSTITUTE (2024)

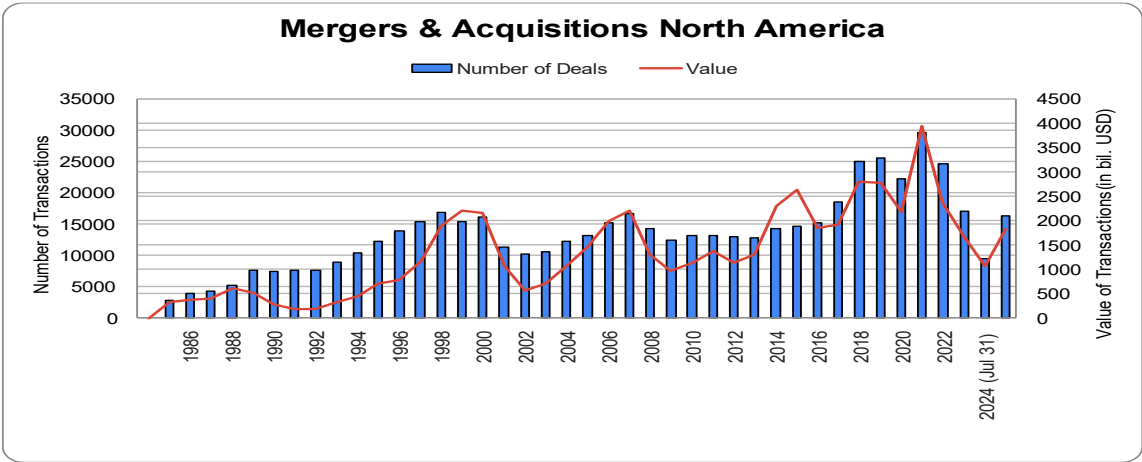
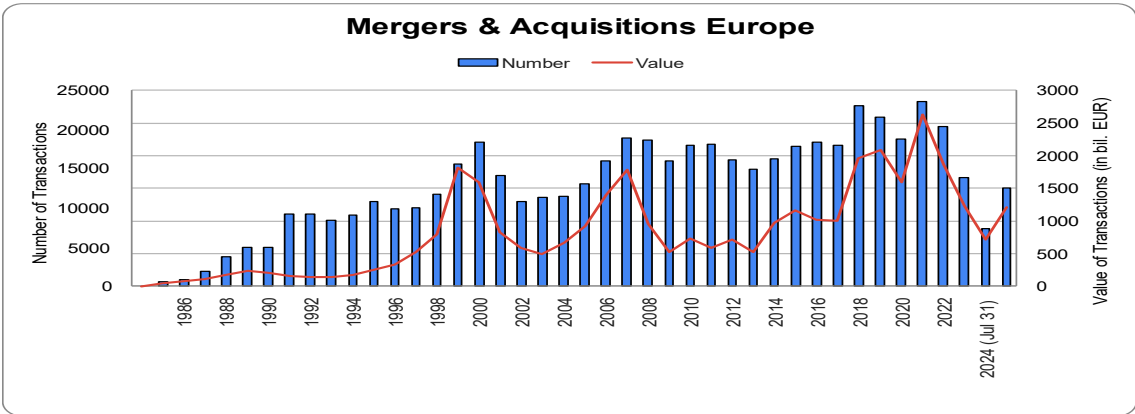


FIGURE 3-M&A TRENDS – EUROPE, SOURCE: IMMA-INSTITUTE (2024)



M&A is a multi billion dollar industry spread across the globe and has been active for many years. The number of deals and value of the deals in the above figures, figure 3,figure 2, figure 1 provides a view of its scale and dynamic changes in the market every year.

1.2 Research Problem

Merger and Acquisitions involves two different organizations and multiple functional teams between two organizations as they integrate with each other. External consulting companies that facilitate deal planning, leadership teams from both sides of the organizations are involved in the journey of M&A. While technology is key enabler in integrating the two companies, multiple teams are involved temporarily before the buyer makes a decision, many contracts, discussions, due-diligence happens between the two organizations before the companies confidently move forward or walk away from the business proposal.

There is significant body of work done on M&A with focus on micro processes. There is good research literature available on very specific topics. However, structuring and evaluating the best practices at every stage of process, impact of the Digital transformations have been on revolutionary journey during past decade to modernize the businesses across the world. Digital transformations represent many technologies that have gone through evolutionary changes that helped the world to innovate. Integrating two organizations during M&A journey has been a challenging endeavour as digital transformations, integration of teams, streamlining solutions, processes, value synergy realization have been complex challenges.

There are best practices with respect to technology domains, governance, project management, technology assessments by various vendors in the market are available. Bridging the business process of M&A with integration will be one of the objectives of my research. M&A integration outcomes are inconsistent across industries over many years due to the depth and breadth of the changes, assessments, solution selections and execution capabilities in challenging timelines. My study aims to take end-end M&A business process flow into

perspective, identify building blocks that lead to final outcomes, identify priorities that digital transformation solutions, best practices during the course of integration.

When two companies are merging, buyer and seller IT maturity needs to be assessed and estimated prior to embarking on the journey of integration. Due diligence or scope planning for integration of two companies is a comprehensive exercise to finalize the solutions. After the solutions are finalized, executing the solutions requires a different set of practices to make the M&A successful. My study aims at bringing end-end digital transformation planning and proactive considerations under one umbrella where the buyer and seller IT organizations can take pragmatic decisions to make M&A transformation a success.

The success of a merger, acquisition, divestiture depends on how well the business objectives are met. Understanding the building blocks of M&A from end-end business process flow perspective, factors that influence the end outcome of M&A digital transformation, best practices in the merger integration process needs to be addressed as a part of the research. M&A business objectives are primarily achieved through the digital transformations where the decisions are dependent on multiple variables. Many factors influence the choice of digital transformations, outcomes of digital transformations in between buying and selling entities. Industry leaders as Microsoft, Amazon, Google, Oracle, IBM have provided best practices that cater to their products and solutions. Scrum Alliance and PMI have outlined the management of project from end-end perspective. NIST (National Institute of standards and technology) organization outlines the best practices in measurement standards in technology to enhance the successful orchestration of technology, there are no set best practices or framework for managing the M&A integration journey. NIST standards play an important role in the IT Management.

My research is aimed at bridging the M&A business strategy with technology, process, data, assessment strategies together. It is important to research business reasons for M&A and connect the expected outcomes to building blocks in the journey as seller IT maturity, buyer IT maturity, due diligence of the entity to be purchased, making digital transformation decisions

that suit the M&A situation and execute the integration solutions. The intent of my research is to address the following.

TABLE 1- RESEARCH TARGETED OUTCOMES

SNO	Research Problem Areas	Targeted Outcomes
1	Business Context	Identify high level M&A Priorities that influence outcome of business transformation
2	M&A Priorities that Influence Digital Transformations	Identify M&A Priorities that Influence Digital transformations in M&A journey
3	Buyer IT Assessment	Evaluation criteria to determine the maturity of IT governance and IT Platforms of Buying Organization.
4	Seller IT Assessment	Evaluation criteria to determine the maturity of IT governance and IT Platforms of Buying Organization.
5	Due Diligence during Deal Planning	Focused IT domains that are priority during deal planning stage
6	Due Diligence post Deal closure	Focused domains that need detailed due diligence focus after M&A deal is closed
7	Finalize Digital Transformation Solutions	Finalization of digital transformation solutions taking other research focused areas in consideration
8	PMI - Post-Merger Integration	Best practices and focus areas during the execution of post-merger integration between buyer and selling organization

1. Business Context: Factors that influence business context are required to be researched and identified which lay the foundation for the M&A digital transformation journey. There could be multiple factors as risk management, culture, financial KPIs (key performer indicators) and other aspects that would be important to consider for M&A. Research needs to be conducted to provide a broader view of factors that needs to be considered by digital transformation practioners. The questions as

- i. What is visual representation of M&A business flow
- ii. What broader categories exist in M&A business process flow
- iii. What influence M&A decision making
- iv. What processes need to be given importance while understanding M&A journey

2. M&A Parameters that influence Digital Transformation: The correlation between M&A priorities and digital transformation needs to be established by research. M&A Parameters and priorities act as the business requirements which have direct influence on the digital transformations in M&A.

3. Buyer IT Assessment: In the context of M&A, buying organization IT maturity and organizational readiness sets the stage for the success of journey. Best practices for assessing IT practices researched so the best practice practices can be highlighted for buying entity.

Readiness of Buyer: The willingness to complete a self-assessment to evaluate its strengths, weaknesses and maturity in digital platforms lays a foundation for embarking on the journey. IT and organizational readiness pave the path for the decisions around due diligence, decisions around choice of digital transformation solutions and actually integrating the two entities. The Buying organization is required to understand its current digital footprint and problem areas. The research around what needs to be considered has to be discussed.

4. Seller IT Assessment: When an organization is getting ready to divest or sell its businesses in a market, there are various aspects that needs to be considered from its readiness perspective to market and sell the business. Research needs to be done to provide a model for such entities to evaluate the readiness, current maturity and its preparedness prior to

embarking on the M&A journey from IT Governance, domains to focus and KPIs to focus with internal and external influencers . Leadership support, and prolonged organizational commitment until the completion of the M&A determines the success of the digital transformation. Contractual terms in a transfer services agreement (TSA) and proactive risk management from the seller's perspective to meet the M&A objectives are key influencers in achieving desired results.

5. **Due Diligence during deal planning:** This exercise needs to be conducted by buying organizations on the selling organization to understand the level of effort involved in the Digital transformation activities. This research paper will not focus on the financial modeling, go-to-market sales strategies, or legal aspects of due diligence required for completing the business transaction. The research paper primarily focuses on the technology domains that need to go through due diligence which will provide a view digital transformation journey from a planning and execution perspective in the best interest of both business entities.
6. **Due Diligence Post Deal Closure:** The difference between due diligence conducted during predeal-phase and post deal-closure phase is the predeal due diligence is conducted under stringent schedules, with limited access to the critical information of the selling entity. In principal, the pre-deal due diligence should empower buyer with all required information to make the final decision to invest or walkaway from the deal. The post deal closure is to reclarify the assumptions made, conduct a detailed data gathering and analysis with focus on finalizing the digital transformation solutions, executing solutions, create accurate budgets and estimate the resource sizing. During predeal phase, both the parties have restricted window to close the contracts, due diligence, cost estimation and decision making. During post deal due diligence all parties are in the mode of making final decisions on costs, resourcing, schedule, prioritizing the decisions, solutions, risks and obtaining leadership support.

7. **Finalize Digital transformation solutions:** Once the M&A deal is closed, the buyer will start the post deal due diligence and finalize the digital transformation solutions. Taking all factors from business context to post deal due diligence, the solutions are finalized and the organization prepare themselves to next phase of post merger integration.
8. **Post Merger Integration:** The final journey of the digital transformation happens during post merger integration. Research needs to focus on the best practices that will help succeed the the post merger integration. Few aspects that can be considered are structuring the teams and executing the solutions to achieve the business outcomes.

The decision to buy an organization to create a new greenfield digital environment or scale up the current IT organization to accommodate new business will depend upon the outcomes of above eight research areas. My research will provide the best practices framework for the buying organization to orchestrate digital transformation so the newly acquired business entity can successfully run the business.

1.3 Purpose of Research

Multiple factors influence the outcomes of the digital transformations in M&A from buying and selling organizations perspective. Successful upfront planning, collaborative leadership, agreed-on governance, leadership support and cadence between organizations are the foundation steps of success. End-end approach, If the right approach is not established from the inception, each area indicated can transform into impediments or risks. For example, technologies in the areas of end-user services, cybersecurity, cloud solutions, Network connectivity, monitoring and management tools, multiple product lines

Best practices are outlined for various aspects of digital transformation, but the holistic approach and best practices in M&A are not available. The following five areas will determine the business outcome of the digital transformation journey. While industry best practices exist for each domain, the overall approach and best practices for orchestrating digital transformation are missing.

Organizational readiness (Buyer and Seller) : Leadership support, resource investment, allocated budgets to support M&A, and prolonged organizational commitment until the completion of the M&A determines the success of the digital transformation. Contractual terms in a transfer services agreement (TSA) and proactive risk management from the seller's perspective to meet the M&A objectives are key influencers in achieving desired results.

Buying organization readiness: The willingness to complete a self-assessment to evaluate its strengths and maturity in digital platforms lays a foundation for embarking on the journey. In creating a transformation, the Buying organization must clearly understand its current digital footprint and problem areas.

Due diligence during Deal Planning: This exercise needs to be conducted by buying organizations on the selling organization to understand the level of effort involved in the Digital transformation activities. This research paper will not focus on the financial modeling, go-to-market sales strategies, or legal aspects of due diligence required for completing the business transaction. The research paper primarily focuses on the digital transformation journey from a planning and execution perspective in the best interest of both business entities.

Due Diligence post deal closure: The buying organization needs to conduct post-sales due diligence in collaboration with the selling organization and present the findings to the steering committee with an approach, schedule, and gaps for the transformation journey.

Digital Transformation execution(PMI): The actual journey of the digital transformation plays a vital role in structuring the teams and executing the solutions to achieve the business outcomes.

The decision to buy an organization to create a new greenfield digital environment or scale up the current IT organization to accommodate new business will depend upon the outcomes of the first four exercises. My research will provide the best practices framework for the buying organization to orchestrate digital transformation so the newly acquired business entity can successfully run the business.

Successful upfront planning, collaborative leadership, agreed-on governance, and cadence between organizations are the foundation steps of success. If the right approach is not established from the inception, each area indicated can transform into impediments or risks.

1.4 Significance of the Study

Much research, frameworks and publications are in place has been done on architecting digital solutions for corporations. Technology organizations such as Amazon, Google, Oracle, Salesforce, and Microsoft provide various offerings to design cloud-based global solutions for corporations. A literature review I recently conducted indicates that best practices for digital transformations are available in various forms but not organized in a way that can help practitioners and deal teams apply them in the M&A context. I will attempt to organize the best practices and provide insights to address various M&A scenarios that can help practitioners and academicians to enhance the knowledge in these areas.

- Success stories and failures in M&A: To understand the success and failure stories of M&A, I will depend on peer-reviewed articles, research resources, and the Internet and other web portals to capture the best practices.

- HR Transition: Author Jeffrey A. Schmidt, in his book *Making Mergers Work*, and Jeffrey M. Hiatt and Timothy J. Creasey, in their book *Change Management—The People Side of Change*, offer sound guidance on the Human resource aspect of organizational change. Their material provides a good foundation for HR transition in M&A.

- Due Diligence Best Practices: Due diligence for merger acquisitions needs to consider the apps, infra, artificial intelligence, and machine learning aspects of digital transformation. Facilities resource planning, enterprise resource planning, and invoice management with alignment to various business functions. Microsoft websites, SAP, Amazon, and Google offer preexisting information that relates to greenfield implementation or brownfield implementations. It is essential to leverage the research available and interview notable individuals who have

worked in M&A Situations to ensure the final output of the best practices for digital transformations can be applied in real-time scenario

- IT Governance from ISACA: During M&A, the buy-side and sell-side organizations must come together from the early stages of due diligence until the buy-side entity operates independently. ISACA organization has been an authority in guiding IT governance for many years. While ISACA doesn't provide specific guidance on M&A, the CGEIT (certified in governance of enterprise IT) body of work offers excellent foundation material for structuring teams in M&A. I will leverage the ISACA CGEIT publication to bring in the best practices of IT governance for digital transformations.

- Portfolio Management from Scaled Agile Framework (SAFe): Strategic Investment & Funding, Lean Governance, and Agile Portfolio Operations are the primary pillars of portfolio management. Portfolio Management offers foundational best practices in organizing M&A activities, Financial budgeting, and governance aspects of M&A.

- Risk Management and Project Management from PMI.Org: M&A planning and execution triggers various shorter and more extended projects and demands risk management framework from a due-diligence structured risk management framework.

- Organization Change Management: Authors Richard Smith, David King, Ranjit Sidhu, and Dan Skelsey guide the change management body of knowledge in their book, The Effective Change Manager's Handbook. The recommendations in this book can be leveraged in M&A planning and execution.

- Leading Change: The material provided by John Kotter in his book Leading Change provides a transformational framework for any organization during M&A. Success in M&A demands the ability of organizational leadership to lead the change from the organization's perspective.

- Best Practices Management: The book "Best Practices—Building your business with customer-focused solutions" by Arthur Andersen provides guidance on building a business with customer-focused solutions. The material explains how multiple industry leaders have created

solutions for their customer base. It provides an excellent perspective from an M&A buyer perspective.

- Contract Management and Professional Services Management – During M&A, selling and buying organizations must look into contract management and leverage professional services offerings. In today's digital economy, all organizations depend on other companies' professional services to meet business objectives. In M&A, contract management and professional services play an essential role. In his book *Buying Professional Services*, author Peter Smith guides on achieving value for investments.

- Designing Teams for Digital Transformation—Jeanne W. Ross, Cynthia M. Beath, and Martin Mocker provide research material for organizing digital teams and architecting businesses for sustained success using digital platforms. MIT offers the research as a course, and the authors' publication, *Designed for Digital*, provides building blocks for designing digital transformation.

- Microsoft Azure Offerings for Digital Transformation—I will leverage Microsoft's digital platform guidance for various solutions that need to be considered for M&A. Areas of focus will include Infrastructure, Application transformations, SAAS, PAAs, Data modernization, Cloud Maturity, Risk and Compliance, Disaster Recovery Strategies, and ERP solutions. My research will focus on digital solutions for various organizational business functions.

- Financial Governance: M&A activities involve many financial transactions throughout the journey until the buying organization is fully functional for business operations. Schedule, Resource, and cost management are essential in economic governance. PMP body of knowledge from PMI.Org offers guidance on schedule, resource management, and cost management. Leveraging the best practices

1.5 Research Purpose and Questions

There are not many frameworks to cater for a successful M&A from the inception of the due diligence till the digital transformations are completed from a buying organization perspective. The approach considered for the research is to bring in best practices from various workstreams in the journey of M&A.

- Business Context –What is the business context of M&A? What are the factors that influence the decision making of buying another entity? What is the end-end process flow of M&A? What are different categories of M&A that are important?
- M&A Priorities that Influence Digital Transformations – Does M&A priorities have influence on Digital Transformation decisions?
- Buyer IT Assessment - When a company is planning to buy another company, what are the factors that determine the IT maturity of an organization?
- Seller IT Assessment – When a company is planning to sell its business unit or its entire business, what are the factors that determine the IT maturity of an organization?
- Due Diligence during Deal Planning – Why is due diligence important during the deal planning stages? What aspects need to be considered during deal planning stages?
- Due Diligence post Deal closure - Why is due diligence important post deal closing stage? What aspects need to be considered during deal planning stages? Why is another due diligence required while due diligence was already completed during deal planning stage?
- Finalize Digital Transformation Solutions – What is the relevance of finalizing the digital transformation solutions? How does it impact the M&A outcomes?
- PMI - Post-Merger Integration – What is post-merger integration in M&A? What aspects need to be considered during PMI?

The literature review will pave the path for each of the above four domains before presenting the final thesis. There is a significant body of knowledge offered by various consortiums for specific segments of digital transformations, governance, project management, and people transition but not converged knowledge from the point of M&A. Entire research and focus are targeted toward the digital transformation of M&A which has a dependency on Human resource transitions, facility and infrastructure transitions, and digital platform selection and orchestration.

1.6 Research Focus Areas

Research focuses primarily on building phased life cycle approaches leading to best practices of Digital Transformations in the context of M&A and Divestitures. Defining the business context of M&As, such as strategic alliances, divestiture spin-offs, and buy-out models, is important. Business context also includes M&A between similar and dissimilar industry verticals, which dictates the digital transformation strategies. Other key influences of the choice of digital transformations will be well-planned M&As or hostile takeovers. M&A is a corporate restructuring exercise with various financial implications, and it is essential to understand the business drivers and evaluate the failures and successes in the M&A domain. Kisan (2021), in his research, highlights that post-merger integration is one of the key influences for the failure of M&A business deals. The research resources for providing the business context of M&A will be references from well-published articles, internet resources, and published books to capture the objectivity and categories of M&A.

From a buyer's perspective, the due diligence phase is a pivotal exercise to ensure the organization can decide based on the data acquired from the due diligence. My research proposal will concentrate on the broader building blocks that will act as a foundation to define the digital transformation journey required to create the combined organization. Research excludes the

financial analysis to make business decisions perspective for M&A and Divestiture during presales and post-sales due diligence. I intend to create a best practices approach to orchestrate a digital transformation journey in a merger and acquisition or divestiture business situation.

Digital transformation can be a greenfield or a brownfield implementation. Greenfield implementation focuses on creating a brand-new digital platform, while brownfield implementation focuses on merging the newly acquired entity into the pre-existing digital platform in the buying organization.

For two business entities to merge, a smooth digital transformation integration between the buying organization and the selling entity is the foundation required for a successful merger. The two business (buyer, seller) entities go through the journey of pre-sales due diligence, post-sales due diligence, evaluation of buying organization's digital transformation capabilities, and embarking on the transformation journey to conclude the merger.

At a broader level, the buying organization may have to focus on the following areas to create a digital transformation roadmap for the post-merger integration

- Due-diligence Governance Structuring
- Budget considerations to manage due diligence for the presales or premerger
- Creation of Presales Deal team
- Orchestrating Predeal Technology Due-Diligence of selling and buying organizations
- Creation of an M&A steering committee
- Create a budget for the actual M&A Digital Transformation. Financial business models must be created for effective decision making.
- Orchestrating Post-Sales Due-Diligence

- Creation of Governance structure, communication plan, stakeholder management plan, organization change management plan
- Budgeting and Financial Reporting for M&A
- Procurement and Contract management
- Leading People's transition
- Leading digital transformation
- Adherence to compliance and Security
- Establishing the Operational backbone for the new digital platform
- Business functions transition
- Overall risk management

2. REVIEW OF LITERATURE

2.1. Theoretical Framework:

Mergers, Acquisitions, and Divestitures are key investments and divesting strategies of any industry leverages to transform its business portfolios. M&A and Divestitures are standard practices in any industry vertical, and they're a global strategy adopted globally. All three endeavors are common for any industry vertical, such as banking, retail, life sciences, Entertainment and Media, healthcare, and other sectors.

Digital and Business transformation, regulatory changes, disruptive situations in markets due to new inventions or innovations, global calamities such as COVID, an organization's need for growth in various business segments, and political and environmental transformations are driving factors in M&A. Whenever M&A occurs, two organizational entities are typically impacted across all the business functions.

In today's technological world, all business functions are led by digital products which pave the path for two organizations to go through digital transformation at all levels. Sales, Marketing, Finance, Accounting, and Operations depend on digital solutions and products that enable the functions to expand and manage day-to-day operations. When two organizations merge or a business unit is divested from a parent organization, the scale of change is significant for both entities. Managing the internal stakeholders of an organization, managing communication with clients, and keeping the business operations active without an impact on business operations, revenues, and margins is a herculean task for any organization.

While people transition takes center stage in any M&A, the impact on existing digital platforms of buying and selling organizations, creating a digital platform for future stages is a

prolonged Odyssey for the organizations. As M&A and Divestitures, Digital transformation is a transformative journey influenced by various IT companies such as Microsoft, Amazon, and Salesforce, and multiple technologies such as Artificial intelligence, Machine Learning, cloud computing, platform as service, and software as service models.

In the literature review, I would like to reflect upon the published literature and books on Organizational Change Management, Mergers and Acquisitions, and Digital Transformations. My overarching objective is to provide the best digital transformation practices in M&A or divestiture for a buying organization. I will leverage the research and best practices published by various authors and professors. While digital transformation focuses on innovative technological strategies to launch a business to a different elevation point, applying digital transformation strategies during an M&A context will need a thorough analysis of situations specific to the case and point.

My literature review will focus on various building blocks of digital transformations, merger acquisitions, people transition, and organizational transformation and reflect upon the gaps, leveraging best practices for digital transformations in the context of M&A. While the business context always drives the digital transformation journey, it becomes exceedingly important to have models to apply to various situations.

2.2. A Framework for the Human Resources Role in Managing Culture in Mergers and Acquisitions:

Marks and Philip (2011) indicate that HR plays an important role in leading cultural integration during M&A. The HR function is responsible for evaluating each company's cultural dynamics and leading the cultural harmonization of the two companies. Cultural integration will have a lasting effect on both companies involved in M&A during the integration process. The author

defines culture as how things are done in an organization, and culture represents shared goals and ideologies held by each organization.

Decision-making, consensus building, cadence management, resource promotion within an organization, and external recruitment of leaders are a few external attributes that provide a picture of an organization's culture.

The authors highlight that based on the levels of acculturation, the integration will have the following four models. Cultural pluralism is where the partners coexist; cultural integration is where cultures blend; cultural assimilation is when one company absorbs the other; and cultural transformation is when one company abandons its current culture and adopts a new one. The author highlights a framework for managing culture in M&A, focusing on pre-combination, combination, and post-combination phases. Setting a cultural end-state in the pre-combination phase, unfreezing cultural mindsets during the combination phase, and refreezing the desired culture in the post-combination phase will help reset the culture in an M&A.

While the framework lays the foundation for cultural reshaping in M&A situations, the senior leadership should pay closer attention to the HR transition between the two firms as there is a high chance that many roles and resources will become redundant as a part of M&A. Buying and selling organization's senior leaders have to actively be involved from early stages of the M&A and focus on impact on resource management during the transition and final stages.

People transition Role transition, Resource retention, providing employment options for resources losing their jobs, and creating new roles post-integration need to be given high importance. The framework doesn't address the practical aspects on the ground. The author doesn't address the importance of resource retention, benefits administration, or role definitions in the newly created organization. It's essential to focus on the resources on work visas,

consulting resources, vendors/partners serving the organization, and the future state of entities in M&A.

The importance of culture in M&A must be expanded to include the overall HR transition and vendor transition. The M&A team must plan functional duplication between two companies and use cost optimization strategies that impact on employees to avoid attrition and impact on business functions.

2.3. Success Factors of Reciprocal Synergies in Digital Transformation-Based M&A:

Reciprocal synergies between two organizations during M&A pave the path for the success of digital transformation-based M&A. The author, Cirjevskis (2020), aims to illustrate successful strategies in M&A deals for the grocery retail industry.

VRIO Framework, Competency-based synergies in M&A, and pursuing collaboration between two business entities are the primary themes of the paper. VRIO focuses on compatibility, complementarity, and transferability for merging partners in the M & A process. VRIO stands for Valuable-Rarity-Imitation free- Organized. Combined synergies between two companies should create value that is unique and rare, and that's hard to imitate, so the collaborated competency becomes an asset to the organization. For the VRIO framework to be successful, management systems need to monitor and synergize the teams and hiring and retention policies need to be implemented so the teams can be organized to exploit synergic competencies.

The framework is ideal when the selling and buying organizations sync from pre-merger to post-merger scenarios. Modular, sequential, reciprocal synergies can make the combined organization successful in cross-selling products and services to various new markets. The framework doesn't emphasize the incentive plans for the employees or teams contributing to

these efforts. While the collaboration approach is ideal, the action plan to bring leadership teams from various functions of two business entities can begin from the pre-merger stage and mature during the merger and post-merger stages. Effective organizational change management methods must be deployed with specific HR policies to incentivize the teams and individuals to contribute, exhibit synergic behaviors, and achieve desired outcomes.

2.4. Cultural Due Diligence in Mergers and Acquisition:

Denison and Ko (2016) emphasized that cultural due diligence plays a vital role in M&A. The author highlights the building blocks of due diligence, which include knowing one's own culture first, clarifying the end state, data-driven cultural due diligence throughout the process, and planning for the transition. Frameworks highlighted in the papers address many best practices that can be leveraged for M&A and divestitures.

The authors emphasized that cultural due diligence should start with the announcement of the M&A and be managed through merger and post-merger with a data-driven approach. In the new digital world, all firms across industries depend on multiple vendors, service providers, and technology providers. The authors should have considered legal, vendor management, and contractual entities from the partners' points of view. Cultural integration between service providers who are instrumental in Digital transformation could have been another aspect that the authors could have considered. Also, the framework could have highlighted the global context where the teams are multilingual, globally dispersed and if organizations have global context across regional aspects.

2.5. Maximize Value:

The authors Trigg, Malone & Gess (2019) present their viewpoints on the food industry M&A and highlight the importance of post-acquisition integration. The author highlights that integration between two entities begins way before closing the deal, and the M&A process should be performed towards enabling integration. The case study presents a few valuable insights as adequate due diligence and preparation for potential issues pave the path for integration.

Trigg, Malone & Gess (2019) indicate that successful integration with an acquired company can be the difference between missing and achieving financial targets which is the ultimate premise for objectively pursuing M&A. Trigg, Malone & Gess (2019) highlight that regulatory and legal issues impact long-term integration success and proactive planning can help avoid redundancies and create valuable operational synergies. Other priorities identified by the author were the importance of sales contracts and supply contracts early play an important role in smooth integration. With regards to the Food industry, the author highlights specific details as labeling requirements, tracking expired licenses, permits, improper labeling, and specialty certifications requirements play an essential role in the M&A integration.

The author could have provided a best practices model for the Food company in the context of M&A. The framework could have highlighted the Impact of technology in M&A, the impact of multiple vendors, the global context of compliance, security, business continuity planning, disaster recovery, and legal requirements catering to federal and state laws. APAC, European, and American laws have different standards, policies, compliance, and legal requirements.

2.6. ADKAR Framework for driving Transformational changes in organizations:

ADKAR Model: Jeff (2006) developed the ADKAR Model to focus on a group of goals that leaders should try to achieve. Prosci, a significant change management firm, uses the ADKAR model.

Building blocks of the framework include

- Awareness
- Desire
- Knowledge
- Ability
- Reinforcement

Elements of ADKAR follow a natural process of how an individual comprehends change. Desire can only happen after the awareness of the need to drive or lead change triggers the desire. Knowledge can only be acquired unless there is a firm desire to gain the knowledge to succeed or change. Ability is turning knowledge into action. Ability or skill can only be acquired after expertise is acquired. The ability of an individual or team can be achieved when the assigned goal or task is achieved with the most designed outcomes. Reinforcement represents those internal and external factors that sustain a change and change behaviors. External reinforcements include recognition, rewards, and celebrations tied to the change's realization. Internal reinforcement consists of the person's inner satisfaction with their accomplishments.

ADKAR provides a tried-and-tested solution to drive organizational changes in any organization. Whether an M&A, divestiture, or digital transformation impacts a specific business unit, the framework can be leveraged for any situation. The ADKAR framework can be triggered once the need for change is identified for either an M&A or digital transformation.

Change management tools that can help navigate change are Communications, Sponsorship, Training, Coaching, and resistance management. ADKAR phases of changes can be assessed through employee feedback for awareness, change leader feedback on the desire of the team, training feedback for knowledge, performance feedback on ability, audits, and compliance for reinforcement. The framework can be provided as a tool for the change leaders who are driving digital transformations or M&A. The framework works exceptionally well when supported by a small team and senior leaders of an organization.

While ADKAR is a multi-purpose tool and framework to drive change, in the context of M&A and driving digital transformations, the framework will be leveraged as an execution tool. Primary priority will be given to the business context of M&A and the speed of Digital Transformation that suits the given situation.

2.7. Designed for Digital, How to Architect Your Business for Sustained Success:

Designing for Digital is about designing teams for Digital transformation and being relevant to ever changing demands of the business. Digital business design is above and beyond IT architecture, restructuring, or targeted end state. Jeanne, Cynthia, Beath & Martin (2021) indicate that Digital business is constant realignment of people, processes and technology to deliver new digital value propositions.

The authors conducted extensive research and indicated that the building blocks for the digital transformation are an Operational backbone, shared customer insights, a Digital platform, an accountability framework, and an external developer. The framework proposed by the authors can be applied to a digital transformation initiative in a preexisting stable environment. The authors highlight that adaptability is the key principle to designing and making a digital organization a success.

Operational Backbone is a set of standardized systems, processes, and a typical setup of data points supporting a company's core operations. Shared customer insights are knowing about the organization and industry, what the organization and client will pay for, and how digital technologies can deliver on business demands. The accountability framework is the distribution of responsibilities for digital offerings and components. The external developer platform is about leveraging open-source codes and repositories available for anyone to Fastrack building digital platforms. A digital platform, another framework building block, indicates a repository of business, application, infrastructure, and data that will help create digital offerings.

The framework has some fundamental gaps for adoption in M&A or divestiture situations. When a brand-new organization is created or goes through hostile takeovers, organizational change, business transformation, resource retention, and client management will take center stage in M&A. The proposed framework doesn't step into technology integration, mapping the digital platforms to various business functions and mapping the order of priority in the context of M&A. The Framework is generic and should focus on the current world's digital transformative technologies such as IoT, Artificial Intelligence, Machine Learning, SAAS, PAAS, and IAAS product lines available in the market.

2.8. Board Succession Planning After Merger:

The board of any organization makes decisions, maintains control, and produces business for the combined entity after M&A. Knowing the key players and their relationships with the organization and preserving the value of those relationships at the board level are important factors to consider during the pre-merger stage.

McCrea (2022) highlights that the future direction of a combined entity post-merger needs to be agreed upon during the pre-merger stage. Succession plans for the current officers and

directors and cultural fit are a few priority items to consider in the future. A recommendation from the author is to set up two boards: one board focused on technology, operations, and day-to-day contact with the key stakeholders, and the other board focused on business planning and strategy. While the two boards can overlap in some areas, the boards must be focused on creating a better future for the future organization. When choosing the officers on the board, skills, expertise, and fitment were focus areas.

Best Practices suggested by the author are

- Start Early planning for the board
- Take Early steps to identify individuals
- Take precautionary steps when one or both organizations are family-owned
- Evaluate the need for two boards
- Balance the long timers on the board with infusing new individuals into the board.

Board planning needs to happen in the first M&A meeting. Factors such as honoring legacy, inducting new experienced members, and keeping the outcome of a combined entity need to be taken into perspective during the early planning of the board. Identifying individuals for a board is challenging for the M&A team, so taking early steps is always beneficial. In the case of dealing with family-owned businesses in M&A, many challenges might crop up during the journey, as there will be a power struggle to give up control. It's essential to start early, have open dialogue, and structure board responsibilities to avoid conflicts and be objective. Evaluating the need to have two boards with few synergies between them is a more innovative approach. Inducting new board members with relevant experience benefits the newly created organization by M&A.

While the author highlights the importance of succession planning in M&A and the need to start early and look for challenging situations when creating a board, the analysis that needs to support the business transformation, digital transformation of the business, and right decision-making frameworks for different aspects of board planning are not emphasized enough.

The article does not highlight the required structures within the board that will make the board successful for short-term and long-term goals. However, the author highlighted the importance of succession planning in M&A. To make M&A and digital transformations successful, Boards may have to consider rolling out the steering committee and management committee, which own the projects and programs.

2.9. The Challenges of Change Leadership in Post-Acquisition Company Integration from the Perspective of the Personnel:

In a case study where one company acquired another company, the author analyzed the strengths and weaknesses of each company identified as a part of the post-merger. Employee perception, the ability to react fast to changes, honesty and openness, industry knowledge, and knowing client language were a few strengths identified by the analysis. Bureaucratic and stiff systems, slowness, and conservative working styles were identified as weaknesses in a few pockets of the organization. While one organization had a hierarchical structure, others had an adhocracy structure. Post Integration surveys captured the perception of employees on the overall merger, impact on the brand, organic growth of the company, job losses, employee fitment into the new combined organization, and overall attitude and expectation of employees.

Organizational structure, Process and procedural changes, cultural dynamics, overall benefits to the teams, benefits to the combined organization, and perception of the changes were at the center of both organizations during the integration process. 27.1% of the employees who

left the organization indicated that the inability to adjust to the new culture was the primary reason for their departure.

The surveys in the case study indicated that senior management should have used a hands-on management style, and the feelings of uncertainty and confusion were high when the communication from leadership felt too general and vague. The speed of integration and involvement of broader teams in decision-making were satisfactory and essential. Case study analysis and findings highlighted that challenges were centered around post-acquisition integrations, cultural integrations, change resistance, and high turnover.

There are a few gaps in the analysis. The analysis provided by the author caters to the cultural sensitivity and involvement of leadership teams more actively during the integration and post-integration process. The framework doesn't give a broader view or best practices to tackle the pre-merger, merger, and post-merger for various kinds of M&A and divestitures. Due diligence is required to identify the areas where typical technical solutions are necessary versus the cutting-edge digital transformation required, which needs to be considered on a case-by-case basis. Also, the global context of M&As, the impact of digital transformations, and the impact of various industries were not considered.

2.10. Digital Transformation: Drivers, Success Factors, and Implications:

Karen, Jon & Bendik (2018) provide various definitions and insights into Digitization and Digital transformation and highlight the influencing factors of digital transformation. Digital Innovation is a process and outcome.

Digitalization, Digital Innovation, and Digital Transformation are all interrelated. The authors highlight that a digital business strategy is an organizational strategy planned and implemented by leveraging digital assets in a company through digital transformation.

Digitalization leverages digital technologies to steer structures: social structures, technical processes, technical structures, tasks, and routines. Organizational internal or external factors lead to Digital Transformations. Changing client expectations and behaviors, underperforming or overperforming business units, changing business and IT landscapes, and market competition are a few leading indicators of digital transformation. Digital transformation has driven changes in IT organizations, where new roles as CDOs and chief digital officers are part of the business side and take up a few CIO responsibilities.

Digital transformations due to internal or external drivers put undue pressure on teams to restructure extensively. HR Transition training requirements are not emphasized enough in the framework. In the M&A context or traditional situations, resource transition and skill development are significant challenges that are not addressed in the framework. In the context of M&A, due diligence during the pre-merger phase was not emphasized as a part of the article. Classification and categorization of broader technology definitions are missing. For example, there are no references to End-user technologies, data center technologies, cloud technologies, cybersecurity, or IT governance in the paper. Measuring the success of digital transformation can be better emphasized.

2.11. Gearing up for successful digital transformation:

Osmundsen, Iden & Bygstad (2018) highlight the planning required for digital transformation in their article emphasizing digital technology platforms. The authors highlighted that digital technology platforms form the foundation for business success that helps businesses sustain the impacts of globalization, competition, and position in the market. Organizations must know the best ways to exploit and leverage digital infrastructures such as mobile technologies, cloud computing, software services, artificial intelligence, machine learning, software-defined

networks, and the Internet of Things. The authors highlighted that the business products and services are directly influenced by the digital technologies deployed in the organization.

Authors have quoted that digital transformation reinvents an organization's vision, strategy, structure, processes, capabilities, and culture. Digital transformations are the steppingstones to modernize entire markets and industries globally. For example, Digital transformations have redefined markets and industries like Uber and Airbnb. Shipping giant Maersk introduced a digital transformation of the blockchain platform in partnership with IBM to track goods shipped by them. Disney Parks invested \$ 1 billion in the MyMagic+ platform to optimize and enhance the visitor experience. RFID-enabled wristbands have enabled this feature. To help self-driving capability, GM bought autonomous driving software startup Cruise Automation. GM invested \$500m in this technological digital transformation.

The digital transformation framework can ideally consider strategic, technological, human capital, and organizational and cultural dimensions. 6 Enterprise level dimensions are

1. Strategic Vision
2. Culture of Innovation
3. Know-how and Intellectual Property
4. Digital Capability
5. Strategic Alignment
6. Technology Assets

The approach helps to benchmark organizational maturity within the digital transformation space. Bringing in external expertise is always a good idea to drive digital transformation frameworks in any organization.

The framework considers a single entity to modernize through the digital transformation journey but doesn't consider growth aspects of the organization from an M&A and divestiture perspective. Due Diligence or discovery at various stages of the M&A is missing. Senior stakeholders' due diligence and objective analysis will pave the path for digital transformation. The study did not highlight the security, compliance, and country-level and state-level mandated compliances required for digital transformation. The impact of vendor management and overall governance with business and IT stakeholders could be emphasized further.

2.12. Managing Digital Transformation: Scope of Transformation and Modalities of Value Co-Generation and Delivery:

In their publication, Cennamo, Dagnino, Minin & Lanzolla (2020) indicated that digital technologies transformed their organization's boundaries, workflow processes, organizational structures, roles, and interactions. The authors highlight that digital transformation affects the organization in terms of restructuring and refining strategies, methods, innovation, and governance structures.

Organizations leverage digital transformations to drive efficient initiatives or to better collaborate with end-users, clients, vendors, suppliers, and other B2B organizations. Data, Digital Platform readiness, and AI transform digital strategy and business models. Cennamo, Dagnino, Minin & Lanzolla (2020) cited that Guenzi & Habel (2020) identified the following four processes to be modified digitally –

1. Prospecting
2. Qualifying
3. Presenting
4. Follow-up

Supplement, Substitute, Simplify, Share, Support, and Service are a few models to be considered as a runway for digital transformation. Digital Mindsets, such as fixed/expandable, growth/expandable, fixed/zero-sum, and growth/zero-sum, play a role in digital transformation. Data-driven processes, Value creation models, and value delivery models are key for digital transformation. The author highlights that data-driven processes can be leveraged for driving processes and operations to deliver legacy products; organizations can leverage ecosystems by connecting products or services within the firm's boundary with collaboration, leveraging platforms for cooperative dynamics, and an organization can connect various markets and transform industries.

In one of the compilations, Cennamo, Dagnino, Minin & Lanzolla (2020) cited that Bjorkdahl (2020) highlighted that two challenges in adopting the digital transformation are balancing the near-term strategies with long-term strategies and igniting digital change with the right path. Bjorkdahl (2020) indicated that the key benefits of digital transformation are improved production throughput, fewer incidents, efficient maintenance, effective integration to create new value propositions, and provide new methods and platforms for product development. Cennamo, Dagnino, Minin & Lanzolla (2020) cited Correani, Massis & Frattini (2020) and highlighted that when implementing a digital transformation strategy, the organization must rethink the business model, manage risk and uncertainty; they also indicated that digital transformations could fail if there are gaps in strategy formulation and strategy execution.

The authors think digital transformations can provide better client services and more innovative products that create client value. Cennamo, Dagnino, Minin, and Lanzolla (2020), citing Guenzi and Habel (2020), indicated that transforming too many aspects of business using

digital transformation introduces challenges around lack of prioritization, unclear organizational responsibility/ownership of digital transformation and unstable client experience.

The authors highlighted that transformation initiatives can enhance services such as chatbot integration with company service management tools and a higher degree of automation. Cennamo, Dagnino, Minin & Lanzolla (2020), cited Kretschmer & Khashabi (2020), indicated that digital transformation requires complex dependency planning for designing a digital organization, and planning organization structure to support digital transformation should be given the most importance. Mapping information flows to production processes, matching digital strategies to evolving business strategies, and decoupling processes that derive short-term benefits to long-term benefits are key driving forces in digital transformation. Cennamo, Dagnino, Minin & Lanzolla (2020), cited Solberg, Traavik & Wong (2020), identified management challenges during digital transformation could be dealing with digital mindsets of employees who ideally can't envision digital transformation initiatives as opportunities for professional enhancement. Cennamo, Dagnino, Minin & Lanzolla (2020), cited Kostis & Ritala (2020), inferred that frequent and continuous experimentation with new tools, processes, and methods enables and enhances performance.

Experimentation requires upfront investments, new roles, and commitment from various teams to experiment, produce results, and eventually adapt to new ways of working. Creating agile teams with industry experts, better coordination, and governance of joint projects will provide the required results expected by digital transformation.

While the authors provided various perspectives and guidelines, they did not focus on the measuring criteria to drive digital transformation. Criteria followed by specific KPIs and measuring methods are instrumental in measuring the success of any digital transformation

efforts. While the author highlights many benefits and perspectives from multiple authors, the paper doesn't consider M&A or divestiture as a premise. Many ideas and approaches can be adopted in M&A initiatives. Dependencies from vendors and contracts are not emphasized enough, derailing digital transformations. Risk Management is not stressed in detail in the context of M&A or a single organizational digital transformation.

2.13. Post Merger Integration:

Bodner & Capron (2019), in their analysis of post-merger integration, indicated that during the post-merger phase, the need for autonomy and strategic independence play an essential role in the success of the M&A. Bodner & Capron (2019) cited Hapeslah & Jemison (1991) presented the four models as Holding, Preservation, Symbiosis and Absorption that can act as decision making models in determining the ideal approach for post-merger integration. The merger Integration process encounters challenges such as Capturing synergy, client disruption, structural Integration, employee retention, loss of identity, customer retention, emotional impact, loss of status, and learning challenges.

Speed of integration and objective considerations of integration (what, when, strategic delays) need to be determined. The degree of organizational structure integration needs to be determined based on the product lines and overall business goals. Common competencies and expertise of the acquirer and target company offer a pathway to plan for the merger. Authors highlight Post Merger assumptions, include

1. Resource Heterogeneity
2. Post-merger integration choices
3. Value Maximizing

The article highlights the challenges in the post-merger process; however, the governance model required to bring the acquirer(buyer) and acquired organization(seller) is not highlighted to the right degree of detail. Emphasis is on a high-level business framework. The need to bring two different organizations together can be researched further. KPIs around team dynamics, technology requirements, and creating 30-60-90-day plans in post-merger activities are missing. HR transition, basic IT transition plans to a new organization, getting the IT applications ready, managing the contract risks, communication plans to the end-users, facilities readiness to ensure the acquired company, application business analysis, identification of business-critical processes, developing the migration of critical processes, applications, database systems to support the business can be researched further in the post-merger integration. After the business merges with two companies, the steering and management committees must be established.

2.14. Metrics that Matter – Microsoft:

Microsoft (2020) leveraged the Core services engineering and operations solution to track the most critical business processes and systems to drive quality results. Microsoft leverages the Power BI product for data visualization needs as the product provides an enterprise platform across the globe. Microsoft's digital team, which previously owned core services engineering and operations responsibilities, leveraged the Power BI platform to manage the scorecards required by the organization. A few focus areas were metric categories of business key results, user engagement, and service excellence. Identifying the right KPIs that reflect the overall effective performance of the organization, customer satisfaction, and financial performance are all critical for Microsoft. Knowing the goals in digital transformation, how the goals are measured, identification of metrics for each of the goals, strategic metrics, operational metrics, and financial metrics, and getting agreement with executive leadership lay the foundation for managing and

measuring the digital transformation function. Microsoft indicates that while business groups focus on metrics and KPIs within a business unit, it's important to have overall metrics to measure the performance of digital platforms. High-level KPIs, the next level of KPIs to support primary KPIs, and the ability to publish the data from the dashboard are essential considerations while structuring dashboards with KPIs. Microsoft proposed a framework to consider when defining the metrics for any digital organization. The framework is broadly classified into eight sections

1. Define and review organizational objectives with leadership
2. Collect and review available metrics with process owners
3. Review and Refine list of metrics with leadership
4. Get signoff on the dashboard metrics from leadership
5. Create and test the scorecard solution
6. Finalize targets for metrics
7. Run the first scorecard review and test metric targets
8. Finalize the scorecard and implement

The framework provides a roadmap for any organization to define KPIs. However, the framework doesn't provide specific guidance on KPIs for various digital transformation solutions that play an essential role in M&A. Infra, Apps, data, cloud, end-user technologies, cybersecurity, compliance, Network, storage digital solutions with structured KPIs are missing in the whitepaper published. Financial Metrics, Service management metrics, and cutover planning are missing. Operations readiness is a few other metrics that could have been explicitly mentioned. Governance models required for data collection and reporting can be highlighted further. A holistic view of M&A or divestiture needs to be taken into perspective.

2.15. Digital Transformation is not about technology:

Tabrizi, Lam, Girand & Irvin (2019) provide an analysis that can be leveraged as building blocks in implementing digital transformation initiatives. In the context of successfully implementing digital transformations, business strategy plays a foundational role in making decisions. While Speed, innovation, and digitalization might be the pillars of the digital transformation perspective, the technical objectives must be mapped to business objectives such as speed to market, high-quality production capabilities, and effective supply chain management.

One highlighted lesson is that the combination of tools and technologies differs from organization to organization, and the digital transformation teams must adapt to such situations. Depending on team members with intimate knowledge of the environments and business can help drive workflow efficiencies and bring in digital transformation benefits. To maximize client experience, making more minor changes to different tools at different points in the service cycle with clients intimately involved in the process is ideal. Another idea highlighted in the paper was to bring the startup culture where rapid decision-making and refinement of decisions and actions during the journey are hallmarks of such a mindset. Agility and prototyping decisions and the transition of technologies that reap the best benefit to the business units need to be structured with the right stakeholders. Identifying and evaluating schedules for implementing digital transformation efforts and reaping the benefits of digital transformation are essential aspects of the digital transformation journey. Addressing the mindsets of teams, leaders, organizational cultural challenges, and processes is critical in driving technology transformations.

The authors provide a good synopsis of the best practices for successfully implementing digital transformations. These best practices can be universally applied to any industry.

However, the framework doesn't consider the context of M&A, global challenges, vendor management, contracts, security, and compliance. When multiple organizations are brought together during M&A, the change introduces various challenges to buy-side and sell-side organizations, which need different thought processes.

2.16. Understanding Microsoft Digital Transformation Strategies:

Microsoft (2023) highlights the Microsoft organization's digital transformation strategies focusing on traditional IT environments and business operations. Microsoft acknowledges that digital transformation practices that empower 220 thousand Microsoft employees are an ongoing journey focused on constant refinement focus. While disruptions catalyze IT and business transformation, agile practices and processes should adapt to new products, services, regulations, and conditions.

Microsoft believes that vision is the bedrock of all decisions at all levels of planning and execution. Ruthless prioritization, identification of areas to divest, invest, setting high standards for quality, delivery, cost, and compliance. Customer satisfaction, end-user experience, developing capabilities and capacities, and a keen focus on costs and compliance will pave the path for a successful digitally transformed organization. Investments in required platforms and decisions based on available and evolving data are essential in transformations.

In Microsoft's digital transformation journey, strategic priorities are deploying cloud-centric architecture and operations, improving platform services while keeping costs flat, and service reliability enhancements by standardizing monitoring platforms, auto-alerting, standard incident management processes, and providing powerful feedback loops. From a security point of view, Microsoft highlights the importance of zero trust models, multi-factor authentications, managing phishing attacks, and making the security operations center mature

will enable an enterprise to be successful. Data strategy for the organization from the point of growth, AI & ML requirements, and data analytics will form another transformation pillar. Enabling products for productive enterprises and deploying productivity apps and customer health analytics will help the organization be successful in the digital transformation era. Microsoft believed in vision-led, world-class execution focusing on a transformed operating model, product-based approach, and modern engineering practices for making digital transformation an enabler in the organization's success.

Microsoft has given visibility to its digital transformation journey and how an organization can adopt and adapt to best practices. The practices will enable a single organization to transform its digital footprint. However, the paper doesn't connect the dots for a business going through a transformation through M&A or divestiture. While the best practices act as general guidelines, the business context of M&A, greenfield, and brownfield situations must be handled differently.

2.17. Impact of COVID-19 on Digital Transformation:

Gabryelczyk (2020) reflects on the impact of COVID-19 on digital transformation and the lessons learned from the public administration sector. COVID-19 reshaped and redefined the business strategies and definitions of sales, marketing, service management, and operations in the business world. The pandemic impacted the public and private sectors equally, where both sectors opted to redefine their processes and develop new procedures at unprecedented speed to adapt to the changed world. The analysis focuses on the maturity model proposed by Deloitte for the public sector, concentrating on strategy, leadership, workforce, culture, and end-user focus.

COVID-19 triggered the public sector to focus and relook closely on business continuity planning and policy management, crisis management planning, remote access management

technologies, and driving transformation in these areas. Pandemic situations demand leadership skills to recreate new working cultures and processes, enabling teams to operate remotely and build confidence in teams. The author highlights that the COVID-19 situation accelerated digital transformation, which demanded that the public and private sectors relook at the transformation of networking technologies.

The publication clearly highlights the technologies, business processes, and ways of conducting business that were impacted by the pandemic. While the paper doesn't directly provide guidance on M&A and digital transformations in the context of M&A, it certainly highlights the areas that one needs to plan proactively to be pandemic-immune to any digital transformation in the M&A situation.

2.18. Overcoming challenges of midstream digital transformation:

Bernard (2023) highlights that digital transformation is an ongoing journey with a focus on data strategy as a key influencer in the transformation journey. The paper considers the Oil and gas sector and highlights that extracting value from data is challenging in the transformation journey. The ability to make timely decisions and improve operational efficiencies depends on data gathering, transmission, distribution, and analytical systems in place.

A unified data model can create a unified standard view of the entire operation from top to bottom. The paper highlights that AI and ML tools and models will be key in delivering and analyzing unified data models. The author highlights that executive commitment to leading digital transformation, their ability to communicate change, and their ability to drive execution play an essential role in making the transformation journey successful. Undoubtedly, the recommendation on the unified data model, data gathering, transmission, and analysis systems can be applied to M&A situations.

The author provides a point of view on the transformation journey of data modeling and data management, which can be a subset of the post-merger integration process. In the grand scheme of M&A and applying digital transformation strategies, the proposed recommendation is not comprehensive enough to consider all aspects of M&A and digital transformation during M&A.

2.19. Implementing a digital transformation strategy:

Correani, Massis, Frattini, Petruzzelli & Natalicchio (2020) indicate that rapid data growth generated by applications and devices each day is making organizations rethink and reorganize themselves on digital strategies to create value and keep up with the pace of changes. The paper provides analysis, observations, and findings on the impact of digital transformation on businesses. High-speed internet services have transformed how businesses function today and paved the superhighway for digital technologies to transform organizations. New digital technologies drive the flexibility of products and services, continuous innovation, and response to client and industry demands. Digital strategy formulation should always consider the business model in the context of economic and business conditions. Building blocks of digital strategy implementation are resources, capabilities, stakeholder engagement, and the ability to execute the plan. Consumption data and utilization data about services are essential in digital transformation implementations.

The building blocks proposed for implementing the strategy are scoping, managing internal and external data sources, managing data platforms, managing People, managing partners, AI and ML modeling, Information and Knowledge management, managing processes and procedures, reviewing transformed activities, tasks, and services, and customer engagement.

Building blocks provide a framework that can be piloted for digital transformation initiatives. However, the framework can't be generalized for every given situation of digital

transformation. Extensive M&A activities might not be appropriate in the context of M&A and leading digital transformations in divestitures. The proposed framework's applicability must be validated from situation to situation and adapted accordingly.

2.20. Digital Mindsets for Digital Transformation:

Solberg, Traavik & Wong (2020) stated that the fundamental belief that technologies drive innovation & competitive advantage is highlighted in the paper from inception. The success of digital transformation initiatives depends on adopting employees and adapting to the change driven by digital transformation. Belief systems drive employee minds; these mindsets are essential in leading and accepting digital transformations. Organization structures support processes to support collaboration, innovation, knowledge sharing, continual improvement, agility, and flexibility.

Digital transformation success also depends on individual, team, and shared mindsets, as the change impacts multiple facets of an organization. Incremental theory believes in incremental improvements. Zero-sum and expandable sum are two different mindsets; zero-sum indicates that gains by one party correspond to losses for another, and expandable theory suggests that all parties involved will gain from the situation. One of the digital mindset matrices provides a perspective where collaborative and competitive skills are mapped against competence development to create four quadrants of mindsets.

Firstly, fixed/zero-sum mindsets are competitive and have low competence; second, fixed/expandable digital mindsets are created when resources collaborate with low competence. Third, individuals who develop competence create growth/zero-sum mindsets; fourth, resources who are collaborative and competent transform into growth/expandable digital transformation.

The framework provides an opportunity to perform due diligence in understanding the individual team cultures and structuring the transformation strategy in various M&A situations.

The framework provides advice to both employees and managers, which can benefit both sides of the company during M&A in the broader context of M&A between two organizations. Digital transformations in the context of M&A need to be handled carefully from the point of view of human resources transitions, contract management, facilities management, and technology management for both entities.

2.21. Assessments, Readiness, and Recommendations for Successful Digital Transformation:

Gale & Chris (2017) indicate the seven drivers that influence digital opportunities in any given situation for an organization and provide a scoring system. The scoring system clarifies if the organization needs to aggressively drive the voyage of digital transformation as the organization is ready; alternatively, based on the scores, an organization can take a conservative approach of performing proof of concepts and then embarking on the journey. A few examples are Amazon and Uber, illustrating incredible digital capabilities to meet the demand at lightning speeds, platforms such as Glassdoor for employees and Yelp for consumers, providing instant digital feedback loops for consumers, and the ability to scale instantaneously and manage the change effectively will guide decision-makers in an organization.

A few recommendations provided in the paper to support the digital transformation journey are getting executive support, managing temporary failures during the digital journey effectively, defining metrics that truly measure the digital transformation success of the specific organization, building capabilities, willingness to alternatives, and being customer focused are few selected viewpoints shared in the paper. The authors suggest that the leaders and

teams be digital explorers with an ongoing focus on innovation. Digital explorers are in the mode of noticing, predicting, and adapting to situations.

M&A drives many cultural business changes and market changes and will impact the buyer and seller organizations sensitively. The proposed frameworks, scoring systems, and establishing digital mindsets in organizations are dependent on many situations and complexities. It's important to assess the M&A business context and then approach the situation with a few recommendations provided in the paper. The article doesn't take into consideration the soft elements that get impacted in the form of attrition, automation, releasing resources, etc.

2.22. Development of Digital Transformation Maturity Levels:

Gokalp & Martinez (2022) state that the digital transformation capability maturity model focuses on mapping the capability dimensions with the process dimension. The capability dimension matures from phases of incomplete, performed, managed, established, and predictable to innovation. The process dimension maps the strategic governance, IT, digital process transformation, and workforce management aspects of the process. From a digital transformation capability planning perspective, the journey from not having a digital transformation initiative in an organization moves to the performance stage by creating a roadmap, portfolio, and training resources and creating an organization to drive digital transformation. To manage the capability journey in digital transformation, the organization needs to conduct pilots, proof of concepts, creating standards, guidelines, procedures, and processes for areas of data, application, and other technology areas. Once the capabilities are established, the organization must mature to create vertical integration and horizontal integration by making data-driven decisions. This stage makes the digital transformation journey predictable before becoming a self-organized, innovative, digitally transformed organization.

M&A is a significant understanding by any organization. To create a digital organization from inception or maturing an organization to a gold standard digitally transformed organization, the change is a monumental effort. The capability maturity model for digital transformation can be applied after the merger is successfully completed with two organizational entities.

2.23. Business Model Innovation and Digital Transformation:

Tavoletti, Kazemargi, Cerruti, Grieco & Appolloni (2022) state that managing consulting plays a vital role in demystifying the challenges around digital transformation. The framework proposed by management consulting firms lays the foundation for digital transformation.

Business model innovation through digital transformation is the most widely accepted method across industries. Value creation in the form of capabilities, partnerships, and processes, value proposition in the form of offerings and client relations, and value capturing in the form of revenue and cost models pave the foundation of the model proposed. The next focus area in business transformation is an analysis of the data collected through direct observation, interviews, and documentation. To drive business model innovation, an in-depth understanding of digital technology offerings and business processes is instrumental in succeeding. Thorough due diligence during the initial stages of value creation discussion with technology and business stakeholders, as well as proposing the business model innovation to propel business models, will yield successful results. Business model innovation is required to be an ongoing pursuit rather than a one-time exercise in any organization.

The best practices innovation in Business models can be used as a subset for the M&A activity between two organizations. The proposed framework doesn't explicitly

provide recommendations to leverage the best practices in M&A situations. For M&A stakeholder management, decision-making at different levels of the steering committee and management committee are required to be formed so the business transformation discussions can be handled successfully.

2.24. Summary:

A study of the literature on digital transformations and merger acquisitions from various profound authors, researchers, publications, and technology leaders such as Microsoft clearly indicates that there are many frameworks and best practices with a focus on a few specific topics. However, there is no integrated approach from due diligence to go-live of business from a technology perspective.

M&A is a major capital investment an organization will make to expand its capabilities and market share. M&A is a corporate strategy where a company purchases another company in liquid cash or through stock offerings. The selling and buying organizations undergo a significant digital transformation journey during the M&A exercise. Literature provides specific guidance on selected topics but doesn't provide overarching direction to the reader. There is good literature available on HR transition, change leadership, digital transformation, and digital mindsets, but there is no literature that clearly outlines a framework that provides best practices for bringing all aspects together in an M&A situation. The organizations are integrated through digital transformations. Factors that influence digital transformations must be taken into consideration to define the best practices of digital transformations.

The published literature considers an organization that is preexisting and planning to go through digital transformation to achieve business transformation and growth. I

haven't come across the literature that takes capital budgeting, operational budgeting, and project and program budgeting into perspective. Most of the literature has taken global context and provided their analysis for a specific industry.

Governance, HR transition, stakeholder management, business situation analysis, and legal & compliance reviews become the initial focus before embarking on the digital transformation of all technologies to help stand up the newly created organization. When a new firm merges into a buying organization, the buyer needs to make many short-term and long-term decisions with the consent of the board and CEO to enable the entire transformation. I will focus my research on bringing the best practices from the point of view of highlighting the factors that influence the post-merger integration between two entities.

The digital transformation journey must follow in the footsteps of the Merger and Acquisition business transformation journey between two entities which requires significant capital investments in bringing two organizations together.

Chapter III

3. METHODOLOGY

3.1. Overview of the Research Problem:

When two organizations with different business models, technology platforms, working cultures and operating from different locations try to become a single entity then the amount of changes that impact both sides of the organization is multifold.

Not everyone in both the organizations fully understand the business logic behind the mergers, acquisition or divestiture. While the acquiring organization makes every effort to communicate to both organizations and ensure the assurances are made for smooth transition to future state, the journey of integrating two companies is not as easy summit to conquer. The typical challenges in M&A transformations are

1. **Lack of understanding of end-end integration processes:** Unless the organizational change management is effectively managed, both the companies will experience major confusion during integration process.
2. **Technology solution planning challenges:** when two companies merge, the buyer and seller organizations experience major changes. Facilities where the office employees are located, the email infrastructure, the laptops the employees use, the laptops, the core applications, policies, procedures, clientele engagement model go through changes. The organization which is acquired will go through technology changes to an extent that every technical solution had to be revisited.
3. **Matching business requirements to technical solutions:** Understanding business requirements, matching the requirements to technical solutions to cater to both buyer and seller companies is a complex undertaking as the buyer organization has to determine if a greenfield solution has to be deployed or extend existing solutions. To make correct decisions on the right solutions the buyer needs to cognizant of many factors simultaneously.**Lack of maturity in requirement gathering:** When two companies

merge, the requirements gathering process plays a vital role. Documenting the requirements prior to buying process for all aspects of operations in infrastructure, applications, business processes to estimate the costs of integration is a complex exercise. Due to the number of solutions, compliance and security requirements that needs to be focused, the requirement gathering under tight timelines is a challenge that impacts the buyer.

4. **Potential negative impact of the contracts:** when two organizations irrespective of its size exist for sometime, the companies work with multiple vendors, service providers, datacenter hosting providers, software licensing providers, employee sourcing providers. A contractual document is formal way of binding between the service provider and an organization. When two companies go through merger, the buyer has to review the contracts that the seller has signed to evaluate the risks and either change the contractual terms and conditions or novate the contract by accepting all terms and conditions.
5. **Challenges in people transition and cultural dynamics:** When two or multiple companies merge, the challenges around rehiring from one company to another, managing the employee benefits, creating new roles in the buyer organization are challenging areas of the integration. Typically the employees are protected by federal laws FLSA (fair labor standards act), OSHA (occupational safety and health act), FMLA (family and medical leave act) and other state level regulations. If the organization is global in nature then the respective country laws protect the employees. During M&A, the buyer will have to take into consideration the commitments made to the employees by the seller company to avoid law suits that will hinder the integration process. The other people transition challenges includes attrition of the critical resources which will hinder the integration process. Creating the team synergies, transfer of intellectual properties, optimization of costs, revenue growth, profit margins, digital transformations, best practice management will have an impact if the people transition is mismanaged during

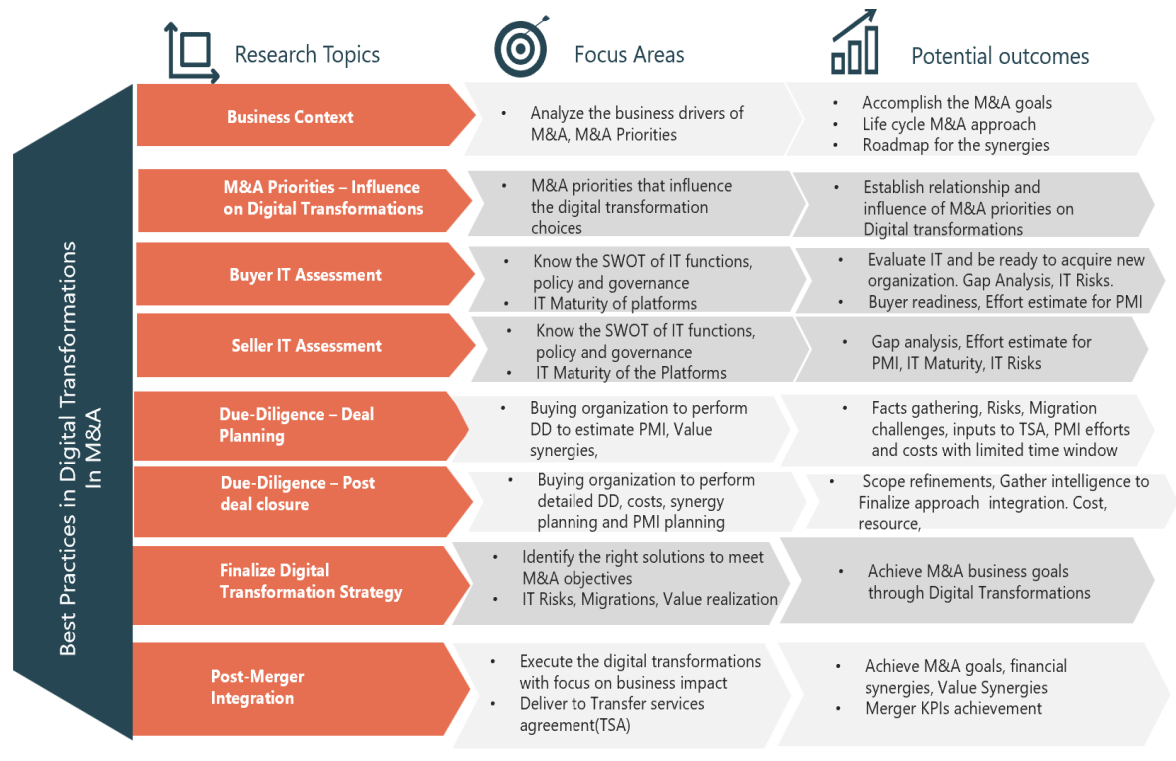
M&A. The overall business case to merge two companies can be at risk if the people transition is mismanaged during the course of the merger.

6. **Inability to integrate the companies through solutions:** The ability to execute technology solutions in right order by mapping all the dependencies is a complex exercise unless all aspects of due diligence, solution planning, solution selection and execution happen in seamless fashion. The mission statement for the research will be to take end-end perspective of the Merger and structure the best practices during the course of the merger journey to ensure the merger integration is achieved successfully using the digital transformations.

Identifying best practices in digital transformations in M&A requires a lifecycle understanding of M&A, focus on the areas that have definitive impact on the outcome of M&A Integration. Focus areas of research provide the boundary for the research and objectively pursue the next steps in identification of approach, analysis and eventually the results.

Digital transformation in M&A is a groundup activity by bringing multiple organizations, business units across the organizations together in M&A. When M&A occurs, it's a corporate restructuring exercise of both the organizations involved, with impact on many stakeholders on both sides of the organizations. Understanding the decision-making process of M&A, the deal-making process, and the objectives of the merger will lay the foundation for the digital transformation solutions required to integrate both companies. To highlight the best practices in digital transformation, it's essential to keep the entire lifecycle of M&A in perspective, including the decision-making process of business, decisions that influence the outcome, and dependencies before carving out the best practices for digital transformation. The broader research topics that can be focused in research are highlighted below.

FIGURE 4- RESEARCH FOCUS AREAS



The research focus areas can be broadly classified into understanding the business context that influences M&A, identification of M&A priorities that influence digital transformations and business transformations, IT organizational and IT platform maturity of the buyer and seller organizations, due diligence before deal closure and due diligence immediately after the deal is closed, digital transformation decisions to be made immediately after the due diligence is completed after deal-closure, with focus on getting the businesses integrated with minimal impact and ultimately performing the post-merger integration.

3.2. Operationalization of Theoretical Constructs:

Literature review on Mergers, Acquisitions, Divestitures, and Digital transformations help to create the broader domains for research as research focus areas. Measurable results in each of the research focus areas provides direction and platform to derive research outcomes.

Identification of important parameters, identification of priorities for each of the parameter helps in constructing a model for the best practices in digital transformation.

Theoretical concepts to drive change include ADKAR, Lewin's change management model, PEST, ITIL, IT Governance and various other frameworks. Existing knowledge helped in interviewing experts, framing questions for the surveys, reviewing the results with the experts. The theoretical constructs and interviews will help in creating reusable models and guidelines for due diligence, post merger integration aspects of the research.

3.3. Research Purpose and Questions:

The research aims to identify the best practices for Digital transformation in the context of M&A and divestitures. The structure and methodology taken for the research were organized by broader domains of M&A. Based on the literature reviews and objective analysis of digital transformations, it was evident that the best practices for digital transformations can only be possible by considering the entire lifecycle of the M&A. Taking end-end lifecycle of M&A, key influencers at different stages of M&A lifecycle, aspects that influence buyer IT organization, seller IT organization, factors that influence choice of technology solutions were considered as broader domains. The research will be geared towards bringing in the highlighted aspects under one umbrella so to provide a platform for future researchers to take it to the next levels.

3.4. Research purpose on Business Context:

Business context provides a broader context for companies to merge. It also presents parameters the companies consider when they are merging. Business context relates to the business drivers for the corporate restructuring of any organization. M&As can be situational, mergers can happen regionally or globally to achieve business growth and value synergies. M&As and Divestitures can present challenges and opportunities for the acquiring organization as both the organizations pass through major change processes at all levels of the organization. While the overarching objective of the research study is to highlight the best practices in

digital transformations in M&A, a clear understanding of merger, acquisition, or divestiture is foundational in choosing the suitable digital transformation during post-merger integration.

The research purpose around the business drivers is the foundation that eventually drives the choice of technological solutions for transformations in the integrated entity. For a technology or business practitioner of M&A, the knowledge around entry and exit points in an M&A process is critical. Kinds of M&As, impact of financial KPIs, risk management need to be understood to achieve the ultimate goals of M&A through integration.

Identification of the factors that influence M&A, creating an end-end model to understand M&A, mapping the M&A outcomes that influence digital transformations are prime reasons to research and delve into the business context. Objective research into what business drivers influence the merger, acquisition, or divestiture needs to be established. Irrespective of the size of the M&A, the outcomes will help to establish a strong foundation for the overall journey of M&A.

3.5. Research Purpose on M&A Parameters that influence Digital Transformation:

Once the business context of an M&A is understood, it's required to research and identify the parameters of M&A that influence digital transformation. Reviewing M&A priorities from the context of their influence on Digital transformations will help establish the dependencies of M&A priorities on digital transformations. The finalized parameters will help refine future analysis and correction between multiple variables and analyze the patterns with a data set.

3.6. Research Purpose on Buyer IT Assessment:

The buying organization's IT maturity is essential in the M&A transformation journey. Importance must be given to the maturity of the IT organization of a buying entity as multiple decisions in transformation are contingent upon the IT maturity of the buyer. Research could focus on the importance of knowing the strengths, weaknesses, and readiness of the IT organization of an enterprise to embark on a journey of integrating another business entity.

Understanding the IT maturity of the organization helps in making the decisions around investments in resourcing, governance, engaging external service providers, technical solutions, and high-level timelines required to achieve the value drivers and business drivers while acquiring organizations.

Decisions around managing integration or outsourcing the efforts to experienced advisors, investments to be made in course corrections and processes before integration, adopting the right solution to meet the business drivers, and understanding the maturity of security, governance, compliance, and policies needs to be investigated and understood before finalizing IT integration strategy.

The purpose of the research of SWOT of technology maturity of the acquirer is to provide guidelines for brand new greenfield digital transformation solutions or brownfield solutions in the integrated environment. Greenfield solutions primarily focus on implementing brand-new solutions in the enterprise. In contrast, brownfield solutions focus on enhancing current solutions to accommodate the current workloads and meet the current and near-term business requirements.

3.7. Research Purpose of Seller IT assessment:

An organization that intends to divest itself or integrate with another business needs to evaluate its organizational maturity in governance, standards, solutions, risk, and compliance to ensure the buyer welcomes the business entity for integration.

While the buy-side and sell-side organizations have similar objectives for evaluating their IT footprint and knowing the strengths and weaknesses before embarking on the journey of the M&A or divestiture, the objectivity of the exercise is different for each side. The entity ready to put itself in the market for sale must be prepared for in-depth IT due diligence and have a low IT risk profile.

3.8. Research Purpose of Due Diligence during Deal Planning:

When an acquiring organization prepares its proposal to buy an organization, it does due diligence in multiple iterations across multiple domains. Due Diligence is concentrated beyond technology by the buyer. Leveraging market research firms and internet resources to perform preliminary analysis will help clarify the importance and fitment of the organization the buyer is planning to buy. After signing an LOI (letter of intent) and NDA (non-disclosure agreement) expressing its interest in buying an organization, the buying organization conducts formal due diligence of the organization to be acquired to analyze various data points in the time frames presented to all parties. While the intent of the acquirer is to perform detailed due diligence, due to the confidentiality clauses and limited time availability, the due diligence is not detailed enough to make the final decisions. The acquirer certainly makes certain assumptions and decisions in good faith based on the data provided by the seller's organization. Research needs to focus on the priorities that meet the business objectives for M&A. It's required to identify the parameters for DD and priorities in DDD as a part of the research.

3.9. Research Purpose of Due Diligence post Deal Closure:

Once the deal is closed between both firms, prior to the post-merger integration, the buying organization continues to perform the final round of due diligence with all the business objectives in perspective along with other dependencies for the given situation. Preliminary analysis conducted during Predeal planning will now be comprehensively analyzed to make firm decisions on the solutions. Stakeholders could include all vendors and internal and external teams from both sides to ensure the solutions are finalized and post-merger integration is performed within the expected time schedules. During the post-merger integration, the buying organization will potentially identify the solutions that will exceed the time limits set in the TSA (transfer services agreement).

In such situations where the solutions must be changed and rearchitected then due diligence will be required to identify the residual risks and technical depth to achieve overall objectives. The objective of the research will be to identify the priorities after the deal is closed.

The cumulative effect of due diligence needs to be understood based on research. Quantitative research by interviewing experts in defining the priorities will set the direction for the research and meeting the end objectives. When a buyer prioritizes due diligence changes once the target company is acquired. Identification of priorities in the list of technology domains will be an important take away. The research will be focused on gathering those priorities through expert surveys.

3.10. Research Purpose of Digital Transformations in Post-Merger Integration:

There are multiple vendor-agnostic frameworks to help succeed in the post-merger integration process that are geared towards multiple. However, the choice and priority of digital transformations depend on various broader factors unique to every situation.

The actual journey of integrating both companies happens as a part of post-merger integration. It is essential to objectively address the immediate and critical priorities in the context of integration. When both organizations start integration research needs to be done to evaluate the priorities of governance, systems integration, HR transitions, process integrations, user migrations, and many such workstreams will happen in parallel to achieve the intended objectives.

All business functions, such as HR, finance, sales, marketing, IT, customer service, accounting, and governance, will be impacted. Identifying digital transformations that offer a platform for business success will be essential for integration. Post-Merger Integration (PMI) is dependent on digital solutions integrations or the creation of brand-new solutions to ensure the newly acquired business is not impacted from a business, services, and client perspective. The research aims to ensure the correct set of digital transformations is identified and prioritized to provide the best benefits to M&A.

3.11. Future Research Areas:

Artificial intelligence and other branches of Artificial intelligence, such as machine learning, deep learning, and automation, will profoundly impact Digital transformations in

the future. The evolving disruptive digital transformations will continue to influence the future of M&As and divestitures. Future researchers can tap into the evolving digital platforms in the world and select the solutions that serve the purpose of an M&A or divestiture happening at a future point in time. Future researchers can consider referring to the world economic forum framework which focuses on AI development, ethical AI use and the importance of transparency, and access to AI technologies.

The European Union has defined AI European regulations and provided Ethical guidelines for AI models that are ethical and lawful. UNESCO, ISO, NIST, OECD, MITRE organizations provided various frameworks and guidelines on AI. Future researchers can refer to the frameworks, best practices published by the organizations and extend the M&A integration boundaries. Unlike the current research focused on the industry agnostic approach, future researchers can focus on M&A against micro verticals in the industry as financial industry, retail industry, high tech industry. The norms and regulations of each of the industries are different and there will always be influences of the country's laws when planning M&As.

3.12. Research Design:

The research methodology approach has been a hybrid model of exploratory, quantitative, and qualitative methods. Interviews were structured first to discuss risks, best practices, frameworks with the experts to to Another aspect vital to the research has been taking an iterative approach to refine and focus the data collection and analysis based on the interviews conducted with the participants. Multiple interviews will be conducted with each member to ensure the interviews will help in holding in depth detailed discussion. Survey and scoring models will provide platform for measurable data.

As M&A and Digital Transformation in M&A are two broader topics, the ongoing refinement of the research methodology from the point of refining the topics for each round of interviews with experts will be instrumental in the quality data collection and analysis with the required focus on best practices of selecting digital transformations. Prior literature reviews

and various publications provided the ground framework in formulating questions and finalizing topics to focus on in the interview process. Except for the business context domain, the other domains in the life cycle of the M&A needed experts in Digital transformations to provide an independent point of view and provide scoring. For business context, the interviews were conducted with a CFO who laid foundation for the M&A priorities. Other digital transformation experts played a vital role by participating in interviews, surveys, assessments and validating models. Expert validations at every stage of the research will help create models that can be leveraged for assessments, structuring solutions and execute post-merger integrations.

3.13. Population and Sample:

Fourteen industry experts were selected and interviewed multiple times, using questions and discussions to achieve the desired results. The sample group of experts were chosen with a purpose where they had significant M&A experience and who were willing to participate and commit to the overall initiative for interviews and surveys. Hundreds of parameters were researched to frame the interview questions and obtain responses.

3.14. Participant Selection:

The participants of the survey and interviews include senior professionals who served and are currently serving in the capacity of CTO, CIO, or Board member of a global organization and highly experienced professionals to critique and provide feedback on digital transformations in the context of M&A. Panel of experienced resources was selected who can provide concrete and direct responses for various topics.

A CFO who is a board member of a Fortune 500 company agreed to be interviewed on the business context of merger and acquisition. The interviews which started as a conversation evolved into best practices, identification of priorities and success factors of Merger and Acquisitions. The outcome of the discussions laid the foundation for all phases of my research. As the CFO spearheaded many decisions on the M&A deals, CFO was able to highlight and articulate the purpose of the M&As, divestitures, types of M&As, various factors that influence

the decisions in the M&A process. The interviews were spread over period of time which helped me to zero in on the key priorities that lead to success of M&A business transformation. The outcome of the interviews and detailed surveys helped me to create a high level workflow of M&A, carve out broader domains that influence the successful outcomes of M&A. The other 13 member experts who were part of the interview and survey pool were interviewed periodically with primary focus on the best practices of digital transformation that make the M&A successful. Visibility of progressive research was provided to all the 14 experts so the refinements were driven across the board. List of the experts who contributed to the surveys and interviews are highlighted below.

TABLE 2-DOMAIN EXPERTS

SNO	Short Name	Designation	Profile Details	Focus Areas	Location
1	BH	Member - Board of Directors	Overall 30+ years of experience. Played roles of CFO, Financial Controllers for global firms. Over 12 years of experience as board of Directors in Oracle Financial Services. Instrumental in making many M&A business decisions.	Business Context, M&A Business Drivers, Decisions on buying or rejecting a company	USA
2	RP	CTO and Renowned Technologist	Over 25+ years of experience in Digital Transformations	Experienced in Cloud technologies, Digital Transformations, Product Management, Enterprise Solutions, Best Practices in the context of M&A	USA
3	LR	CTO - Chief Technologist	Over 25+ years of experience in Digital Transformations	IT strategy. Experienced in small, medium, large corporates. Digital Transformations	USA

4	RV	CTO, Head of Data Engineering	Over 25+ years of experience in Digital Transformations	Data Strategy. Digital Transformations in Large, Medium corporations. Experienced in Buy side.	USA
5	MV	SVP of IT. Worked in NYSE to drive Infra Digital Transformations	Over 25+ years of experience in Digital Transformations	Global leader in IT strategy. Expert in M&As, divestitures	USA
6	SS	Senior IT Professional. Extensive experience in financial services	Over 25+ years of experience in Digital Transformations	Datacenters, Application Hosting. Enterprise Strategy. Senior Transformation Expert.	USA
7	SG	Head of Digital Transformations. Industry expert	Over 25+ years of experience in Digital Transformations	Global strategy. Enterprise IT solutions. Head of Americas for M&A solutions	USA
8	VK	Head of Financial Services - IT	Over 25+ years of experience in Digital Transformations	Global IT strategy. Experienced in M&A transformations.	India
9	KK	IT M&A Specialist	Over 25+ years of experience in Digital Transformations	Experienced M&A Strategist. Post Merger Integration expert.	USA
10	VR	AWS Senior Architect	Over 25+ years of experience in Digital Transformations	Digital Transformation Best Practices in the context of M&A	Singapore
11	PP	Architect and Industry expert	Over 25+ years of experience in Digital Transformations	Multi-Industry digital transformation expert.	USA
12	KW	Industry Leader in Digital Transformations	Over 25+ years of experience in Digital Transformations	Expert in AWS Global solutions. Experienced in M&A	USA
13	EN	Managing Director, CTO	Over 25+ years of experience in Digital Transformations	Business IT Transformation Leader. Expert in M&A from wall street.	USA

14	MOK	Senior IT Professional	Over 25+ years of experience in Digital Transformations	Digital Transformation Best Practices in the context of M&A	India
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TABLE 3- INTERVIEWS AND SURVEY DATA COLLECTION:

Planning Activities and Outcomes	Business Context	M&A Parameters Influence on Digital Transformations	Buyer IT Assessment	Seller IT Assessment	Due Diligence during deal planning	Due Diligence post deal closure	Post Merger Integration	Total
Interviews	4	13	26	26	26	26	26	147
Topics Analyzed	38	10	12	12	30	30	37	169
Number of Experts	1	13	13	13	13	13	13	14
Sample Size	38	130	156	156	390	390	481	1741

3.15. Survey Data Collection:

Business Context: Multiple meeting sessions will be conducted with a CFO to structure the topics on M&A. CFO has proven industry experience in managing M&A in a global context and has firsthand experience in the entire lifecycle. The engagement with the CFO will be focused on meetings to understand the end-end flow of M&A, define agreement, structure of interviews, discuss the objectives of research. As and when data had to be collected as survey responses, the meetings will be converted to interview sessions. There will be 4 different interviews to complete the survey to identify the top priorities in M&A business decisions. Multiple interviews will be organized to interview the CFO brainstorm the M&A priorities, challenges in M&A, best practices, end-end flows, etc.

Once the topics are finalized through interviews and literature research, the priorities in business context will be determined. A scoring model will be used to define the M&A priorities.

Interview questions are included in the appendix with the objectives.

Interview 1 – BH1

The first interview will be leveraged to collect the scoring for the following parameters. All the parameters are taken into consideration from the M&A perspective.

- Business drivers – the business reasons for embarking on the M&A journey.
- Digital transformations – Technology transformation solutions that drive the changes and integration to benefit the integrated entity.
- Financial KPIs – The financial metrics that are used by advisors and the deal team for decision making.
- Governance – The overall structure of policies, procedures, decision making guidelines to manage the performance of each of the work streams. IT Governance and Corporate Governance play a vital role in integrations.
- Culture – Culture is the way the teams and organization work together. Culture is influenced by the location, the longevity of the organization, nature of work and many other factors.
- Contracts – Influence of binding agreements between two organizations during M&A.
- Types of M&A – Types of the M&A as local, global and market extension merger.

Parameters will be considered as part of the first round of interviews and scoring. The key takeaway from the first round of interviews will be to recognize the ranking and priorities in M&A context.

Interview 2: BH2:

From a business context perspective, in the second round of interviews the variables that will be considered for scoring will be

- Communication – The way the organization will interact during the M&A cycle.
- Regulatory – The regulatory processes that needs to be taken into consideration based on the kind of the industry and country regulations.
- Legal – The legal processes that need to consider during the M&A discussions and decision making.
- Tax – The historical information of the tax management processes used by the seller organization. Compliance with tax laws on the regional and global scale needs to be determined.

- Risk management – The overall risk for the buyer during the M&A decision making process. The risks from the seller organization need to be taken into consideration
- Sales – The sales processes in seller organization, application that are crucial for the buyer during and after the merger integration process.
- Marketing – the marketing systems and processes currently in place with the seller company. The buyer needs to understand the current processes and evaluate the effectiveness of the processes.
- Financial – The financial processes used in the seller organization from billing, invoicing, budgeting perspective.
- Technology – The technology platforms used in the seller organization
- Post-merger integration – The processes, systems followed to merge the two organizations.

The parameters were scored to define the priorities in M&A.

Interview 3: BH3:

In interview 3, the focus will be on researching more detailed parameters in governance, regulatory, legal aspects, taxation laws, risk management, sales, marketing, financial, technology, and PMI parameters in the business context. The scores highlighted the importance of the business context parameters in M&A. Various situational questions and discussions convey that the M&A lifecycle view helps in making the right decisions for post-merger integration. Parameters that will be considered for the scoring during the interview with the expert are as provided below. The scoring of each of the items will be surveyed with all the experts.

- Complex M&As – Governance – Impact of complex M&As where there are many locations, different business units spread, and associated governance during deal negotiation and decision-making processes.
- Industry, Regional compliance – Industry regulations are mandated and governed globally and by the country and region. A seller needs to follow all the compliance

requirements. Ex: Sarbanes Oxley for financial transparency, HIPAA for Health Insurance Portability and Accountability act to protect patient data.

- Contracts and Clauses – Contract Management processes, clauses as penalties, legal obligations with any external or internal stakeholders needs to review and discussed between both parties.
- Tax Types – Besides federal and state taxes, cross border transactions, the systems that manage the tax payments for stock prices, evaluation of unpaid taxes needs to be considered by the buyer.
- Risk Management- Predeal, Post Deal – Risk needs to be evaluated by the buyer before the deal is finalized and after the deal is finalized. Identification of risks and mitigating risks from LOI (letter of intent), DD (due diligence), decisions on go/no-go decisions, financial analysis risks, stakeholder management are broader topics that need to be reviewed, and scoring must be done.
- Sales (Predeal, post deal) - The sales of the products will have an impact on the buying and selling organizational entities. Sales processes, sales tools, sales IT systems, SAS based applications need to be evaluated. As a part of interviewing the experts, the priority rating scores must be captured. Impact on the processes before and after the deal must be considered by experts during scoring.
- Marketing (pre deal, post deal) – Similar to sales processes, the marketing and branding processes need to be taken into consideration for discussion and scoring by the experts. Impact on the marketing and branding processes prior to the deal finalization and after the deal is announced in the market needs to be taken into consideration for scoring.
- Financial (pre deal, post deal) -- financial performance of the seller entity needs to be considered and the impact on the sales, revenues, profit realization needs to be considered by the expert while scoring the financial parameters.
- Technology (buyer maturity) – Score rating is required to estimate the buyer maturity to onboard new company needs to be taken into consideration while scoring this parameter.

- PMI Execution – From business context perspective, the importance of the PMI (post-merger integration) needs to be scored.

Interview 4: BH4:

Interview 4 primarily focuses on the influence of various parameters in M&A on the choice of digital transformation solutions. Additional factors such as due diligence, organizational maturity, and post-merger integrations will determine overarching best practices. The purpose and focus of interview four are to finalize the score from board members.

- Types of M&A - scoring must be done for the priority of this parameter, Types of M&As could be Conglomerate, congeneric, market extension, Horizontal, vertical, global, local, hostile, friendly mergers have impact on the outcome of M&A. Expert must take the above factors into consideration while scoring.
- Governance, Communication, OCM – Importance of executive governance, OCM (organizational change management), architecture review governance during M&A needs to be considered while scoring the parameter.
- Risk Appetite: Effect of risk appetite in a business M&A needs to be scored by the expert.
- Financial KPIs – Expert will have to score the importance of financial KPIs as revenues, auditor reports, financial ration and deal structuring.
- Synergies - Priority for long-term synergies, new market reach planning, impact on digital solutions need to be scored.
- Regulatory-Tax-Legal impact on transformations – Influence and importance of the regulatory, taxations, legal aspects on digital transformations needs to score by priority.
- Sales -Marketing-Finance impact on transformations – Influence of sales, marketing, financial processes between two organizations on digital transformation choices needs to be scored for its priority.
- Contracts- (Employee, business) - LOI (letter of intent), NDA (non-disclosure agreement), Predeal contract, Post deal contract, TSA, clauses of Day 0, Day 1, employee

contracts have influence on digital transformation solutions. The expert will have to score the priority.

- Culture (Predeal, post deal) – Impact of culture on the choice of solution needs to be scored. Specifically, the Predeal and post deal dynamics must be considered while providing the rating.
- Technology (seller maturity) – Priority score of the seller IT maturity needs to be captured by financial expert as part of the survey.

M&A Parameters Influence on Digital Transformations: 13 experts will be consulted to review the impact and influence of M&A parameters on digital transformations. Each of the following topics will be scored to evaluate and determine the priority in digital transformation journey. The data collection will have samples of 130 responses.

The parameters mentioned in the Interview 4: BH4 parameters will be reviewed by the digital transformation experts.

Buyer IT Assessment: Detailed discussions will be conducted to understand the buyer IT readiness on various parameters. Buyer IT assessment is required to be completed to make decision on the selling entity and understand the maturity, strengths and weaknesses of the target environment. Two meetings were conducted with each of the experts to discuss the topics. The first meeting will be leveraged to provide background and objectivity of various parameters, and the second meeting will be leveraged to capture the scoring. 156 sample sizes will be collected for this area.

- Ops Readiness - Acquirer IT services stability and readiness of platforms to accommodate a new company. Experts need to score the importance of the Ops readiness.
- Services Scaling – Acquirer organizations ability to scale its services to accommodate the new company need to be scored against its priority.
- Process Management-1 – Performance and conformance standards of an organization needs to be scored by its priority.

- Policy and Standards – Policies and standards for an enterprise and its ability to rollout policies for the company can be included in the DD. The parameter needs to be ranked by the experts.
- IT influencers-1 - Scoring for the IT strategy and outcome management in an organization by business strategy instituted in a buying organization needs to be rated.
- IT influencers-2 – Influence of the Internal and external factors that influence the IT strategy for any organization needs to be rated in the context of M&A.
- Process Management-2 – Priority of process management, business process management of an organization needs to be rated by the experts.
- Process Management-3 – Importance of the KPIs (Key performance indicators) to manage IT strategy needs to be rated by the experts. The KPIs and IT strategy are important vehicles in driving an IT organization.
- IT Strategy-1 – For a buyer organization, having a strategy, systems, processes, KPIs to manage (infra, apps, data, security, vendor management, service management) needs to be scored by the experts.
- IT Strategy-2 – For a buyer organization, scoring must be provided towards impact an influence of business compliance, IT compliance, country and state legal requirements. The experts must provide the priority rating.
- IT influencers-3 – Priority rating is required for the IT influencers as HR, technology risk, DR/BCP requirements. Specific considerations must be taken from M&A perspective.
- IT Governance – From IT governance perspective, what is the priority of having IT leaders (CTO, CIO), business leaders as part of steering committee. The experts are required to score against this parameter.

Seller IT Assessment: Detailed discussions through meetings are required to be concluded. The experts were interviewed to reflect upon the seller IT readiness for a merger. The survey was completed with each of 13 experts. 156 responses will be collected for analysis. Meetings will be

leveraged to collect feedback on a potential model that can be leveraged to evaluate any buyer or seller IT organization.

Parameters:

- Ops Readiness – As a seller, the IT organization needs to have matured IT operations. The experts must rate its importance from M&A perspective.
- Services Scaling – The ability to scale the services to address capacity is services scaling. The experts must rate the priority if the services scaling is required in a seller environment.
- Process Management-1 – The seller Performance and conformance standards of an organization needs to be scored by its priority. Though a seller is willing to divest, the organization needs to maintain conformance standards. The experts must rate its priority and importance.
- Policy and Standards – The seller as an organization needs to have Policies and standards for an enterprise. Experts will have to rate the need for these parameters to determine the maturity of the organization.
- IT influencers-1 - To measure the maturity of the seller organization, it's required to have the IT strategy and outcome management practice in alignment with a business strategy. The scoring is required to determine its priority.
- IT influencers-2 - Influence of the Internal and external factors that influence the IT strategy for any organization needs to be rated in the context of M&A. A seller's maturity can be gauged with the scoring of this parameter.
- Process Management-2 - Priority of process management, business process management of an organization needs to be captured for a seller organization to determine maturity. The scoring must be completed by completing a survey in the interviews.
- Process Management-3 - Importance of the KPIs (Key performance indicators) to manage IT strategy needs to be rated by the experts. The KPIs and IT strategy are

important vehicles in running an IT organization. Maturity of seller IT organizations can be determined through these metrics.

- IT Strategy-1 – For a seller organization, having a strategy, systems, processes, KPIs to manage (infra, apps, data, security, vendor management, service management) needs to be scored by the experts. Organizational IT maturity can be measured by the outcomes of the survey.
- IT Strategy-2 – For seller organization scoring must be provided towards impact an influence of business compliance, IT compliance, country and state legal requirements. The experts must provide the priority rating. Maturity of the seller business unit can be determined by this survey.
- IT influencers-3 - Priority rating is required for the IT influencers as HR, technology risk, DR/BCP requirements. Specific considerations must be taken from M&A perspective. Seller can showcase its maturity with these real time metrics.
- IT Governance – From seller perspective, the IT governance perspective, having IT leaders (CTO, CIO), business leaders as part of steering committee needs to be rated. The experts are required to score against this parameter.

Due Diligence during deal planning: Buying organization needs to perform due diligence prior to making decisions. As a part of research design, the experts were interviewed to collect the survey scores for the following topics. It's imperative to collect the scores to determine what could be important when a buyer performs due diligence prior to buying another organization. As a part of research, the focus is clearly on technology enablers. Potential sample size will be 390 responses, if all the responses are collected.

Parameters leveraged for scoring:

- HR Transition – HR transition is the transfer of resources from the seller entity to buyer entity. Importance of HR transition needs to be rated by the experts as a part of the survey.

- Facilities - Employees might be in different locations in the seller organization. As a part of M&A, the target state of the facilities needs to be considered and evaluated as part of the due diligence. The scoring must be completed.
- IT Systems- End User Services – The technology systems that address end user services needs to go through due diligence. Ex: desktops, laptops, mobile devices, technologies and apps that serve end-users needs to be considered for due diligence. The scoring rating needs to be captured.
- IT Systems – Network – The priority of capturing data around the network connectivity between offices, employees working from home, core networking technologies needs to be captured.
- IT Systems – Cloud – The priority scoring for the cloud technologies in the due diligence needs to be captured. Amazon, IBM, Microsoft, Salesforce, Oracle offer cloud solutions. When evaluating an entity to buy, experts must score if cloud systems need to be included in the DD.
- IT Systems - On Prem DCs – Datacentres are the locations where the physical infrastructure resides. Priority of including this parameter in the DD needs to be captured.
- IT Systems – Storage – Storage solutions as NAS (network attaches storage), SAN (storage attached networks), cloud storage needs to be prioritized as a part of the survey.
- IT Systems – Apps – The survey needs to determine the importance of including the apps as part of DD needs to be determined. Applications play a vital role in the M&A. Enterprise resource planning apps, locally developed apps, vendor supported applications needs to be considered as part of DD. The priority data must be captured by surveys.
- IT Systems – Data – The data that exist within an organization is either structured or unstructured data. Survey should confirm if collecting information about data from seller organization needs to be determined.
- IT – GRC - GRC refers to governance, risk and compliance. The survey should capture the information if GRC should be included in the DD by the buyer.

- Vendor Management – Vendors, vendor management is part of procurement team and policies that govern vendor management are important for a seller or a buyer. The survey should capture the priority of this topic is included in the DD.
- Contracts and Procurement – contracts bind many organizations, employees, businesses. The procurement processes to buy hardware, software, consulting hours needs to be included in DD. The priority score needs to be captured by surveys.
- Transformation Opportunities – Before buying an entity, the areas of technology transformation opportunities that will transform the processes, drive innovation in the seller organization. This should be an item in the DD by the buyer. The survey will determine its priority.
- Process Management – Priority for the overall processes for IT Ops, and overall IT strategy play an important role in the seller organization. As a part of the DD the survey must be completed.
- Capex, Opex Systems – Capital expenses, Operational expenses systems need to be part of the DD. The scoring from surveys will determine the priority of this parameter
- Front-Office Processes – The processes, applications, systems that interface with the end client’s needs to be included in the DD during the pre-deal phase. The priority needs to be determined through survey.
- Back-Office Processes – The processes, applications, systems that perform the back-office functions as accounts, backups, compliance data and backups. The priority for inclusion in DD needs to be determined by surveys
- Middle-Office processes – Middle-office processes are processing systems that facilitating the payment processing or transaction processing systems. The DD needs to include these parameters. The scoring will determine priority from the combined survey.
- Services Management Platforms – Service management platforms support the external clients and internal teams. DD should capture the details as a part of the M&A process. Scoring from survey will determine the priority of the parameter.

- Monitoring, Event Management – The apps, infrastructure and all devices needs to be monitored by IT tools. The selling organization team needs to share its tool set during the DD. The priority needs to be captured through survey.
- Emerging Technologies – Automation – The automation of activities has been in the IT echo system for many years. The buyer needs to capture this information as a part of DD. The priority needs to be determined and captured through surveys.
- Emerging Technologies – ML – Ther emerging technologies as machine learning and its implementations in the seller companies needs to be evaluated and info capture should be done as a part of the DD.
- Emerging Technologies – AI – Artificial Intelligence implementations as agentic AI have penetrated the IT world. The buyer needs to capture this information as a part of the DD. Survey should determine the need and priority of this parameter.
- Emerging Technologies - SAAS, PAAS, IAAS – Emerging technologies as software as service, platform as service, infrastructure as a service needs to be captured as a part of the DD by the buyer. The priority ratings must be captured as a part of survey
- Cybersecurity - Policies &Processes – Cybersecurity policies and processes are most critical for any organization; the buyer needs to capture this data from seller company. Survey will confirm the priority of this parameter.
- OCM – Organization change management which is primarily used to communicate the changes in an organization needs to be in place for smooth execution of change initiatives. DD needs to capture the details from the seller organization.
- Operations KPI - Stability Management – For smooth operations of a company, the operation KPIs are vital for the basic functioning of any organization. The KPIs information in the seller organization needs to be captured as a part of the DD. Priorities of the parameter needs to be captured as part of the survey.

- **Portfolio Management Processes** – For any organization, the project and program prioritization processes need to be in place and the information needs to be captured as a part of the DD. Priority of the parameter needs to be captured through survey.
- **Recent security and legal breaches** – The DD need to capture the recent security incidents that have impacted seller organization to evaluate the impact on the integration, decisions and extent of impact to the seller organization. The priority of the parameter will be captured through surveys.
- **IT Transformations impact on business** – IT transformations that are already in play needs to be understood by the buyer. The survey will highlight the priority.

Due Diligence post Deal Closure: Once a buyer decides to buy an entity its dated as Day-0. The buyer company will perform the DD again post the deal closure to gear up for the execution. The parameters that were considered during presale DD phase will be considered again with the focus on execution, validate assumptions and make final decisions on costs, budgets and value stream decisions.

The survey will be conducted with experts to provide scoring on the parameters that need to be prioritized after the deal is closed. Experts will be asked to score with the assumption that the deal is closed. Digital transformation solutions choice and prioritization will be finalized based on all factors considered. A sample size of 390 responses is expected, assuming all the experts provide the responses. The complete interview guide and scores are included in the appendix.

Post Merger Integration: Merger of two organizations is achieved through post-merger integration. The survey will be targeted to capture the priorities from post-merger integration. Besides the PMI (post-merger integration) discussion, a model will be presented to the experts' 481 total data responses were obtained.

3.16. Instrumentation:

As M&A is a broader topic, my interactions were iterative, and the data collection process followed the following format. The interview guide is included in the appendix.

1. All meetings were conducted in one-on-one meetings over a phone conversation or in person based on the availability of the professional and their geographical location. Majority of the interviews were on the phone. The experts were asked not to share any confidential info about their firms and their identity will be maintained confidentially
2. The first meeting was informal and had an open agenda. Its purpose was to provide context for the topic, future expectations of the interviews, and the research purpose. Meetings were interactive and the interviews were focused on capturing the best practices and validating the best practices captured through the interviews.
3. Multiple meetings were organized with the experts and every meeting progressed and matured from prior meetings by refinement of the topics, discussing the strategic and tactical topics. The meetings were also leveraged to conduct surveys, followed a scoring model to identify priorities and collect the scoring for each of the topics. The data collection and review of the results were done in iterative fashion to ensure the results derived outputs.
4. The interviews focused on finalizing the broader topics within the following seven broader topics
 1. Business Context
 2. M&A Priorities that Influence Digital Transformations
 3. Buyer IT Assessment
 4. Seller IT Assessment
 5. Due Diligence during Deal Planning
 6. Due Diligence post Deal closure
 7. Finalize Digital Transformation Solutions
 8. PMI - Post-Merger Integration

5. After the broader topics were finalized, each had a subset of topics with questions and scoring of priority.

3.17. Data Collection Procedures:

For each of the above six categories that are important in the journey of digital transformations for M&A,

- Broader subdomains were created and agreed upon with the experts. I presented the questions and subdomains to experts based on the research I had concluded.
- The discussion questions and scorecard were finalized for each category by leveraging the available literature. After the scoring was completed, the overall results of the exercise were reviewed to get a final perspective and clarify the interpretation of the scores.
- The categories are different for each of the seven broader domains, and the scoring of each domain provides the priority for the decisions to be made to finalize the digital transformation solutions
- There are many variables regarding the types of M&As, the types of industries in which M&As happen, and the different sizes of companies that merge, acquire, and divest.
- The analysis of the data and conclusions of research provides a broader lifecycle view of M&A and helps practitioners make decisions about digital solutions/transformations.
- Meetings were focused on capturing the best practices, taking end-end view into perspective, review of quantitative results.

3.18. Data Analysis:

The data analysis focused on the business context, with the data collected from multiple interviews. Business context is progressively developed with broader topics, followed by specific questionnaires on the subject. The outcomes were finalized based on the responses received about ratings of high, medium, and low. The questions were structured to identify the best

practices for each segment. Data collection, structuring, scoring, and comparative analysis of the scores received were the steps followed in data analysis.

Microsoft Excel, Google Collab Platform, Julias.AI tools were used to perform the data analysis for patterns, correlations. Descriptive and inferential statistical analysis is considered for analysis. Frequency analysis is leveraged to identify trends leveraging bar graphs. The comparative Analysis identifies highly rated parameters using averages to determine priority classification. Correlational Analysis examines relationships between different survey responses. Helps understand patterns and dependencies. For data visualization & Reporting: Bar graphs and heatmaps will be leveraged to present findings.

The data collected from interviews for the post merger integration will be uploaded to Julian.AI with a prompt.

3.19. Research Design Limitations:

As M&A is a complex integration effort, considering the length of journey from bidding to closure, the limitation of current research design can be categorized into 4 broader areas. Firstly, the research doesn't include a very large population of professionals who have experience in leading M&A from an end-end perspective. Gaining access to highly experienced professionals was a challenge in the current research design and will continue to remain a challenge if future researchers intend to increase the size of the sample. Best practices should be deemed as guidelines rather than step-step instructions. The study collected a total of 1741 responses on 169 topics from a panel of 14 experts. Although this represents a relatively small number of unique respondents, the approach is justified by the exploratory nature and expert focus of the research. Experts with specific M&A experience played a key role in ensuring the scoring of surveys and input into frameworks is provided.

Secondly, the study is focused on digital transformations in M&A with set boundaries across selected research focus areas. Research is not geared toward financial, legal, accounting, cross-border banking, or country regulations. While there are references to the M&A

journey in the business context, the business context is leveraged to set the foundation for integrating organizations during the merger journey. Research focused on detailed interviews of highly experienced professionals with real world decision making, planning, governance and execution experience. Thirdly, emerging technologies will have a direct impact on the M&A decisions. AI, Machine Learning, Agentic AI solutions, change AI regulations are not focused as a part of this research. Future research can potentially center around the impact of AI, AI compliance on M&A transformations. Fourthly, very large sample sizes, detailing into AI, complex technologies for merger integration are beyond the scope of this thesis.

3.20. Conclusion:

There are enough research findings around HR transitions, specific technology-aligned digital transformations, M&A best practices by different technology verticals, and acquisitions. However, there are limited resources that map the end-to-end journey of M&A with focus, mapping dependencies through the journey that will pave the way for finalizing the integration solutions. Current research focused on bringing M&A phased workflows, best practices at every phase leading to post merger integration.

Chapter IV

4. RESULTS:

This section presents the results obtained through interviews, surveys, questionnaires, and scoring methods applied to the research. The results are organized by the 8 research questions/ domains considered for the research.

1. Business Context
2. M&A Priorities that Influence digital transformations
3. Buyer IT assessment - SWOT of IT Platforms and IT Governance of the buyer organization
4. Seller IT Assessment - SWOT of IT Platforms and IT Governance of selling organization
5. Due Diligence during deal planning
6. Due Diligence post deal closure
7. Finalize digital transformation solutions
8. PMI - Post-Merger Integration between Organizations

In each of the above eight areas the results of the research will be presented, which provide a model for best practices in digital transformations in Merger and Acquisitions.

Literature reviews and initial conversations with experts laid the foundation in structuring questions, surveys, identification of important topics by taking a full lifecycle view of M&A, evaluating the IT maturity of the buying and selling organizations, and the quality of DD at different stages of the M&A pave the path to the right selection of digital transition solutions. Post-merger integration is part of M&A, which determines the success of the M&A, which also highlights the complexity of the integration and ability to make decisions on digital transformations.

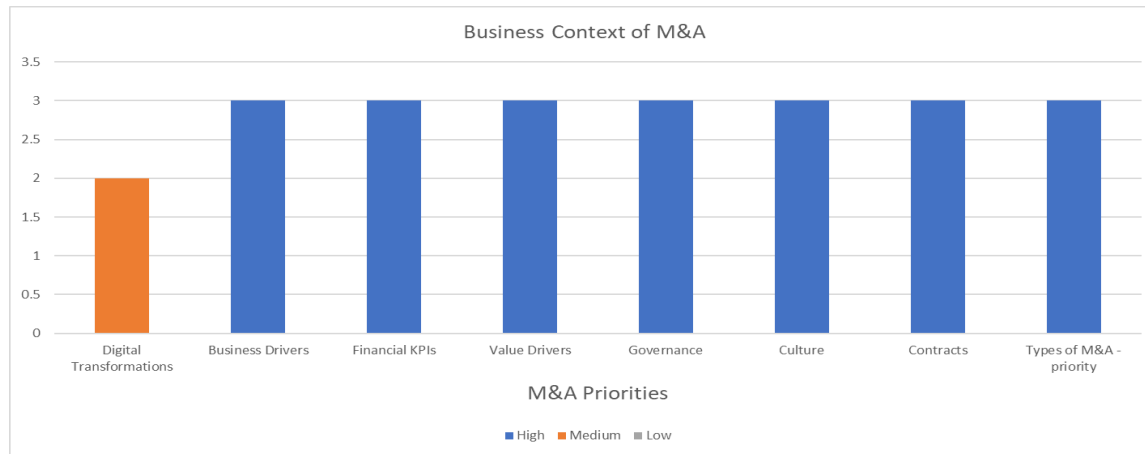
As appropriate, the summary of interviews is summarized in various sections of the results such as tables and workflow diagrams. Analysis is provided with single and multiple variables. In some cases, the outcome of the results is presented diagrammatically to present a point of view.

4.1. Results - Business Context:

The results for business context are organized in three different parts. In the first part, the outputs of the quantitative analysis from the data collected through interviews is presented with findings, second part is the end-end M&A framework that evolved during multiple interviews with the experts is presented, third part is a detailed view of the M&A priorities that were captured as part of the interviews with the experts. The section provides a detailed view of the M&A priorities that will help understand the business requirements for any situation of M&A or divestitures. In the interviews and surveys it is identified that M&A priorities lay the foundation for the journey of M&A and various decisions to be taken in M&A.

As indicated in figure Interview-1-results, digital transformations, business drivers, financial KPIs, value drivers, governance, culture, contracts and types of M&As are important when M&A deals are negotiated. These are the factors that need to be considered when embarking on the business or technology transformations.

FIGURE 5- RESULTS - BUSINESS CONTEXT - INTERVIEW 1



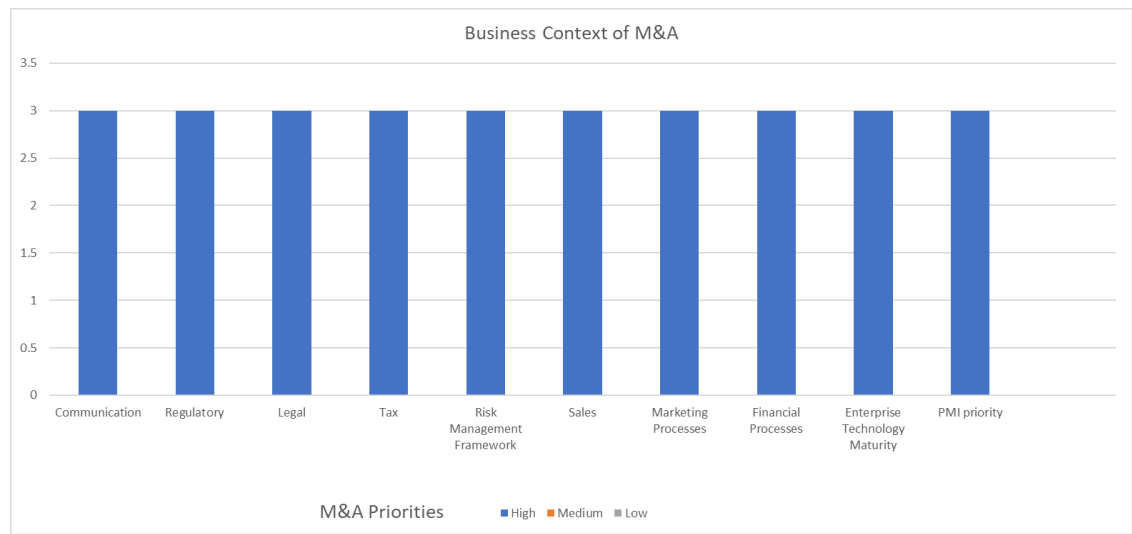
Parameters with rating 3 indicate high priority items in M&A journey. Business drivers provide the premise behind the M&A journey. Business drivers in M&A could be for growth perspective, innovation, market reach, achieve synergies and eventually achieve the business goals.

Management of financial KPIs typically help an organization to make the right financial decisions when evaluating an organization. Revenues, margins in the business, accounting, taxation maturity and data of the target company will play a pivotal role in determining the financial health of the organization to be acquired. The value drivers are the logical reasons that help the decision makers to trust in buying a company.

Value drivers can be different for various industries and subjective to the situation. Synergies between two companies, technology advancements, political and economic situations drive the organizations to either divest or merge for the benefit of the organization. Contracts that exist within a company and between the two entities that are merging are another important aspect of the M&A decision. Culture of both companies that are merging with each other and the culture of the converged entity has direct influence on the outcome of the M&A. Leadership teams should ensure that cultural integration is carefully managed to ensure the success of M&A.

Its important to understand these parameters when involved by a practitioner to prepare for the integration.

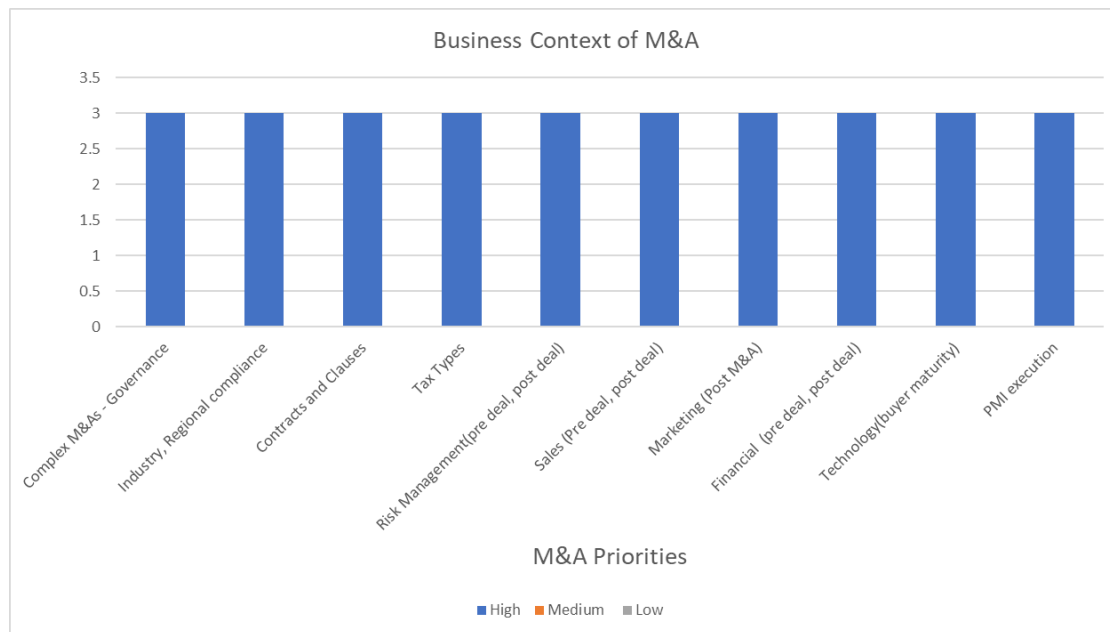
FIGURE 6- RESULTS- BUSINESS CONTEXT – INTERVIEW 2



Survey results indicate that communication, regulatory compliance, legal compliance, tax management processes, risk management abilities of the firm, sales process maturity, marketing processmaturity, fiancial process maturity, technology are high priority items that define M&A journey through the PMI (post merger integration).

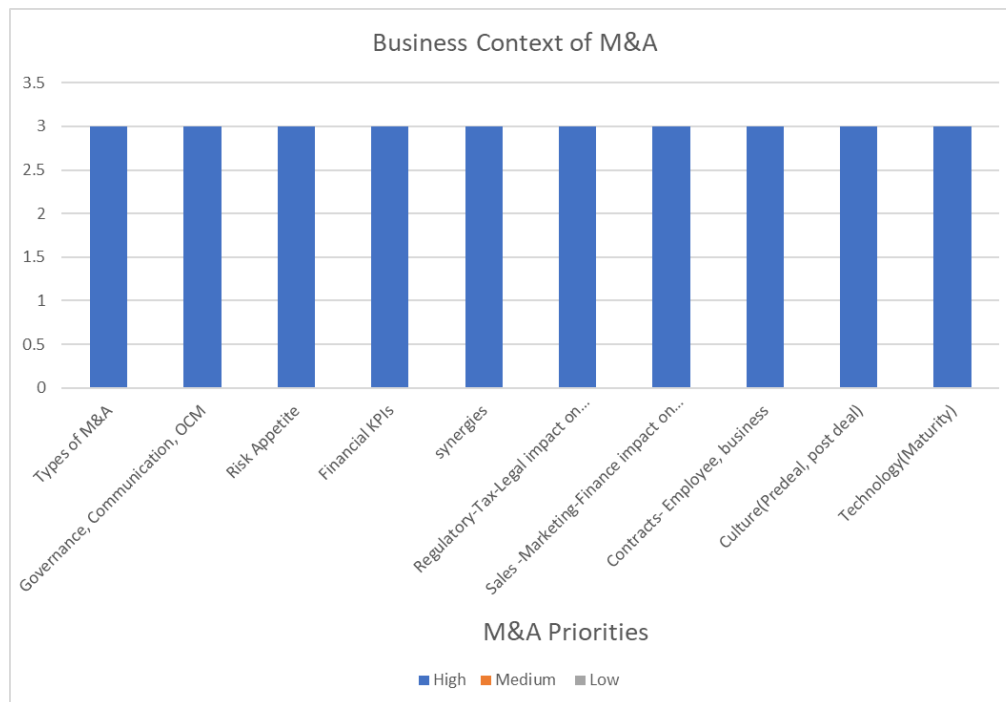
Details around these parameters need to be captured. Communication between various business functions as HR, finance, accounting, and the business units needs to be managed proactively so the adoption of new systems, new culture will be easier for both the companies. Communication to the clients and external stakeholders, markets has to be planned proactively so market perceptions are rightly managed. Regulatory compliance for various industries

FIGURE 7- RESULTS- BUSINESS CONTEXT - INTERVIEW 3



In the third survey, the priorities for M&A are determined as governance based on types of mergers, industry specific regulatory compliance, contracts, clauses in contracts, taxes, overall risk evaluations, legal aspects of the M&A as TSA, NDA. Processes and systems in Sales, Marketing, Financial, Technology systems, PMI execution practices are all high priority items. Consistent high scores indicate the parameters are important for the M&A journey. Buying organization maturity, systems and processes for sales, marketing, finance, post merger execution, contracts have direct influence on the M&A planning and outcomes.

FIGURE 8- RESULTS - BUSINESS CONTEXT – INTERVIEW 4



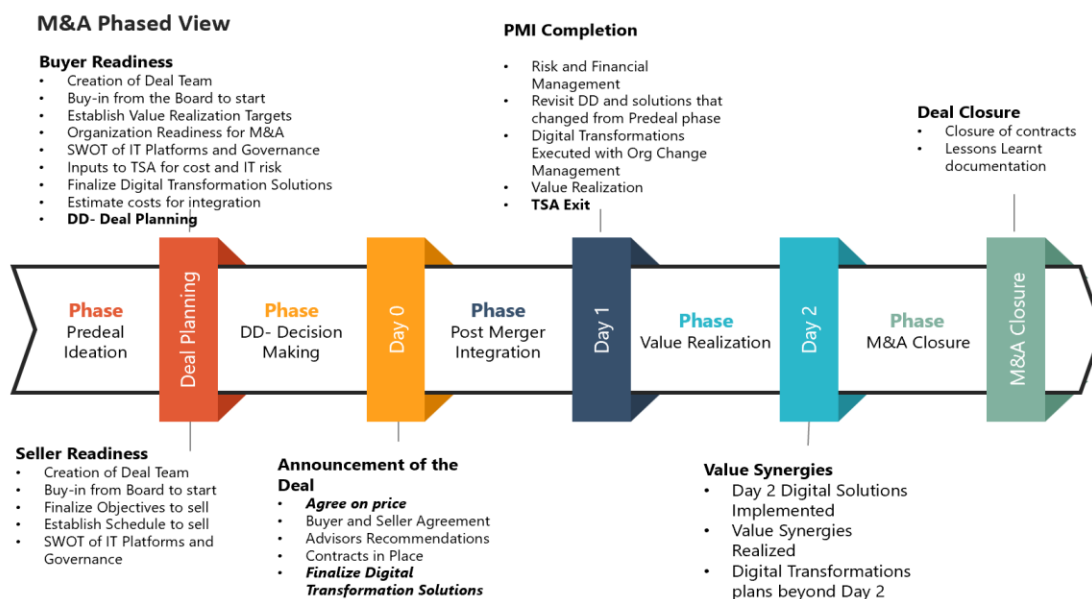
The findings in business context are

- The best practices of digital transformation can only be achieved by taking an end-end view of an M&A.
- M&A business transformation should take the end-end phased view into perspective to ensure the successful outcome of the M&A business transformation.
- Multiple parameters must be considered when planning for the M&A business transformation. Parameters are highlighted as M&A priorities in various sections of the thesis.
- M&A Priorities in M&A includes Types of M&A, financial KPIs, Value drivers, contracts, culture, governance, communication, risk management, regulatory-legal-tax considerations, sales-marketing-financial processes. When two organizations merge or divest, the M&A priorities determine the areas that influence the outcomes of the M&A.
- Irrespective of the size, type of merger, industry-vertical, the end-end view of M&A phased view and M&A priorities help the M&A practitioners to make wise choices that facilitate the end-outcome.

M&A End-End Framework:

As a part of research and discussions, one framework emerged to outline the end-end framework of M&A which can be leveraged in any discussion with buyer entity, seller entity to plan for the M&A planning and integrations. A visual representation provides representation of the phased end-end approach and framework for M&A. The framework provides a reference point for the technologists, M&A practitioners, to understand the different phases and phase-exits in the journey of M&A. When M&A happens between two organizations, buyer and seller readiness is key for the business transaction to occur.

FIGURE 9- M&A END-END FRAMEWORK



Different phases in the framework are

- Predeal Ideation phase
- Due Diligence Decision-making phase
- Post Merger Integration phase
- Value realization phase
- M&A closure phase.

A Practitioner might have an opportunity to be part of M&A from inception of the M&A pursuit or can get engaged at different parts of the M&A. The phases mark as logical boundaries for broader range of activities that happen in the M&A transaction. Deal Planning, Day-0, Day-1, Day-2, and M&A closure can be our key milestones in the journey of M&A. Day-0, Day-1, Day-2, deal planning and M&A closure are widely used standard terms in M&A. The framework provides the M&A practitioners to view the journey objectively and make necessary course corrections based on the phase and stage the individuals join M&A journey.

Pre Deal Ideation Phase: In the Predeal ideation phase, the buyer and seller companies go through different levels of planning and readiness to embark on the journey.

Buyer Readiness: Buyer readiness is marked by preparing the organization with the creation of a deal team which can act as a steering committee to drive the lifecycle of the M&A. The buyer deal team is expected to be the nucleus of the M&A to prepare organization for the buying process, going through the merger process, working with the seller teams, partner with the buyer internal teams to facilitate the decisions, analysis and ensure the deal is closed and executed successfully. As the journey of M&A extends from 6 months to multiple years, the deal team charter must be well documented and amended as the journey proceeds to ensure the ultimate objectives of the M&A are achieved. The deal team includes the internal leadership teams representing various business functions, advisors, legal team members, tax consultants, and auditors who can be external to the buying company. The deal workstream leader is expected to take a futuristic view till the M&A closure is achieved.

Once the deal team gets a go ahead to pursue opportunities to buy another entity, the deal team needs to establish value realization targets so it can evaluate multiple options prior to deciding. Overall organizational readiness from all business and IT functions needs to be assessed and the organization needs to prepare to go through the buying and integration process. SWOT assessment analysis is primarily meant to review the strengths, weaknesses, identification of opportunities and threats in each of the business enabling functions such as HR, legal, marketing, accounting, IT, finance, and sales functions. The deal team is a central team with

representation from all functions of organization to provide inputs to the transfer services agreement, cost planning for merger, value modelling of mergers and finalize the solutions to merge both entities.

Seller Readiness: In any pre deal ideation phase, the seller plays an equally important role as a buyer. While a buyer wants to buy a company for a lower cheaper price, the seller wants to sell at a higher price in the market. The selling company must prepare itself to be marketable in the market and be ready with its objectives to sell. The seller organization must create a deal team which will interface with the buyer market and effectively work with multiple entities in a secure fashion, so the market doesn't know about its intent to sell the organization. The selling entity safeguards its interests by establishing confidentiality through non-disclosure agreements with potential buyers and restricting the information to sell the company with restricted audience within the organization. The selling organization should know its market position, its SWOT across various functions as the buying entity will be keen to know the details during the deal planning phase.

For the pre-deal planning phase to be concluded, the buying and selling organizations should conclude the deal planning phase and be ready for the next phase of the M&A journey. Organizationally the buyer and seller must be ready to lead the respective activities with approvals from internal and external stakeholders.

DD Decision Making Phase: The buyer and seller entities work together during this phase to ensure the decision is made by both the parties to proceed with the M&A. One of the important milestones that needs to be completed at this stage is the due diligence of the selling entity conducted by the buying entity. The agreement on price between the two entities is contingent upon due diligence. When both the parties make announcements to proceed with M&A, it's declared as Day-0. Day-0 marks the announcement date in the calendar year legalizing the merger between the two entities with multiple contracts in place between various parties. It's assumed that the buyer and seller have reached an agreement not just on the price but also on the contractual terms, compliance, regulation and the buying organization has made some

assumptions in reaching the final decision. With due diligence completed, the buying organization makes certain assumptions and plans for its cost of integration and digital transformation solutions that need to be executed for smoother integration. Due Diligence conducted during deal planning stage is the foundation upon which all M&A decisions are factored for any size of the transaction.

Post-Merger Integration Phase: The journey of integration or merger happens during the post-merger integration phase between the two companies. Buying organization integrates or takes over the selling organization and integrates across all business and IT functions. The phase is marked with a closure date of Day-1 in a calendar year. Transfer services agreement (TSA) will indicate the date Day-1 date by which the integration is expected to be completed. TSA also provides the clauses for the buyer in case the contract TSA must be extended beyond a particular date. The functions that play an important role during the PMI (post-merger integration) include but are not limited to risk and financial management, perform detailed due diligence to ensure the final integration requirements and efforts are finalized, execution of people transition, execution of solution integrations, execution of team integrations needs to be completed by end of the phase. Day-1 milestone in the M&A marks the date of TSA exit date or completion of Merger. While the expectation is to start realizing synergies during the integration process, it typically takes more time beyond Day-1 to start realizing synergies and benefits of the M&A.

Value Realization phase: The journey from Day-1 to Day-2 marks the completion of value realization phase in the workflow of M&A. The business outcomes or objectives that were planned during the deal planning phase by the buying organization will start taking shape during the value realization phase. The transformation solutions that were not completed by Day-1 will spill over beyond Day-1 and reach conclusion by Day-2. The success of the M&A is usually measured by the end of Day 2.

M&A Closure phase: The final stage in the M&A framework will be the M&A closure which marks the successful closure of the M&A. To maintain continuous improvement of the converged organization, few transformation IT solutions get deployed beyond Day-2 to maintain

continuity, synergies or achieve benefits based on the experience of PMI, Day-1, Day-2 achievements.

M&A Priorities:

FIGURE 10- BUSINESS CONTEXT 1

Types of M&A	Financial KPIs	Value Drivers	Contracts	Culture
<ul style="list-style-type: none"> ✓ Conglomerate Merger ✓ Congeneric Merger ✓ Geographic Market Extension Merger ✓ Horizontal/Vertical Merger ✓ Global/Local Merger ✓ Hostile/Friendly Merger 	<ul style="list-style-type: none"> ✓ Revenues, Gross Margins for past 3 years ✓ Revenue and Margin Projections for 2 years ✓ Auditor reports for past 3 years. ✓ Review Relevant Financial Ratios ✓ Debt Financing ✓ Deal Structuring 	<ul style="list-style-type: none"> ✓ Long-term strategic synergies ✓ Revenue, Cost, Operation Synergies ✓ PEST (Political, Economical, Social, Technology) ✓ New Market Reach ✓ Industry specific Changes 	<ul style="list-style-type: none"> ✓ TSA –Transaction services agreement ✓ Contract clauses in pre-existing contracts ✓ New Contracts ✓ IPs, Copyrights, Patent Clearances ✓ Penalties in contract ✓ Partnership with service providers and vendors 	<ul style="list-style-type: none"> ✓ Review of corporate governance ✓ Maturity of systems ✓ Impact of M&A on stakeholders ✓ Impact of cross-border cultures ✓ HR Transition ✓ Impact of M&A on employees

M&A priorities form the foundation of an M&A business transformation. It provides business logic for an M&A in evaluating the size, scale and complexity of the M&A and provides a foundation for planning and executing digital transformation solutions. The type of merger determines the trajectory of the entire M&A journey.

Types of M&A: The types of M&A will determine the strategy for the integration of two companies. Conglomerate mergers are the mergers when two companies which operate in different industries merge with one another then it's a conglomerate merger. When an organization wants to diversify the risk, enter new markets, geography, and industries, then the company will try to buy an entity from a completely different industry. When two companies originate from the same industry but different line of businesses then it's a congeneric merger. Congeneric mergers improve the size of product offerings and ability to expand the market share by marketing and selling in the same industry circles. For example, Cisco, a networking and

cybersecurity products company, acquired data analytics and monitoring product Splunk in March 2024, it was a congeneric merger. While Cisco and Splunk operated in the technology industry, Cisco core product line was different from Splunk. After the merger Cisco product line increased and catered to different market segments globally. Geographic Market Extension Merger occurs when two companies operate in non-overlapping geographies. The regulations, laws, and culture play a vital role in such mergers. Other factors that need to be taken into consideration are attrition, understanding new markets and clients, extended period of times to integrate both the entities. Horizontal Merger happens between two organizations that are competitors and operate in a similar kind of industry. The purpose of the horizontal mergers is usually to achieve a larger market scale. Vertical Mergers happen between organizations that complement the production capability in the supply chain process. For example, when amazon and whole foods, amazon achieved the retail grocery deliveries to clients using the distribution channels it had in place. Global mergers come into play when the organizations merging with each other are globally dispersed and they need to merge into single entity.

The level of effort required to merge two organizations spread geographically will require care and attention in structuring global teams to lead merger integration. The complexity grows higher in global mergers. When mergers are restricted to a certain geographic location such as state, city or country then it can be considered as a local merger. A local merger can't be assumed as simple endeavor as a local merger is required to meet the standards required for the merger as compliance standards for state, business and business. Hostile mergers are usually seen in cases where the buying company tries to acquire another organization without their consent. In hostile mergers, the buyer tries to make public offers to buy the company, creates challenges for the target company to survive, operate and impact the profits and sales. A Friendly merger primary objective is to meet business objectives with the consent of the target organization with the objective of win-win scenarios for both organizations. In summary, the type of merger has a direct influence on the choice of solutions, teams, defining and achieving business objectives using digital solutions.

Financial KPIs:

Financial KPIs were highlighted as understand the relevance of KPIs in M&A, the company performance with respect to revenues, gross margins need to be evaluated for past 3 years, the revenue and margin projections for next 2 years

- Revenues and Gross margins for past 3 years – In order to evaluate the historical performance of the organization the data is required.
- Revenue and margin projections for 2 years – To evaluate the future forecasts, the margin projections are required.
- Auditor reports for the past 3 years – Financial auditing compliance reports are required.
- Review of relevant financial ratios – Financial ratios on debt, profits, product costs, margins help the buyer to make decisions.
- Debt Financing – The methods of financing debt by seller
- Deal structuring – Understanding the contract construct in structuring the SOWs, contracts and payment terms, penalties of the M&A

The systems that are responsible for maintaining the above information need to be evaluated by the buying and selling organizations.

Value drivers:

- Long terms strategic synergies – An M&A that's planned with an objective of achieving long-term benefits and attain strategic synergies.
- Revenue, cost, operational synergies – M&A which tries to achieve revenue growth, cost containment, and operational benefits
- PEST (political, economic, social, technology) – PEST is a framework leveraged to evaluate the market conditions for M&A.
- New market reach – Merger that are planned to broaden the market share is objective in business growth
- Industry specific changes – Mergers driven by the industry changes as technological advancements

Contracts: TSA-Transfer services agreement: An agreement that exists between the buyer and seller to support the M&A deal with terms and conditions to benefit both the companies. The contract clauses in pre-existing contracts will restrict the buyer from evaluating the terms and conditions prior to the deal closure. The new contracts that need to be created need to be given importance as new contracts go through negotiations on price, terms and conditions. During the M&A, the intellectual properties, copyright, patent clearances need to be fully understood by the buyer. Penalty clauses which drive the risk for the buyer. Partnership contracts with service providers and vendors need to be evaluated by the buyer. The viability of extending the contractors and service providers in the integrated entity needs to be understood.

Culture: The culture of an organization includes corporate governance, the way the impact of M&A will be experienced and managed by the organization needs to be evaluated. In case the organization is spread across multiple borders, then its impact on the end outcome of M&A needs to be evaluated and understood in any M&A situation. The HR transition focuses on rehiring resources from one organization to another. It requires meticulous planning before the organization makes announcements and makes offers to the employees.

FIGURE 11- BUSINESS CONTEXT 2

Governance & Communication	Risk Management	Regulatory - Legal - Tax	Sales – Marketing- Financial Processes	Technology
<ul style="list-style-type: none"> ✓ Creation of a deal team ✓ Identification of internal/external advisors for governance ✓ Executive Governance ✓ Matured collaboration platforms ✓ Architecture Governance ✓ OCM 	<ul style="list-style-type: none"> ✓ Risk Governance for M&A ✓ Leadership support for Risk management ✓ Identification-Resolving risks ✓ Managing short-term long-term risks in Deal Process ✓ Managing the risks from preliminary DD to PMI closure 	<ul style="list-style-type: none"> ✓ Manage Regulatory Reqs for M&A ✓ Comply to the legal process agreed with deal teams ✓ Comply to country and state specific Tax laws for M&A ✓ Identify showstoppers in regulatory-legal-tax domains ✓ Onboard experienced advisors in-time. 	<ul style="list-style-type: none"> ✓ Impact of M&A on sales processes ✓ Impact of contract clauses on pre-existing contracts ✓ Brand Management during and after M&A ✓ Client comms after M&A ✓ Process changes in front-office, middle-office, back-office 	<ul style="list-style-type: none"> ✓ Evaluate maturity of buying and selling organizations ✓ Post Merger Integration and its impact ✓ Identify opportunities for Digital transformation ✓ Estimate the PMI schedules across the board ✓ Progressive migration to new platforms

Governance and communication:

- Creation of a deal team
- Identification of internal/external advisors for governance
- Executive governance
- Matured collaboration platforms
- Architecture governance
- OCM

Risk Management:

- Risk governance for M&A
- leadership support for risk management
- Identification - resolving risks
- Managing short-term, long-term risks in Deal process
- Managing the risks from Predeal DD to PMI closure

Regulatory-Legal Tax Processes

- Regulatory compliance for M&A
- Legal compliance
- Comply to Country and state specific tax regulations
- Manage showstoppers in regulatory-legal-tax domains

- Onboard experienced advisors in-time

Sales-Marketing-Financial Processes:

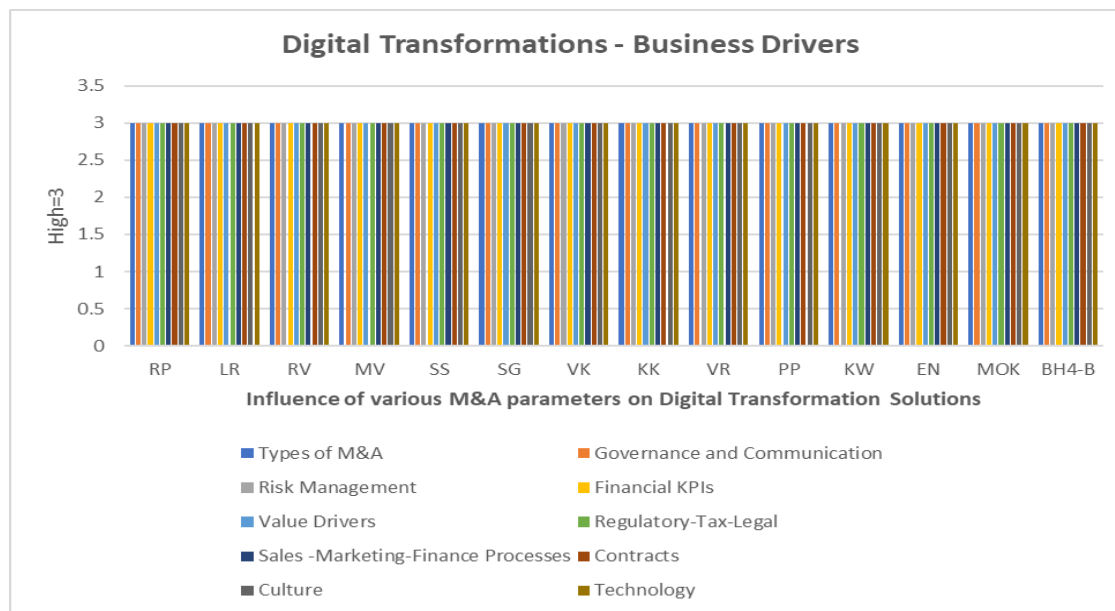
- Impact of M&A on sales processes
- Impact of contract clauses on pre-existing contracts
- Brand Management during and after M&A
- Process changes in front-office, middle-office, back-office

Technology:

- M&A Tech KPIs
- Technology competitive advantage
- Technology Innovation roadmap
- Technology Best practices, Technology Operations

4.2. M&A Priorities that Influence Digital Transformation:

FIGURE 12- RESULTS - M&A PRIORITIES – INFLUENCE ON DIGITAL TRANSFORMATION

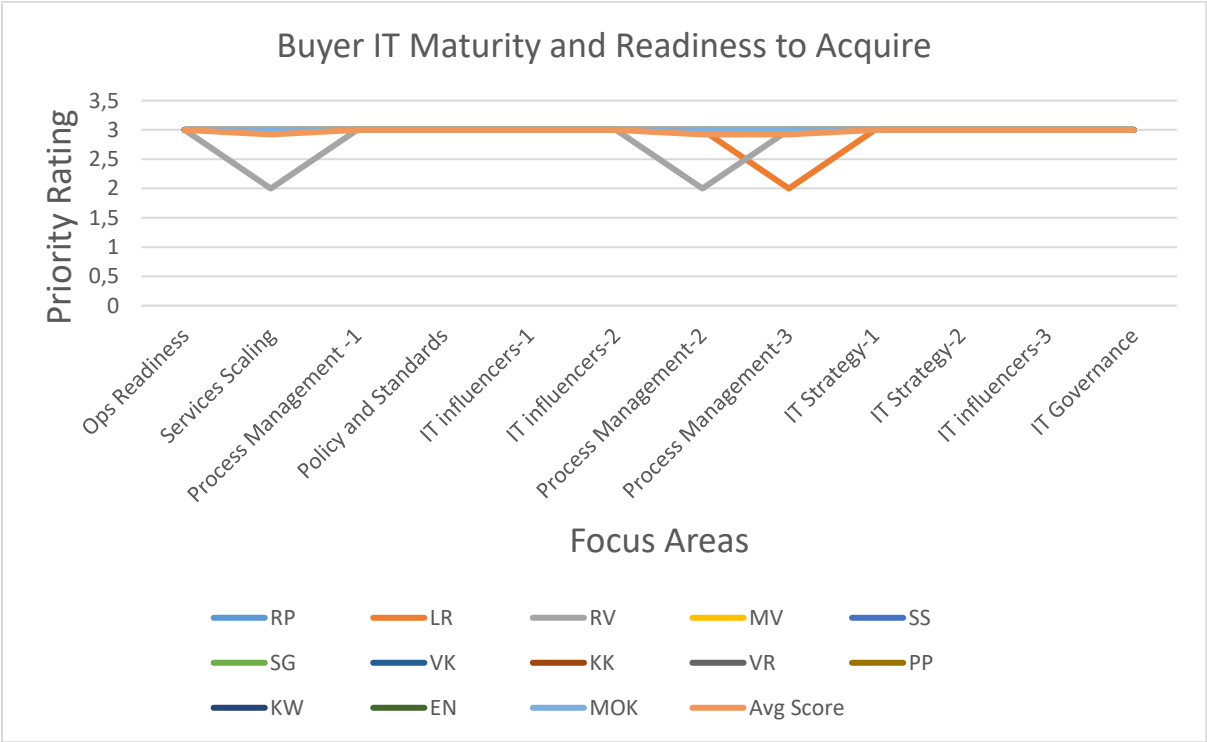


This report synthesizes statistical findings, highlights consensus areas, and discusses the implications for practitioners and future research. Research confirms that M&A parameters considered for research have a direct impact on digital transformations. Scoring received from

expert’s present consensus across the parameters. Types of M&As in the transaction, Value Drivers, Sales, Marketing, financial processes, Culture, Governance and communication, financial KPIs indicate effective decision making and financial premise for the integration. Regulatory-Tax-Legal processes, contracts, risk management provide a secured platform to make decisions in digital transformation. All the parameters are rated high with scores of 3 indicate consensus across the board.

4.3. Buyer IT Assessment:

FIGURE 13-RESULTS - BUYER IT ASSESSMENT

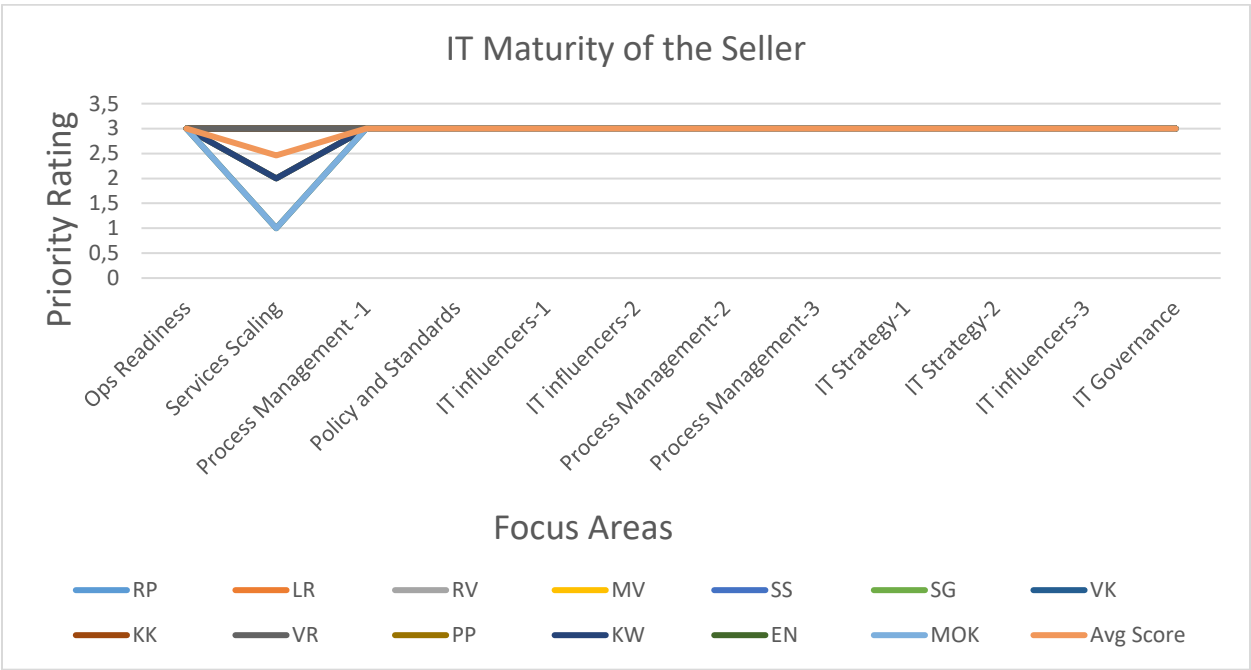


Research on the average score trending line in orange highlights consistent high scores across the parameters. In summary, buying a company’s IT maturity is important in an M&A transaction to acquire another company. Governance and strategy are key for a buyer IT organization. IT

strategy, IT Governance, IT Strategy, and Process Standardization received high ratings and scores, emphasizing the influence of the strategic modelling of Information technology in the success of M&A with minimal risks from buyer perspective. Services scaling and process management received variable scores indicating the type of M&A transaction will drive variable priorities.

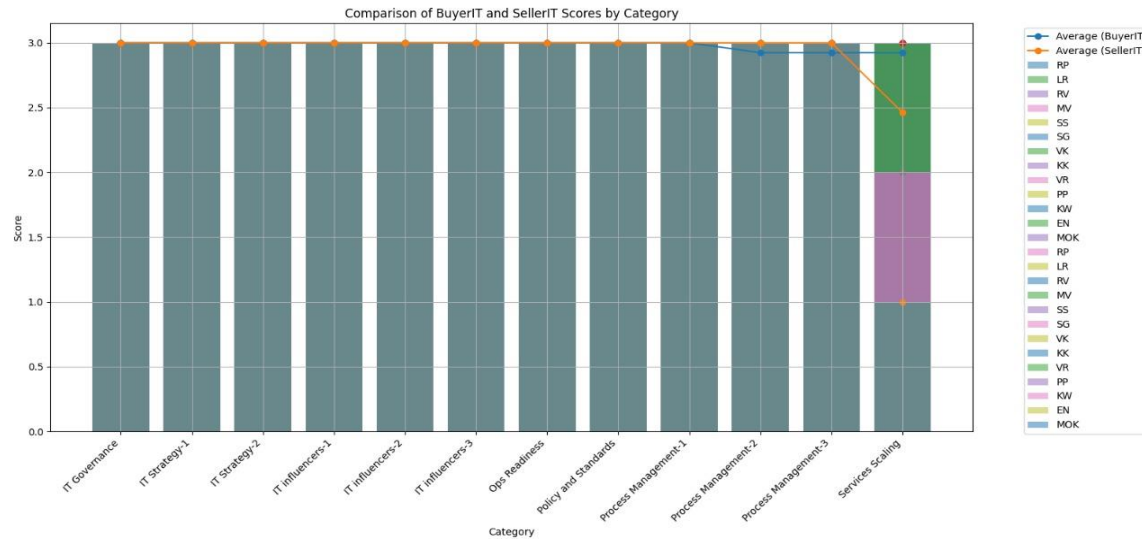
4.4. Seller IT Assessment:

FIGURE 14- RESULTS - SELLER IT ASSESSMENT



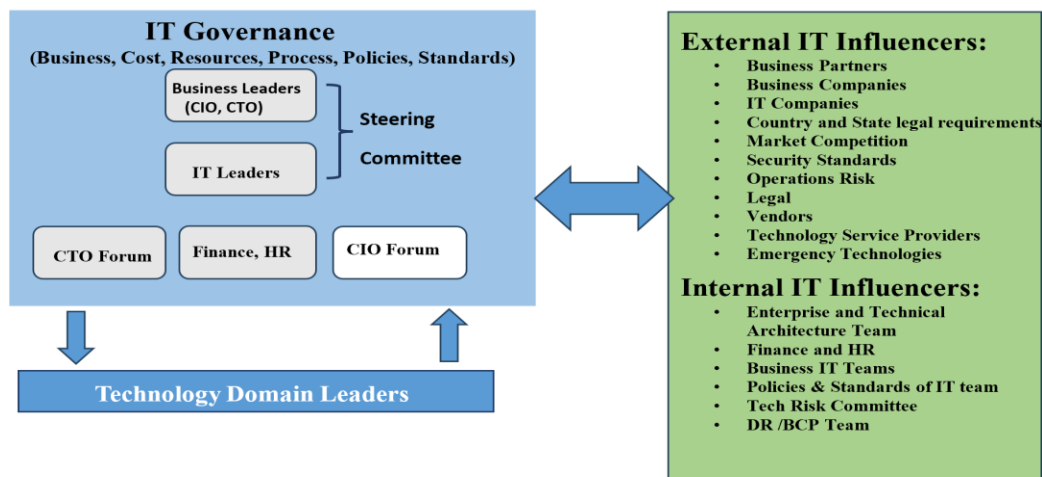
Besides the services scaling all other parameters as ops readiness, processes, policies, internal IT influencers, external IT influencers, having an IT strategy and IT governance are rated high in the data scoring collected. For an IT organization planning to sell its business, IT governance, policy standards and maturity of organization is expected to be matured.

FIGURE 15-COMPARISON OF BUYER IT – SELLER IT SCORES



As a part of the research and interviews, the following model emerged to determine the maturity of an IT organization. The model can be leveraged to evaluate an IT organization from its maturity standpoint or create a model to serve an integrated IT organization.

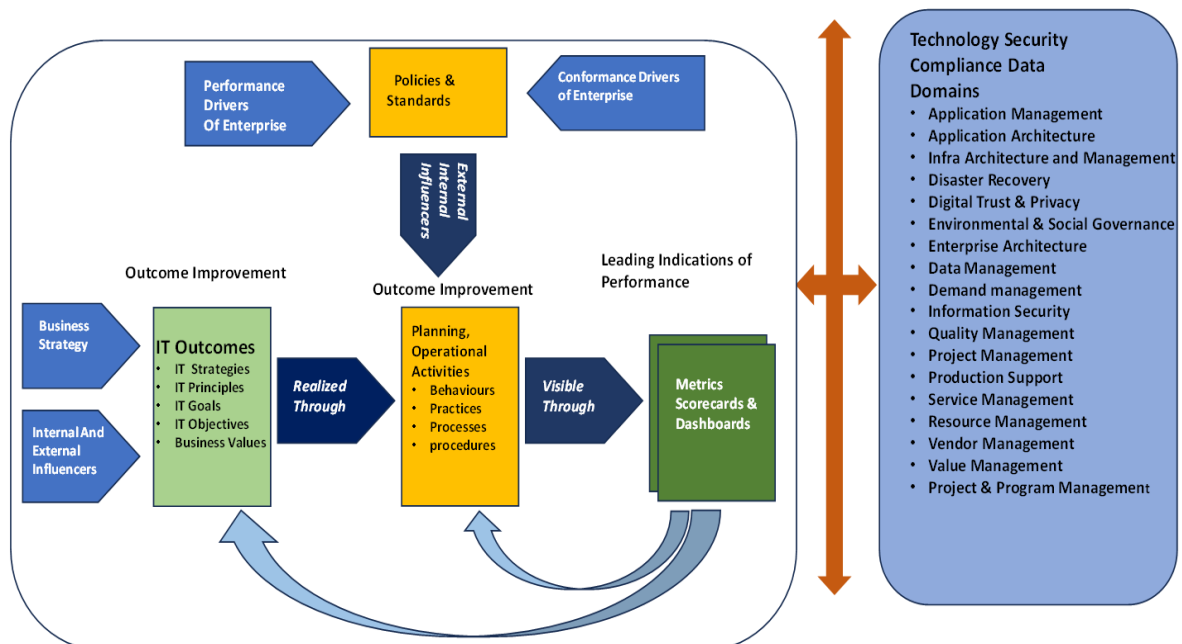
FIGURE 16-IT GOVERNANCE - LEADERSHIP FOR IT INFLUENCERS



An IT organization in any industry will have internal and external influences. External influences could be business partners, business compliance, IT compliance, country and state legal requirements, market competition, security standards, operations risk, legal compliance, vendor management, partnering with technology service providers and managing emerging technologies. The internal factors that influence IT organizations will be enterprise,

application architecture, technical domain architecture team, enabling teams as finance and HR, core business teams, tech risk leadership committee, DR/BCP and standards & policy teams. Leadership teams to lead IT governance function will potentially include business leaders, CIO, CTO, head of finance, HR and leadership teams of CIO and CTO. IT governance teams take business strategy, resource management, cost management, policies and standards as foundation aspects to lead IT governance function. Creation of steering committee with business and IT leaders will enable the organization to move in the right direction. To evaluate the IT governance maturity of a buying or selling organization, an organization can be rated against each of the parameters mentioned in the framework.

FIGURE 17-IT GOVERNANCE - DOMAINS – POLICIES AND PROCESSES



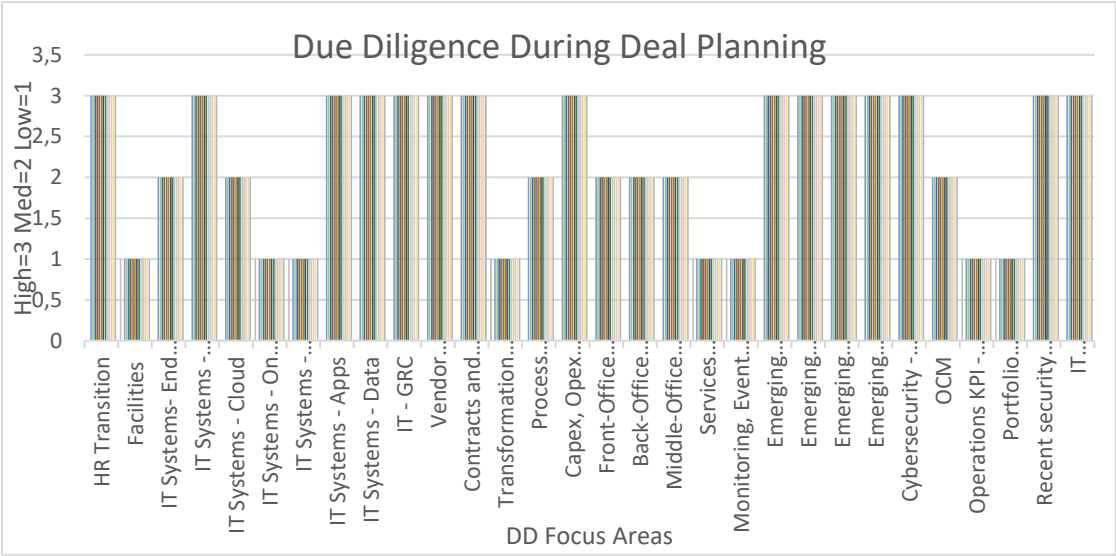
The domains that can be considered in IT governance are highlighted in the framework below. Each subdomain in technology, security, compliance and data domains will have performance parameters and conformance parameters. Conformance drivers imply compliance regulations and performance drivers define the performance of the way the subdomains are planned and executed

in an enterprise. The performance and conformance standards can be driven by policies and standards; policies are executed through set processes to drive operations. Internal influencers, external influencers, business strategy influence IT strategy choices and IT outcomes which are driven by the processes. The scorecards and dashboards act as vehicles to review progress and ways to review the performance. The above model needs to be in adapted for any organization to successfully support a business. When evaluating the maturity of an organization the above model can be referenced to evaluate the maturity of a buying or selling organization.

4.5. Due Diligence During Deal Planning:

Due Diligence performed by the buying organization during the deal planning has direct influence on the decision to buy or sell. The research results below indicated that there are certain parameters that need to be immediate high priority while evaluating a company to make decisions.

FIGURE 18-RESULTS – DUE DILIGENCE DURING DEAL PLANNING



Highly Priorities: IT Systems in Network, Data, Apps, GRC, CapEx, OpEx, emerging technologies in AI, automation, and cloud technologies need to be given immediate priority for evaluation. Cybersecurity practices, recent security and legal breaches evaluation must give utmost attention during the phases of evaluation.

Medium Level Priorities: IT systems supporting end-users, cloud, overall process management, front office, middle office back-office systems and OCM must be given next level of priority while company evaluations based on the situational dynamics and time available.

Low Level Priorities: Facilities, prem datacenters, storage systems, transformation opportunities, service management platforms, monitoring platforms and KPI management are given next level of priority for evaluation.

The best practice is to focus on all priorities during due diligence. However, if the time and resourcing is a constraint, the research provides the priority model and ranking to make decisions.

4.6. Due Diligence post deal closure:

FIGURE 19-RESULTS – DUE DILIGENCE POST DEAL CLOSURE

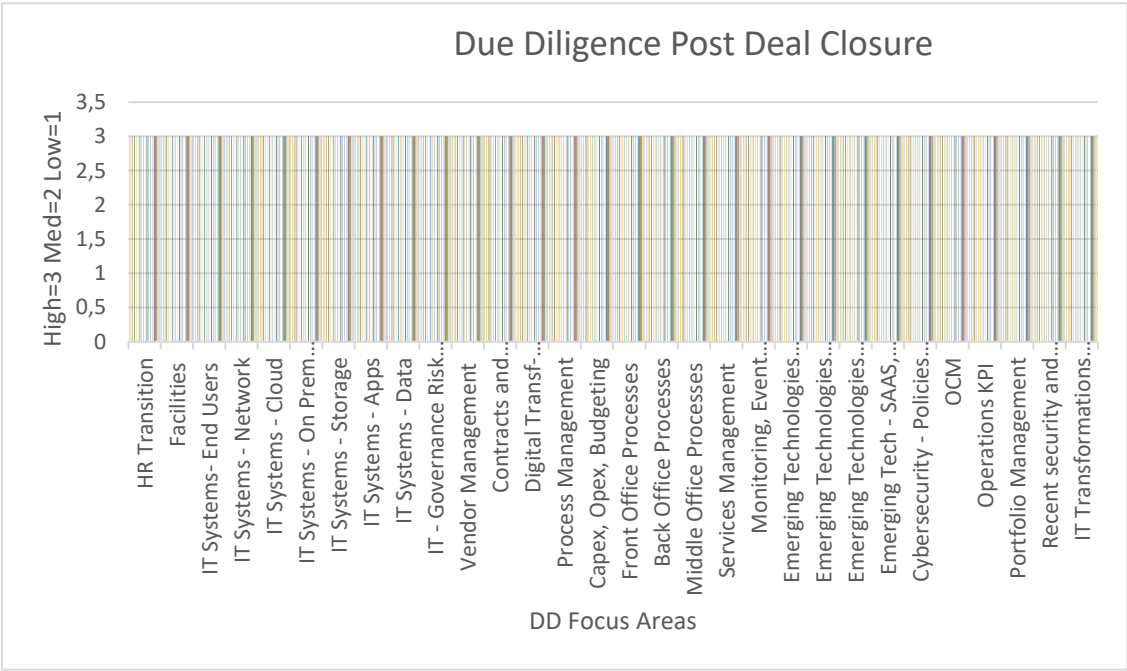
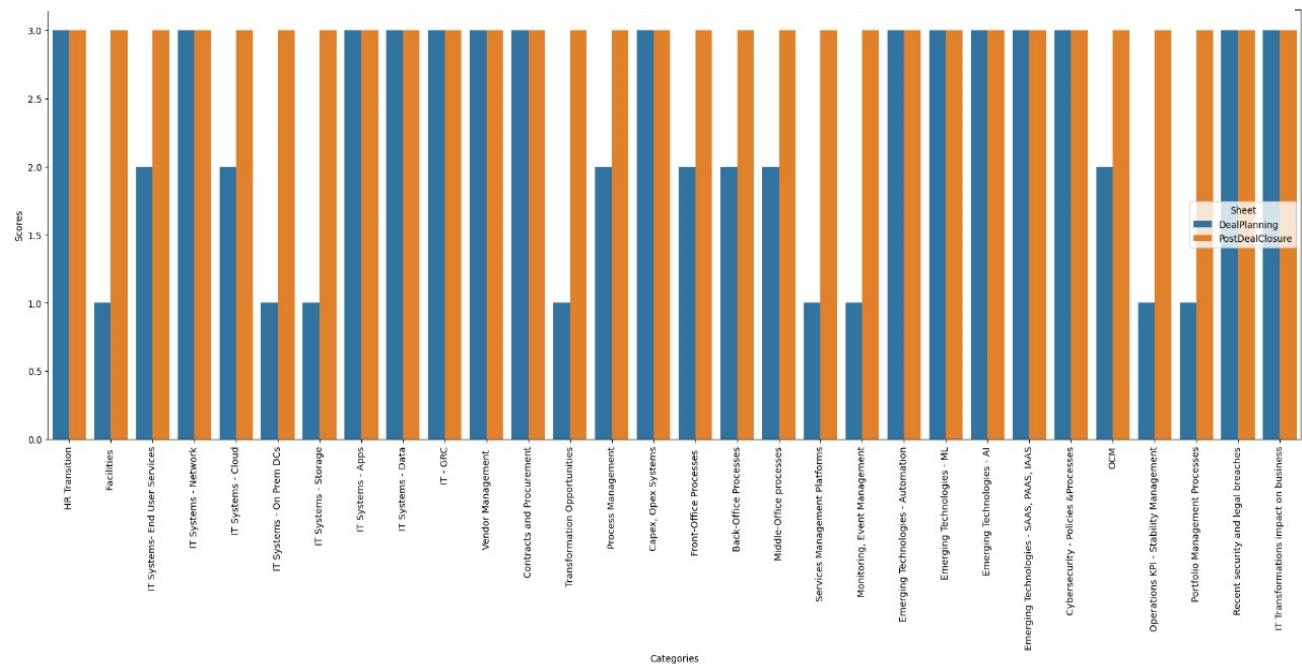


FIGURE 20-COMPARISON OF DEAL PLANNING AND POST DEAL CLOSURE



Research results indicate that once the deal is closed, all parameters indicated in the due diligence become high priority to focus. The buyer needs to finalize the solutions, create governance and decision-making frameworks to go onboard the newly acquired organization. High priority categories such as IT systems, cyber security, operations management become focused areas for the buyer. The buyer needs to embark on comprehensive journeys to evaluate and plan all the parameters mentioned.

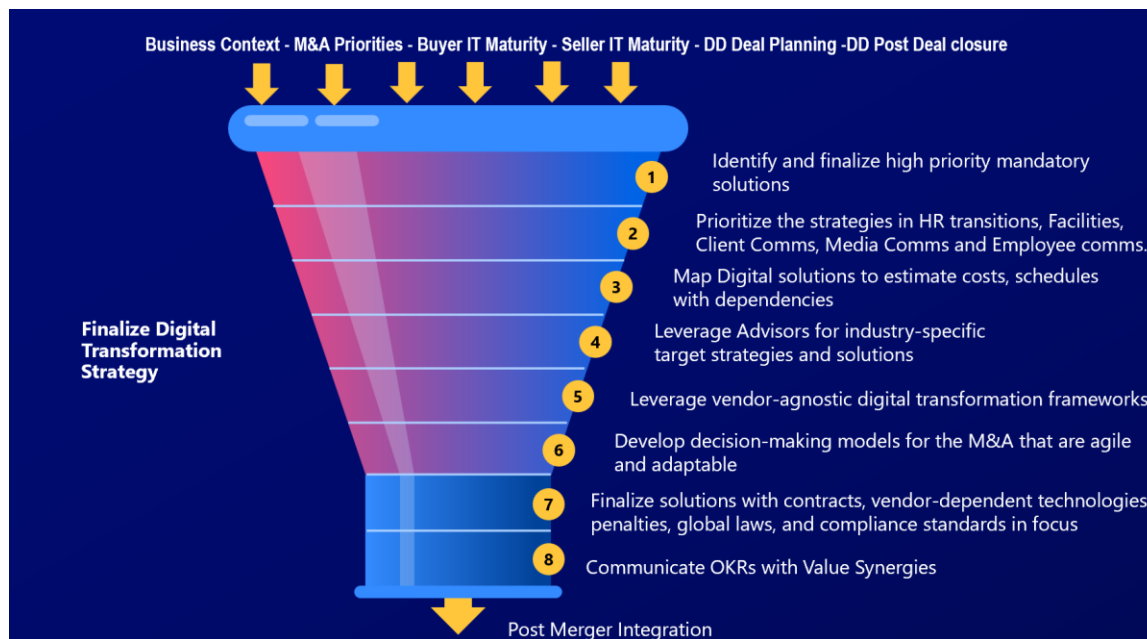
Predeal and post deal comparative analysis provides a view for a buyer to shift focus from risk, cost, value proposition to technology integration focus. Facilities readiness, HR transition, sequencing the high priority items as data, apps, infrastructure, vendor management, governance and communication become objective priorities.

The above results highlight the gaps that usually happen during the Predeal phase to post deal phase of the lifecycle and potential risks that the buyer might encounter as the buyer embarks on the integration journey. Scores in the post deal planning are consistently high (3) while the scores in pre-deal planning range from 1 to 3. The variation in the scores indicates the logical reality of

how the priorities vary during evaluation stage of the sales process and when the sales are completed and a buyer is ready to integrate the companies with digital solutions.

4.7. Finalize digital transformation solutions:

FIGURE 21-MODEL TO FINALIZE DIGITAL TRANSFORMATION SOLUTIONS



Entire interview panel experts agreed with the funnel model proposed above. The above funnel diagram represents the finalization of the digital transformation strategy for an M&A.

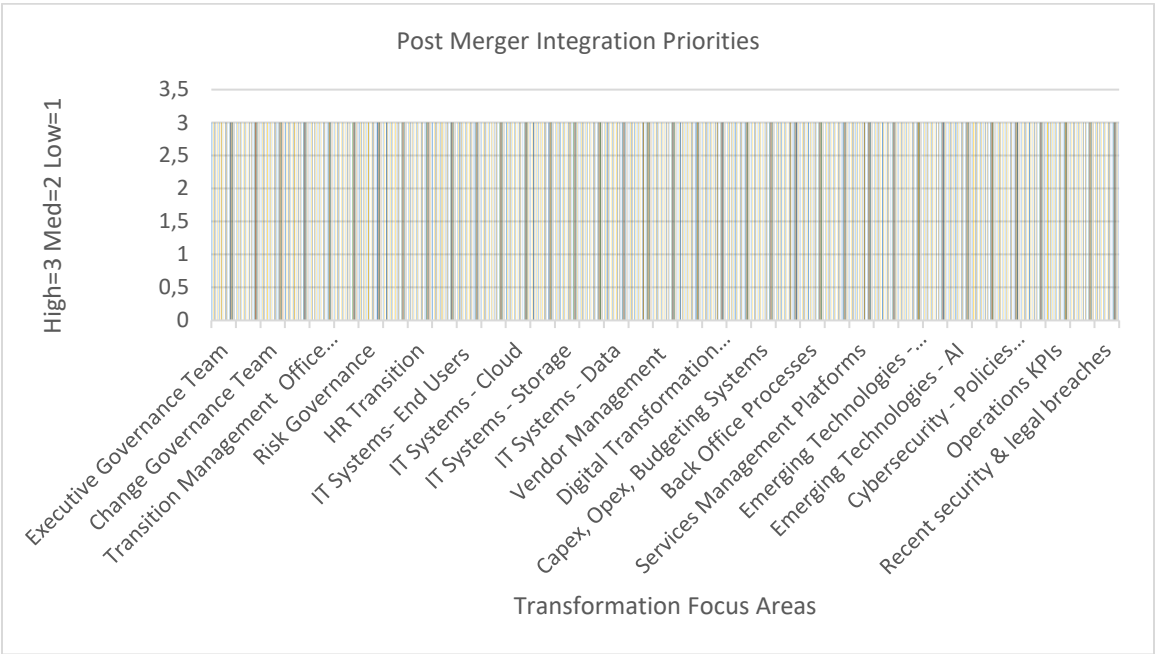
Prioritization: Business context provides the foundation and priorities for the M&A, evaluating and understanding the business context, evaluating IT organizational maturity of the buyer and seller, taking into consideration the pre-deal dd and post-deal dd will channel the decision making of the solutions. Finalizing the HR transitions, getting the facilities ready, and communicating with the employees who are impacted by the M&A become necessary.

Leveraging Experts and Advisory – Leveraging vendors, vendor agnostic frameworks, advisors to finalize the solutions, execution strategies, costs and resourcing will play a vital role

in achieving the post-merger integration. Finalizing the value synergies, OKRs will help govern the outcome of PMI. The funnel provides a framework to take inputs obtained from business context, understanding M&A priorities, seller IT assessment with an understanding of SWOT, buyer IT assessment with SWOT of its features, DD knowledge from Predeal and Post deal and finalize the digital solutions. The gaps or strengths from each of the assessments and due diligence are required to be considered when determining the solutions.

4.8. PMI - Post-Merger Integration between Organizations:

FIGURE 22-RESULTS: POST MERGER INTEGRATION

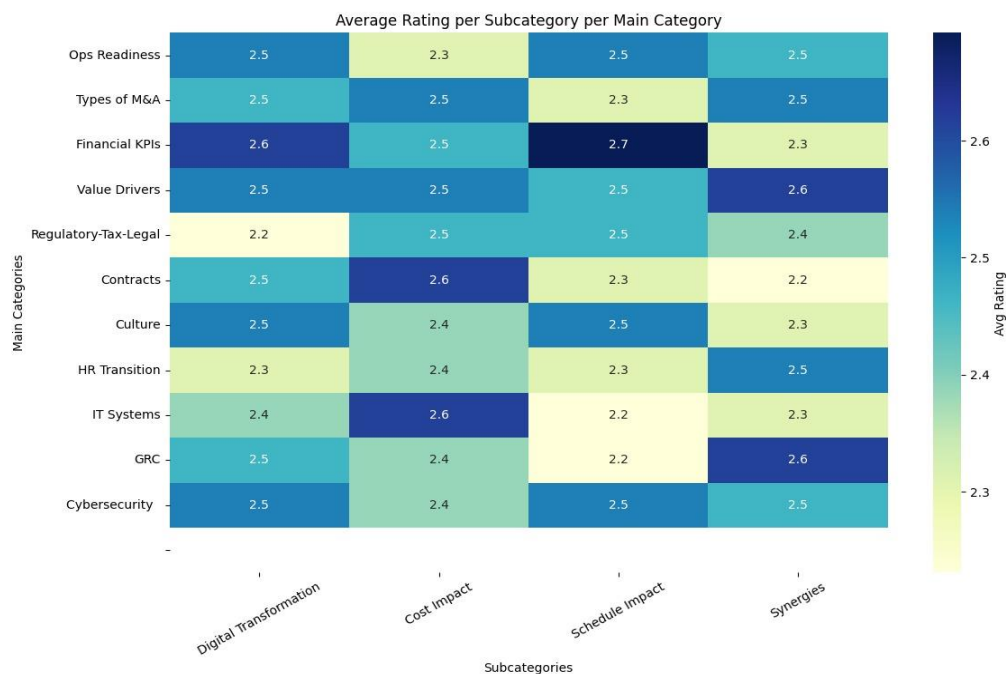


In the logical flow, the digital transformation solutions finalized need to be executed during post-merger integration. The results of Post merger integration are organized to reflect upon the scoring received for various parameters during the post-Merger integration. The trends and comparative analysis confirm that all the focus areas on the x-axis have equal and high priority from integration point of view. A heatmap is created with ratings received across multiple

variables which are influencers of M&A. The heatmap output is further organized with the clustered heatmap to evaluate the clusters of parameters that influence the PMI.

Results: Post merger Integration highlights that the organization planning to acquire another organization needs a mature IT organization with systems, policies, and procedures with explicit functions, roles, and responsibilities. The maturity of IT systems and organizations will be essential in leading digital transformation initiatives when a new business entity integrates with the acquirer. Priority ratings for various IT functions are rated high based on the scores received from the experts. A scatter graph is plotted based on the results collected from the standard deviation of the results obtained through surveys. Finally, a model for PMI is proposed as the best practice to lead PMI.

FIGURE 23-HEAT MAP TO COMPARE M&A PRIORITIES AGAINST M&A IMPACT AREAS



Key Findings:

Background: 13 different interviewees (RP, LR, RV, MV, SS, SG, VK, KK, VR, PP, KW, EN, MOK) provided ratings. 11 main categories (Value Drivers, Types of M&A, Regulatory-Tax-Legal priorities, Ops Readiness, IT systems, HR transition, GRC, Financial KPIs, Cybersecurity, Culture, Contracts) were rated against Digital Transformation, Cost Impact, Schedule Impact, and Synergies. Rating scale from 1-3 (where 3 appears to be the highest/best rating). In the post merger integration phase, cost impact, digital transformation solutions, schedule impact and synergies are to be given higher priority. Evaluating these parameters against 11 building blocks for digital transformation and business merger will provide the impact zones.

Observed Patterns: Most ratings cluster around 2-3, indicating generally positive assessments. It is observed that some variations in the way few interviewees rate the same categories differently. Digital Transformation and Synergies show interesting patterns across different assessment areas. The analysis includes correlation matrices, distribution plots, heatmaps, and advanced statistical visualizations like PCA (principal component analysis) and clustering analysis to help identify patterns in the M&A assessment responses. Plotted graphs give a comprehensive snapshot of which areas are considered more impactful or mature across multiple organizational domains.

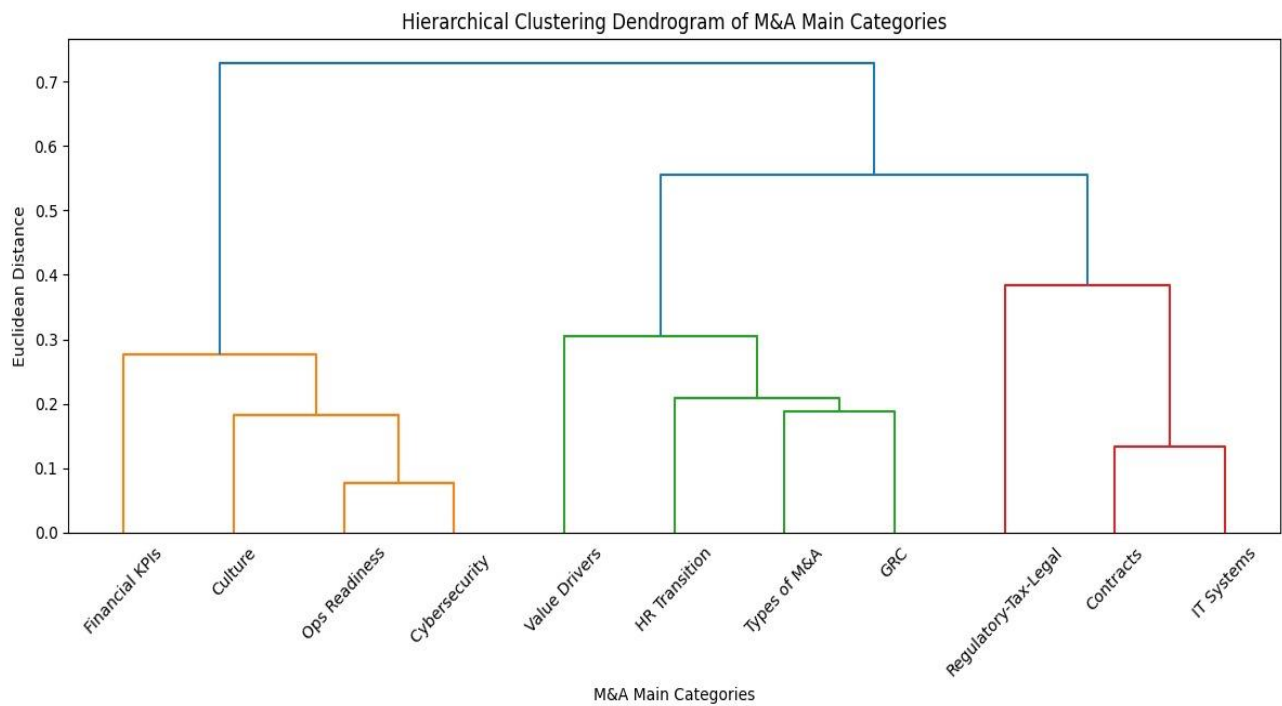
Color Coding: The heatmap uses a red-yellow-blue color scheme where, light yellow blue indicates lower ratings (closer to 2.1), light-green indicates moderate ratings (around 2.4), dark-blue indicates higher ratings (closer to 3).

Performance Patterns: Value Drivers, Types of M&A, Ops readiness shows the highest overall performance across subcategories. IT systems and GRC shows the moderate performance, Cost Impact is the highest-rated subcategory across all categories. All subcategories perform relatively similarly, with ratings clustered around 2.4 and its consistent across all parameters.

Consistency: The ratings are fairly consistent across the matrix, suggesting that most category-subcategory combinations are viewed similarly by the interviewees, with most falling in the 2.0-

2.8 range. This heatmap provides a clear visual representation of where an organization's M&A readiness strengths and weaknesses lie across different functional areas and impact dimensions.

FIGURE 24-CLUSTERED HEATMAP FOR THE DEPENDENCIES

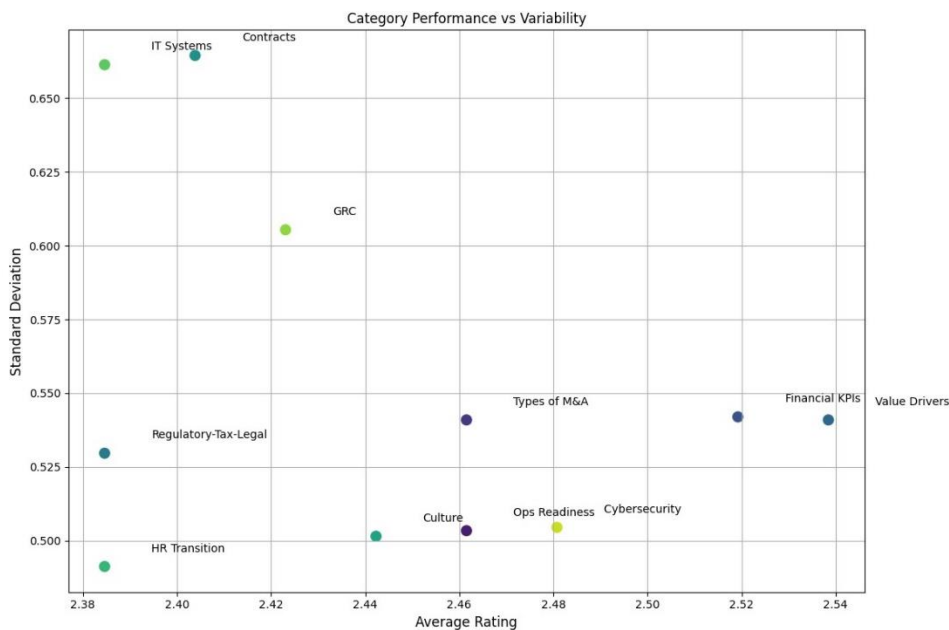


Key Findings: The dendrogram groups the 11 main M&A categories as financial KPIs, culture, value drivers, etc, indicating how similarly people scored them. To create the model, its averaged every participant’s four impact ratings—Digital Transformation, Cost Impact, Schedule Impact, and Synergies, so each category had just one set of four numbers that summed up the collective opinion. The distance between every pair of categories using ordinary geometrical distance, categories whose four-number patterns look alike sit close together, while very different ones sit farther apart. Ward’s hierarchical-clustering algorithm repeatedly merges the closest pairs and draws the familiar tree: short horizontal branches mean two categories are almost identical in how people see them, and tall branches signal big differences. IT Systems, Contracts,

Regulatory-Tax-legal are in one cluster, Value drivers, HR transition and types of M&A are in another cluster.

The clustered heatmap above visualizes the dependencies between categories and subcategories based on the average ratings. Each cell shows the mean rating for a specific category–subcategory combination, with color intensity indicating the rating value. The clustering groups together categories and subcategories (Cost impact, Digital Transformation, Schedule impact and synergies) that have similar rating patterns, making it easier to spot dependencies and relationships. The output of clustered heat map helps in making decisions that can be clustered together in prioritizing or decision-making in various situations. The research can be expanded to larger population to reconfirm the findings from the given sampling sizes.

FIGURE 25-STANDARD DEVIATION VS AVERAGE RATING



Findings:

The above scatter graph plotted against interviewees average rating on major categories against standard deviation of ratings. In the above visualization IT systems and contracts have more standard deviation among all members responses. This may require providing consciousness on IT Systems, Contracts followed by Cybersecurity to stringent security in M&A execution. HR Transactions are to be observed, since they have a low average rating as well as a high standard of responses.

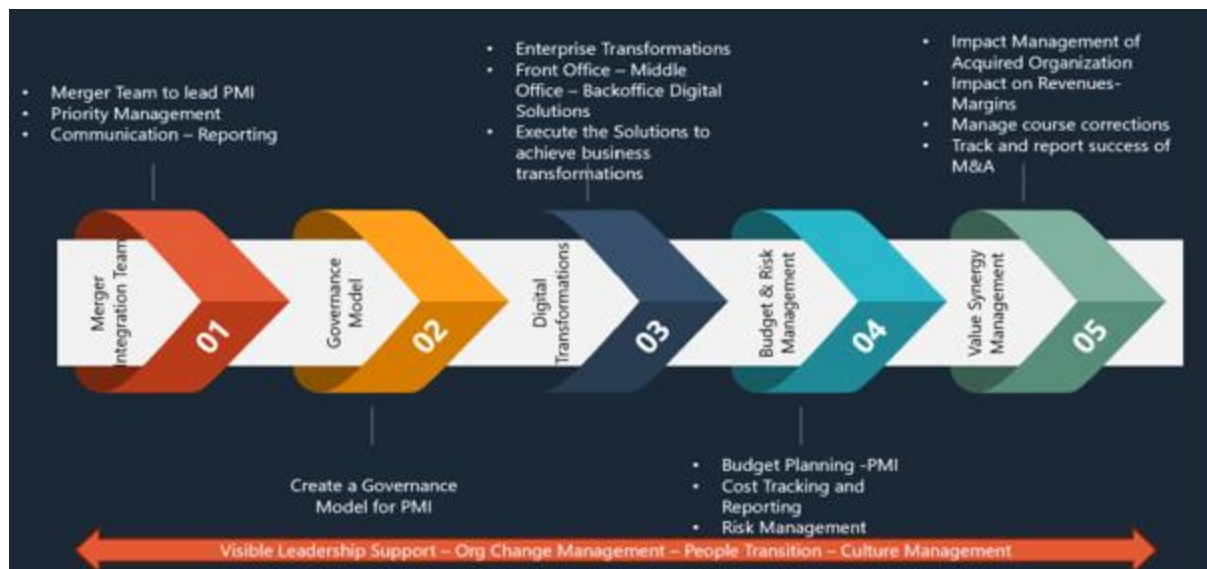
Looking at the scatter plot and the detailed data:

- There's an even distribution across the rating scale. Data concludes that majority of the interviewees agree with the priorities such as culture, ops readiness, cybersecurity, types of M&A, financial KPIs and value drivers.
- IT systems, Contracts, GRC are situational based on the size and scale of the merger or divestiture. This suggests disagreement among interviewees was minimal across the board on the priorities selected for the post-merger integration.

Post Merger Integration: (PMI)

The Post merger Integration process is one of the important aspects of M&A. The visual presentation below provides an approach to successfully lead PMI. A merger integration team needs to be placed to set up a governance structure and lead digital transformations. Budget and risk management, impact management, value synergy management, managing organization change management will be other responsibilities of the team leading the PMI. Managing the costs of the integration initiatives, targeting to achieve the value synergies are responsibilities of the integration team. Cost Management, Schedule Management, Synergy management and leading digital transformations are highly impactful parameters of the post-merger integration.

FIGURE 26-POST MERGER INTEGRATION – VISUAL REPRESENTATION



Executive Governance Team: Executive Governance is required so senior leaders have visibility and can make decisions that will positively impact the outcome of M&A. The Governing body has the highest decision-making authority. This team or committee members can be from both sides of the organization or will be decided by the buying organization. Including the members from newly acquired organizations is good practice. When the two organizations come together, many decisions will be made throughout the journey of Presales, Closure of the deal, and post-merger integration until Day 1 and Day 2 are concluded.

Technical Governance team: The technical governance team is responsible for making technical decisions and providing direction to the major technical changes that need to be implemented as part of integration. The technical governance function needs to organize architecture decisions, design decisions, integration decisions, redundancy planning, and short-term and long-term perspectives of decisions in implementing technical solutions. The team will be the technical governing body and work in conjunction with the executive team, change governance team, and transition management office.

Change Governance Team: The Change Governance team is practically the technical and functional execution team that drives the implementation of the plans. The teams might come

from advisors, service providers, or internal teams, but they are primarily responsible for executing the designs and solutions finalized by the technical governance team.

Operations Readiness Team: The team responsible for making decisions on the operational readiness of the newly acquired business plays a vital role in boarding a new organization. The operational readiness team can and must ensure the newly acquired business operates without impacting revenues and services to the end clients. The operations readiness team must work with all other governance teams to declare its readiness.

Transition Management Office – Governance: The Transition Management Office can be the PMO that drives all activities during the post-merger integration. The transition management office should be the first team to be onboard to build the teams and be the communication tower for the entire team of teams and stakeholders. The Transition Management office should be empowered to lead the efforts and collaborate with all the teams from both organizations. The Executive Governance team is required to empower the Transition Management Office. Once the merger is officially concluded, the transition management office can be disbanded by the executive governance team.

Contract Management – Governance: Contract management needs to be given utmost importance in the PMI process. The acquired organization's contracts with its clients and stakeholders need to be honored by the firm that has acquired them. New contract decisions, terms, and conditions in the newly integrated organization need to be recreated. Procurement contracts, employee contracts, banking contracts, building contracts, and technical service provider contracts must be revisited to ensure the newly acquired and integrated organization manages the contracts effectively

Risk governance: During the journey of PMI, many issues and risks will likely occur, and the risks must be mitigated promptly. Risks can range from technical, contract, resource dependency, compliance, and more. Risk Governance can be part of the Transition management office. The objective of the risk governance function is to provide a single pane view of all issues and risks, categorize the risks, avoid the risk impact, and resolve the issues in a timely fashion.

Financial Governance: Financial Governance plays an essential role in the PMI. Technical integrations, business integrations, delays, and managing integration budgets become part of financial governance. It's recommended that cost management, budgeting, and economic systems integrations be well-planned and detailed. Integrations that go beyond TSA agreed-upon dates need to be understood early in the PMI process to avoid financial impact in the future.

HR Transition: HR Transition is fundamental to the success of M&A as it directly impacts both organizations at all levels. Managing benefits, titles, roles, and critical resource requirements to avoid attrition all play important roles in HR transition. In the cycle of post-merger integration, a successful outcome depends on how the HR transition is handled. Managing cultural dynamics between both organizations is challenging for the buying organization.

Facilities Management: Facility options for the staff joining the new organization are a priority and need to be addressed immediately. Based on the terms and conditions in TSA, the immediate and future needs of the facility need to be addressed. Identifying new facilities, managing digital solutions for new facilities, and moving end-users into new locations can be time-consuming and costly affairs.

IT Systems – End Users: End-user requirements and digital transformations around them play an important role in the M&A digital transformation journey. User administration, Active Directory services, federation services, and digital solutions around VDI create digital platforms for new organizations.

IT Systems – Network: Network digital platforms are complex and an important aspect of M&A. ACI, Automation, and SDWANs are some of the latest digital platforms. After the DD of both firms, the buying company needs to address the feasibility and need for next-generation solutions. This is a high priority solution planning in M&A.

IT Systems – Cloud: Multi-cloud solutions and hybrid cloud environments are fundamental but equally complex implementations. In the context of M&A, the needs of the cloud platform in the integrated environment need to be addressed immediately. Cloud migrations will be either a Day-1 or Day-2 requirement in the new integrated organization.

IT Systems – OnPrem DCs: As with cloud assessments and solutions, on-prem DC assessments and future planning are essential for buy-side organizations. The DD must be done thoroughly, along with estimating the future data center requirements, costs, schedules, and contracts.

IT Systems – Storage: Storage and Data Solutions are complex and require immediate M&A. The platform requirements must be prioritized immediately during DD and Day-1 planning and execution activities.

IT Systems – Apps: Apps can be ERP apps, in-house developed apps, SAAS apps, or desktop apps. There's an immediate need for M&A. The app requirements, future architecture, and app target state must be immediately prioritized during DD and Day-1 planning and execution activities.

IT Systems – Data: Data Solutions are complex and require immediate M&A. Solutions in the areas of structured data, unstructured data, data at rest, and data in transit need to be considered. Data digital platform solutions need to be prioritized during DD and Day-1 planning and execution activities.

Governance Risk Compliance: GRC prescribes both the buyer and seller organizations. GRC specialists need to be engaged early in the M&A integration efforts to evaluate and provide target solutions. It's a high priority. Many industries and countries have their own GRC standards, such as HIPAA, PII, SOX, etc.

Vendor Management: The new organization will have multiple vendors providing various services globally. It's essential to evaluate the impact of such services in the new integrated world. Vendor management reviews need to be done thoroughly to define the future roadmap of vendors and services during Day-1 activities and beyond. It's important and a high priority.

Contracts and Procurement: Contracts and Procurement processes need a thorough review, and target solutions must be finalized. If Contracts for facilities, software, hardware, applications, employee contracts, and procurement systems are not addressed immediately, there can be an immediate impact.

Digital Transformation Opportunities: Contracts and Procurement processes need a thorough review, and target solutions must be finalized. If Contracts for facilities, software, hardware, applications, employee contracts, and procurement systems are not addressed immediately, there can be an immediate impact.

Process Management: All process changes need to be evaluated, and future processes must be defined in the future state of M&A. Training on new processes for new environments needs to be given utmost importance

Capex, Opex, Budgeting Systems: Capex, Opex processes, and system changes need to be timed correctly to avoid impacting ongoing projects. The end-users should not be impacted in the newly created world. New tools and processes need to be introduced to the acquired organization with a detailed plan and agreement with the right stakeholders.

Front Office Processes: The apps, systems, and processes that are business-centric and market-facing need close attention. Sales, Marketing, and other front office systems will have major impacts globally and locally. Target solutions for Day 1 and Day-2 need to be planned and implemented.

Back Office Processes: Newly integrated organizations will have to adopt back-office systems. The changes need to be planned thoroughly with the right stakeholders. It is a high-priority business requirement to manage the back-office processes for the newly integrated or divested organization.

Middle Office Processes: Middle office processes such as transaction systems, compliance check systems, and eligibility requirements systems need to be planned for during the DD for Day 1 readiness. It's a high-priority requirement.

Service Management Platforms: Service Management platforms impact the internal and external user base. The SLA agreements and penalty clauses for business commitments need to be reviewed, and target solutions must be developed and deployed. Every situation can be unique.

Monitoring, Event Management Platforms: IT in its entirety will need event management and monitoring solutions and platforms. These systems are the backbone of IT operations. The technical teams are required to plan and develop target solutions.

Emerging Technologies and Automation: Automation has been an integral part of IT for many years. During M&A, the DD needs to identify all areas where automation systems are in place to define target strategies and solutions. This is a high-priority requirement.

Emerging Technologies – ML: Machine Learning is an emerging technology, and every organization's adoption journey is different. In the M&A context, the DD and defining the future state for Day-1 and Day-2 need to be fully evaluated and agreed upon with buyer senior leadership teams.

Emerging Technologies – AI: AI is a revolutionary, disruptive technology, and its adoption into the business world is experimental and evolving rapidly. All technology firms are moving towards AI in some capacity. From an M&A perspective, the current maturity levels of buyers and sellers need to be evaluated with the future state in perspective. New standards and compliances are emerging rapidly globally. ex: ISO 42001, EU AI act.

Emerging Technologies - SAAS, PAAS, IAAS: It's important for both buyer and seller. SAAS, PAAS, and IAAS are integral parts of IT. From an M&A perspective, DD's impact on Day-1 readiness, technical complexity, costs, and contracts needs to be evaluated during DD. More importantly, the future state digital solutions need to be agreed upon with leadership teams.

Cybersecurity - Policies & Processes: Cybersecurity is a foundational and critical requirement for the existence of any organization. The buyer needs to prioritize cybersecurity DD, future solutions, and operations from a security perspective.

OCM: OCM is key to effective management changes in M&A situations and to the success of the integration journey. The merger integration office needs to enable OCM strategies and plan proactively for desirable outcomes. The degree of change is complex in the M&A and divestiture scenarios.

Operations KPIs: Operational KPIs, SLAs, and OLAs for internal and external stakeholders need to be agreed upon during pre-merger DD to estimate their impact on the business users. Operations KPIs can impact the SLAs committed to external clients. Operational KPIs are a priority in the M&A context.

Portfolio Management: DD plays an important role in determining the future state of portfolio management systems. Besides operations, every organization plans and executes solutions with budget approval processes in portfolio management. Interim changes and Day-1 changes need to be agreed upon with stakeholders. To avoid disruptions, decisions must be made early and agreed upon with the teams.

Recent Security and Legal Breaches: The buyer needs to know about the recent and prior security incidents that impacted the seller's company. The degree of exposure in the past and potential impact in the future, as well as existing lawsuits and impact, need to be evaluated. A company's security and Legal challenges can be a decision factor for a buyer to walk away from the deal.

4.9. Summary of Findings:

To define the best practices of digital transformation in M&A or divestiture, it's essential to take the lifecycle of M&A. Understanding the lifecycle of M&A can be considered a business context. It is ideal for selling and buying entities to have a clear understanding of the strengths and limitations of IT maturity and IT governance so the M&A will be victorious between the organizations. Due diligence plays an essential role in the lifecycle of M&A; from the buyer's perspective, the DD happens before the two organizations start negotiating. The DD continues after the contract is signed, so the buying entity plans to integrate post-merger.

The best practices of digital transformations in the context of M&A are unique to every situation and can be finalized once the DD for post-merger integration is finalized. A practitioner can apply the research findings to any industry vertical in the context of merger,

acquisition, or divestiture. Quantitative and qualitative methods considered through interviews and scoring models have helped me to arrive at these findings.

4.10. Conclusion:

The best practices of digital transformations in M&A can be attributed to multiple aspects of analysis. Life Cycle approach of the M&A must be considered while mapping the digital transformation strategies. The research topics highlighted below are building blocks of the M&A digital transformation journey.

Chapter V

5. DISCUSSION:

The discussion section dives into the following 8 broader topics by providing specific point of view on following research focus areas.

- Business Context
- M&A Priorities that Influence Digital Transformations
- Buyer IT Assessment
- Seller IT Assessment
- Due Diligence during Deal Planning
- Due Diligence post Deal closure
- Finalize Digital Transformation Solutions
- PMI - Post-Merger Integration

Each of the above research areas has clear results from the surveys outlined providing guidance or best practice. The discussion section expands and provides perspectives on the research focus areas.

5.1. M&A End-End Framework

When an organization makes incremental improvements to its technology platforms, the organization will have inorganic growth. When an organization acquires another organization, the business of the acquiring organization will have organic growth.

Any practitioner keen to get involved int M&A can refer to the figure M&A End-End Framework

- Predeal Ideation phase
- DD-Decision-making phase
- Post-merger Integration phase
- Value realization Phase
- M&A closure

Predeal-Ideation Phase: During this phase, the buyer will embark on a journey preparing his business, Information technology team, and other enabling functions such as HR, finance, accounting, and legal teams to evaluate potential businesses and decide to buy. The acquiring organization should have the resources to manage and run its day-to-day operations and projects and take up the M&A program to acquire another company. The readiness of technology platforms to accommodate the growth with moderate changes to platforms needs to be considered during this phase. Suppose the organization has decided to acquire a potential company, it is prudent to stabilize all digital platforms and standards to accommodate the growth in the interest of developing the company. Performing a SWOT analysis of the digital platforms and identifying a team who can be part of the deal team are a few proactive measures the acquirer's IT leadership can take.

From the Seller's perspective, the organization needs to perform a SWOT analysis of its IT platforms, processes, and standards as part of the planning to make it an attractive commodity to be acquired in the marketplace. From an industry dynamics point of view, the buyer and seller must be prepared proactively in the Predeal ideation stage in any organization from any industry vertical.

Decision Phase: The decision phase is another crucial juncture in the M&A journey, as buyers make critical go-or-no-go decisions. A successful DD phase will pave the path for value realization, objectivity when buying an entity, digital transformations that can be leveraged from the company being acquired or transformations that need to be initiated to accommodate the firm, overall cost, synergy planning, potential revenue improvements, and more.

Post-Merger Integration Phase: The post-merger integration phase is the period immediately after the announcement of M&A and the integration of the two or multiple organizations is initiated. Immediately after Day 0, DD will be planned with all stakeholders to perform the integration. At this stage, digital transformations are implemented. Decisions on the kind of digital transformation in various domains such as apps, infra, cloud, security, end-user solutions, and service management platform integrations are decided based on the priority and need of the

business, keeping the costs in perspective. The buying company will pay a premium to acquire the target organization, so softer aspects of culture integration, team integration, and HR transitions address compliance integrations between the two firms.

Value realization phase: Day 1 in the M&A journey typically marks the closer from the seller's perspective. The arrangement is a divestiture, where a business unit is sold to the buyer, Day-1 is the day when the TSA is completed. The buyer expects to complete the people, process, technology, and business integration completed during PMI before Day 1. The value realization phase is usually realizing the synergies and benefits by the buyer. Based on the arrangement between buyer and seller, the value realization can happen immediately from the start of Day 0. In some cases, the PMI doesn't conclude on Day 1, the integration or implementation of digital transformation solutions might conclude on Day 2. As the research is focused on identifying best practices in digital transformations, it's evident from the research that the deal team should be focused on the objective of M&A with a focus on the digital transformations from the early stages of deal planning.

M&A Closure: M&A closure marks the end of the merger integration, where all planned business and digital technology platform integrations are concluded. At this stage, the lessons learned from the endeavor can be captured. If the buying organization intends to buy other companies soon, the lessons learned from the end-to-end exercise can help make the right business and technology decisions.

Best Practices Recommendations: A practitioner can leverage the framework in the results chapter to understand and apply the framework to any real-time business situation. It helps the practitioner to be involved in conversation with deal teams, advisors of M&A and technology teams to carve out the overall journey of transformation and integration. For academic purposes, the framework can be leveraged as helping aspirants to know about the M&A, different phases of M&A, and build frameworks to enhance the current framework.

5.2. Business Context of M&A:

Understanding the business context for any M&A will help choose the right strategy for the overall restructuring exercise. Imma-Institute(2024) provides high-level statistics on M&A transactions. M&A is a multi-billion dollar industry that influences all industry verticals worldwide.

Factors that impact and influence a merger need to be fully understood to lay the foundation of the business digital transformation journey. Every organization must proactively know the core strengths and weaknesses in governance, IT management, policy, and standards management before starting the M&A journey to estimate and evaluate the effort and investments required to integrate.

Key influencers of digital transformations from a business context are

- Types of M&A - Local, Global, Private Equities firms involvement,
- Governance and Communication
- Risk Appetite of the acquirer during decision-making
- Financial KPIs
- Value Drivers
- Value realization target schedule
- Processes in the areas of sales, marketing, finance, regulatory, tax, legal
- Technology Readiness

Best Practices Recommendations: Business context provides a comprehensive view of M&A and various factors that influence the journey. From the results section of the chapter, a business practitioner or IT integrator can understand the types of M&A that influence the decisions, actual KPIs, value drivers and factors that influence business and technical decisions. The business context section can be applied to any real-time situation by applying the questionnaires in appendix to size an M&A pursuit and use the knowledge highlighted in the results section as a

planning tool. From academia standpoint, a student can use the knowledge as a foundational framework and a senior researcher can expand the frameworks further research.

5.3. Buyer IT Assessment:

In the context of M&A, the buyer needs robust IT governance and mature IT platforms to integrate the new organization into it. Acquiring an organization might consider leaving the acquired organization's IT as it is if the acquirer never intended to combine both firms. SWOT of IT platforms and IT governance must be concluded before starting due diligence to acquire a new company so the integrations, costs, schedule, and value synergies can be forecasted correctly. An IT organization's maturity and effectiveness depend on the standards and policy frameworks in place.

- IT Outcomes are realized through processes. IT outcomes are dependent on strategies, goals, objectives, and business value propositions
- Conformance and performance standards are key for any organization
- KPIs/Metrics reporting on scorecards and dashboards keeps the entire organization honest
- Operations readiness, services scaling, process management, policy and standards management, internal and external influencers, IT governance, and IT strategies for various platforms, such as apps, cloud, data, and cybersecurity, need to be fully understood

Governance looks at the internal structures of controls and procedures that organizations have adopted to govern themselves, meet compliance requirements, drive decision-making, and address stakeholders' needs. Isaca (2024)

The policy toolkit from ISACA indicates that Policies are designed to formally document and communicate mandatorily required activities and behaviours for the successful functioning of an enterprise. Policies also define the behaviors and activities restricted in an organization to safeguard the organization's interests.

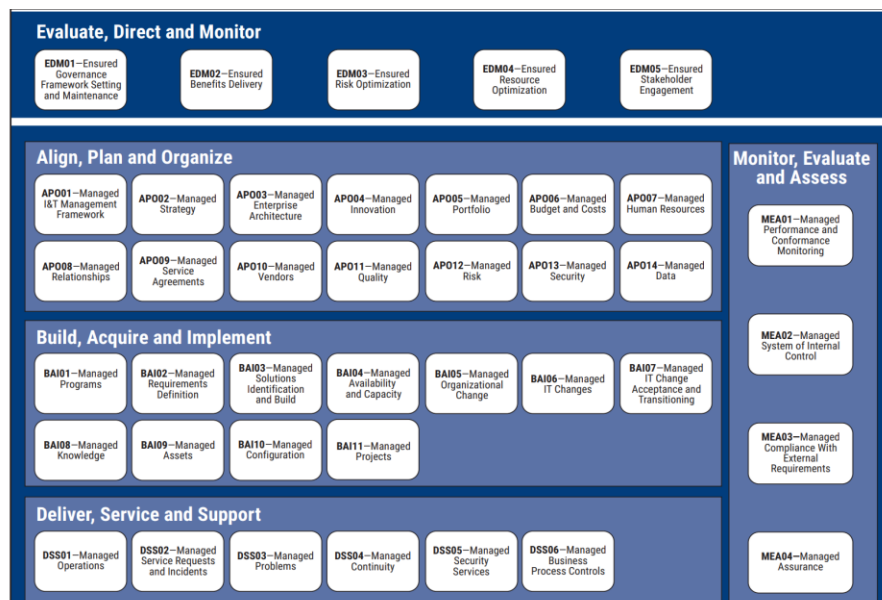
Enterprise governance provides a platform for IT organizational leaders to partner closely with the Business Leaders and structure policies and standards to meet performance and conformance standards.

Conformance standards primarily focus on compliance and security standards regulated by the industry entity, legal entity, the law of the land, international trade councils, or state and government entities. Performance standards for various IT functions are set based on the business's current and future demands.

The technology, security, compliance, and data domains required clear policies and standards to meet performance and conformance standards. The organization's internal and external influencers influence the business and IT strategy in any given situation. IT strategies, goals, objectives, and Business value are realized through the right behaviors, practices, processes, and procedures.

Key performance indicators, metrics, and reporting scorecards achieve the objectives of each technology solution. A technology domain leader is responsible for smooth operations and a futuristic digital strategy.

FIGURE 27-COBIT FRAMEWORK, SOURCE: ISACA (2025)



Best Practices Recommendations: Buyer IT assessment section provides guidance to the practitioners to leverage the models and knowledge created to assess an IT organization. The frameworks, questions and knowledge created help in evaluating maturity of any organization. IT governance, as highlighted in figure 27, provides high level framework from organizations such as ISACA. The knowledge created out of research can be used to assess the maturity of an IT organization planning to acquire another organization. For academia purposes, a beginner can get visibility into how IT governance, conformance and performance standards are structured in an organization.

5.4. Seller IT Assessment:

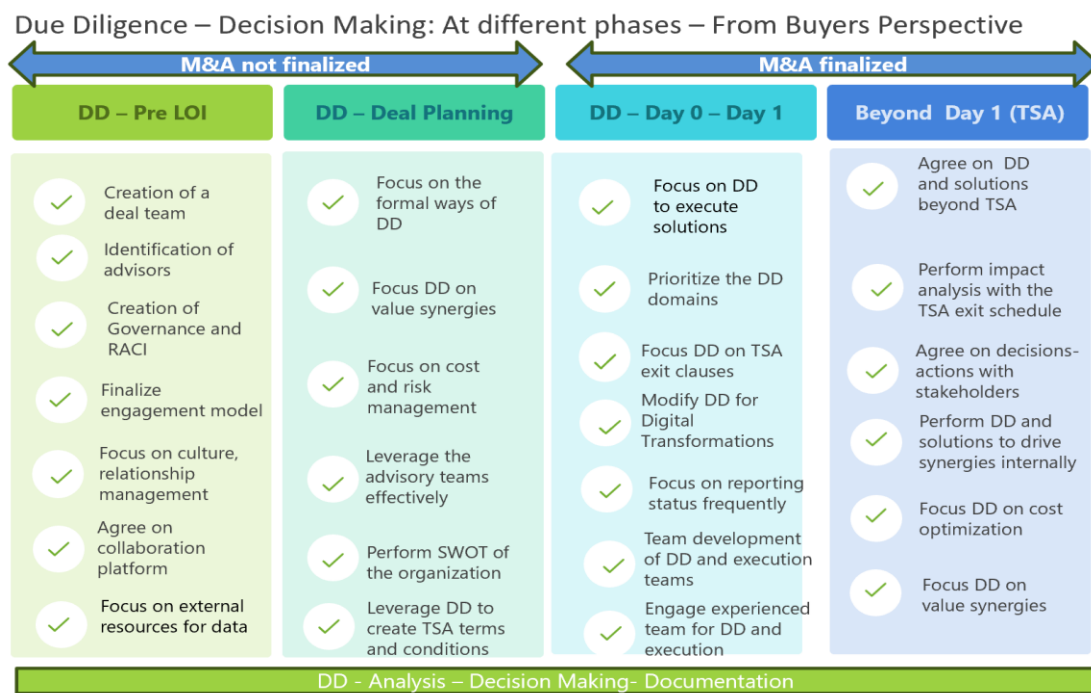
When a small, medium or large organization is in business, it is required to have an IT governance model in place to run the IT and enable business to succeed. Suppose an organization has decided to divest itself for business reasons, it must perform IT SWOT assessments across the technology platforms so the organization can have a transparent conversation with the buyer and make the final decisions.

- IT Outcomes are realized through processes. Firms are dependent on strategies, goals, objectives, and business drivers. Regardless of the company's size, whether it's a buying or selling organization, it's essential to have processes across the board.
- Conformance and performance standards are key for any organization, including a selling organization in an M&A context.
- KPIs/Metrics reporting on scorecards and dashboards keeps the entire organization honest.
- As the organization is being acquired, it's more important for the company to perform a SWOT of IT platforms and address any gaps identified during the assessments.
- Rather than having the issues identified by the buyer during the due diligence process, it's prudent for the company to start addressing the gaps.

Best Practices Recommendations: The seller IT assessment is equally important as a buyer IT assessment. The frameworks developed, comparative analysis provided, and questionnaires in the appendix section will help a practitioner to apply in real-time situations. For academia, the framework, the research output caters to both buyer IT and seller IT and highlights the importance of having a methodology and framework. Maturity of the organizations help in deciding on the transformation journey.

5.5. Due Diligence – Deal Planning and Post Deal Closure:

FIGURE 28-DD FOR PRE-DEAL AND POST-DEAL



Due Diligence from LOI – TSA Closure

Due Diligence occurs in multiple iterations when two companies engage in M&A activity. First, when an organization is in the ideation stage of evaluating potential companies, the DD is

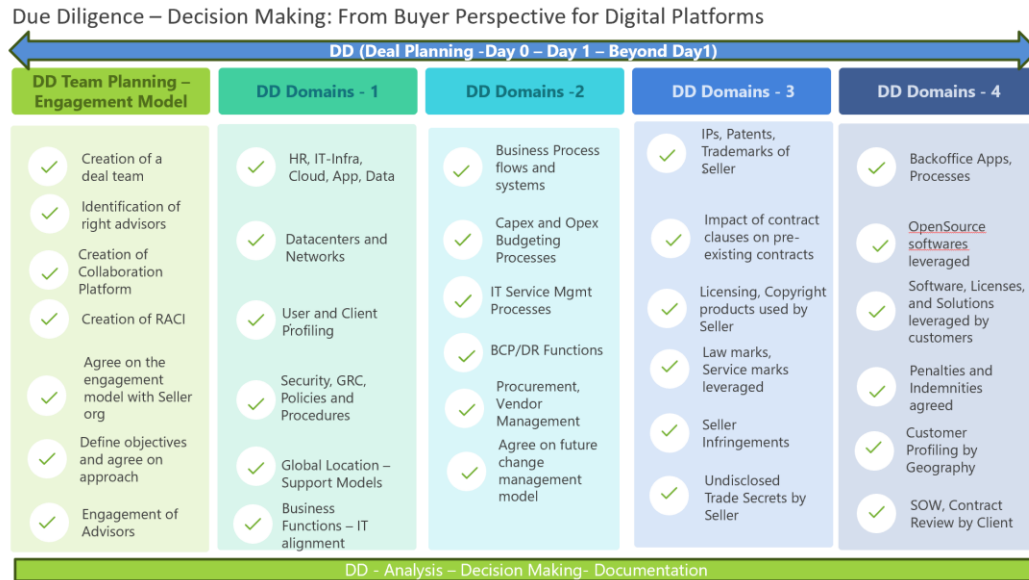
conducted informally through its resources. The above visual model provides best practices for the practitioners to see the deal planning and deal execution objectively based on the situation. The buying organization can leverage internet sources for advisory information before it signs an NDA and expresses its interest in buying a target company. However, when the LOI is finalized between the two entities, the DD is performed so that the exercise will help the deal team make a go-or-no decision. When a buying organization decides to buy or merge with another organization, the DD must be performed with PMI. Detailed DD must be performed by buying for planning, implementing, and supporting the integration.

When two companies agree on a letter of intent (LOI) contract, the acquirer deploys a due diligence team to evaluate the targeted company. During this phase, the process is faster, and due to schedule constraints, the buyer makes many assumptions. As both the companies (buyer and seller) are in a sales cycle, the buyer's focus will be to evaluate the feasibility of buying the company with a focus on many aspects. While the buying company will make reasonable efforts to plan for potential digital transformations, detailed solutions and integration focus will not be the focus.

- DD in the deal planning phase is early, and the firms on both sides must handle the negotiations and discussions delicately. Not all aspects are high priority during the early stages. Documentation must be maintained and revisited during the DD after announcing the deal. DD activities immediately after the deal is announced need to be a detailed DD.

When one company agrees to buy another after conducting the DD, the announcements are made on Day 0. Currently, the acquiring company is due diligence to start planning the merger.

FIGURE 29-DD AND DOMAINS OF FOCUS



Due Diligence from LOI – TSA Closure

Due Diligence occurs in multiple iterations when two companies engage in M&A activity. First, when an organization is in the ideation stage of evaluating potential companies, the DD is conducted informally through its resources.

The buying organization can leverage internet sources for advisory information before it signs an NDA and expresses its interest in buying a target company. However, when the LOI is finalized between the two entities, the DD is performed so that the exercise will help the deal team make a go-or-no decision. When a buying organization decides to buy or merge with another organization, the DD must be performed with PMI. Detailed DD must be performed by buying for planning, implementing, and supporting the integration.

The DD conducted during the Predeal stage and after the deal is signed will usually focus on the same focal areas but with different degrees of detail and analysis. The due diligence undertaken after the agreement is signed will be gear towards merging both companies, planning and executing the digital transformation solutions in the following areas

- HR Transition – People transition from the seller to buyer
- Facilities - Office locations, manufacturing locations to be moved into buyer organization
- IT Systems- End User Services, Network, Cloud, On-Prem DCs, Storage, Apps, Data, GRC domains
- Vendor Management – Management of vendors with buyer and seller. Defining a target strategy for the vendors supporting the integrated organization.
- Contracts and Procurement – Contracts with employees, vendors and various stakeholders along with the procurement processes and contracts needs to be considered.
- Transformation Opportunities – Opportunities that can help business to converge/diverge/create new solutions.
- Process Management – End to end processes that play an important role to structure the business, IT processes to run an organization
- Capex, Opex (operational expense) Systems – Financial processes as annual budgeting, project budgeting, capital expense and operational budgets.
- Front-Office Processes - The client facing processes and systems that have a direct impact on the revenues
- Back-Office Processes – The accounting, compliance and record keeping systems and processes.
- Middle-Office processes – Systems and processes focused on the transaction processes
- Services Management Platforms – The platforms meant for managing the service integration, service platforms.
- Monitoring, Event Management- Technology tools to manage monitoring, event correlations between the incidents. Ex: ServiceNow and Solarwinds
- Emerging Technologies - Automation, AI, ML, SAAS, PAAS, IAAS – Most complex technologies that can transform business and M&A integrations. Automation, Artificial intelligence, machine learning, software as a service, platform as a service, infra as a service are next generation

- Cybersecurity - Policies & Processes – Cybersecurity is about information security, data security and the security practices that are mandated across the world.
- OCM – Organization change management to drive the changes in any organization.
- Operations KPI - Stability Management – IT operations have specific KPIs that determine meeting and exceeding benchmarks. IT operations provide stability to the organization.
- Portfolio Management Processes – All change initiatives have the portfolio management practices.
- Recent security and legal breaches – Keeping track of the latest security and legal breaches the selling entity has gone through in recent times.
- IT Transformations in play impacting current business – Current active transformation programs in an organization that needs to be considered during M&A

Best Practices Recommendations: The topics identified through research; the questionnaires developed for the DD can be leveraged for any M&A transaction. Due Diligence conducted to decide on buying a company has similar focus points with different objective focus. However, the overarching objective on merger integration comes from the assessments concluded during the sales process and immediately after the sales process is closed. Practitioners and members from the academia will benefit by observing the specific domains considered for due diligence and questionnaires. Future research and detailed structuring of the interviews and topics highlighted will elevate the success of merger integration.

5.6. Discussion on Post Merger integration

Merger integration is critical for any M&A, divestiture, or spin-off. Most M&A failures can be attributed to the merger integration phase. The degree of analysis from the predeal stage must be executed in the Merger integration phase.

The merger integration will focus on creating teams, setting up governance models, and leading the merger. The KPIs for merger excellence have to be agreed upon by the acquirer's senior

leaders during the pre-deal phase and communicated to the entire organization from Day 0 until the merger is concluded.

Focus areas of Merger Integration:

- Executive Governance Team
- Technical Governance team
- Change Governance Team
- Operations Readiness Team
- Transition Management Office - Governance
- Contract Management - Governance
- Risk Governance
- Financial Governance
- HR Transition
- Facilities
- IT Systems- End Users
- IT Systems - Network
- IT Systems - Cloud
- IT Systems - On-Prem DCs
- IT Systems - Storage
- IT Systems - Apps
- IT Systems - Data
- Governance Risk Compliance
- Vendor Management
- Contracts and Procurement
- Digital Transformation Opportunities
- Process Management
- Capex, Opex, Budgeting Systems
- Front Office Processes

- Back Office Processes
- Middle Office Processes
- Services Management Platforms
- Monitoring, Event Management Platforms
- Emerging Technologies - Automation
- Emerging Technologies - ML
- Emerging Technologies – AI
- Emerging Technologies - SAAS, PAAS, IAAS
- Cybersecurity - Policies & Processes
- OCM
- Operations KPIs
- Portfolio Management
- Recent security & legal breaches

Best Practices Recommendations: The success or failure of an M&A is determined by the way the integration is executed successfully. Cost, schedule, digital transformations, synergies play important role during the PMI. All factors starting from business context to M&A Priorities, Buyer and Seller IT assessment, predeal dd, post-sale dd have to be taken into consideration to plan and execute the M&A integration. PMI framework and research results provide guidelines to practitioners to plan the integrations effectively taking all dependencies into consideration. For Academia, the analysis results provides good foundation to understand the framework of PMI.

5.7. ANSWERS TO RESEARCH QUESTIONS

TABLE 4-ANSWERS TO RESEARCH QUESTIONS

SNO	Questions	Answers
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1	Business Context –What is the business context of M&A? What are the factors that influence the decision making of buying another entity? What is the end-end process flow of M&A? What are different categories of M&A that are important?	The driving forces of the decisions for M&A is the business context. There are multiple factors as type, size, scope, governance, financial KPIs, Value drivers, Contracts, HR transitions, culture, regulatory, legal, tax implications, sales, marketing, financial processes, IT systems are key business priorities influence decisions. End-End process of M&A is explained in the results chapter of the thesis.
2	M&A Priorities that Influence Digital Transformations – Does M&A priorities have influence on Digital Transformation decisions?	Yes, the business decisions, the speed at which the decisions must implemented to realize the value synergies have direct impact on the choice of transformation solutions to accelerate or moderate the solutions to meet the business demands.
3	Buyer IT Assessment - When a company is planning to buy another company, what are the factors that determine the IT maturity of an organization?	IT systems, policies, governance models, managing the internal and external influences of the business determine the maturity of a buying company. A solid matured IT organization with tested platforms are required for an organization to acquire another organization
4	Seller IT Assessment – when a company is planning to sell its business unit or its entire business, what are the factors that determine the IT maturity of an organization?	As a buyer, the seller organization needs to have matured IT systems, policies and set governance model to meet the demands of internal and external business drivers. Without a stable IT organization and platform, a seller business functions can't operate successfully, it will be difficult for a buyer to acquire if the IT systems, processes are non-existent or premature.
5	Due Diligence during Deal Planning – Why is due diligence important during the deal planning stages? What aspects need to be considered during deal planning stages?	Due Diligence is the heart of any M&A. Especially, during the deal finalization stage, the decisions are made based on the processes data collected during due diligence. Detailed view of the categories is highlighted and explained in the results chapter of the thesis.
6	Due Diligence post Deal closure - Why is due diligence important post deal closing stage? What aspects need to be considered during deal planning stages? Why is another due diligence required while due diligence was already completed during deal planning stage?	Once the deal is closed, the buyer organization needs to perform a DD to reconfirm the data collected during sales process, prepare itself to make final decisions and embark on the journey of execution. Assumptions made during the sales process needs to be revalidated. Choice of solutions, approved integration costs, speed of execution needs to be reevaluated. Native IT platforms of buyer, IT platforms of seller need to be revisited to bridge the solution gaps.

7	Finalize Digital Transformation Solutions – What is the relevance of finalizing the digital transformation solutions? How does it impact the M&A outcomes?	Digital Transformation Solutions enable the buyer to integrate the acquired entity. M&A outcomes must take all the above aspects into considerations prior to choosing the solutions. Final solutions take the short term and long-term advantages to the buying entity.
8	PMI - Post-Merger Integration – What is post-merger integration in M&A? What aspects need to be considered during PMI?	Post merger integration is the execution of all solutions, decisions to integrate both organizations. PMI determines the success or failure of an M&A. The detailed view of PMI from digital transformation perspectives are explained in detail in the results chapter.

Chapter VI:

6. SUMMARY, IMPLICATIONS, AND RECOMMENDATIONS

6.1. Summary:

M&A is a corporate restructuring activity that enables corporations to invest or divest to influence favorable business outcomes. Legal, regulatory, technology, market situations, antitrust policies, globalization, political, economic, and social conditions influence the M&A volumes in a country or in a business segment. In the context of M&A, digital transformations enable the success of business integration.

6.2. Implications

The success of M&A can't be achieved by pinpointing a few selected team members or a few selected processes. The digital transformations, M&A lifecycle, maturity of IT footprints, IT governance teams, DD teams, advisors, the end-users impacted, business processes, IT platform teams, HR teams, Organizational change management teams, and technology experts from infrastructure, security, and apps must come together to make M&A successful. Both buy-side and sell-side organizations can leverage research for proactive planning purposes. The recommendations for various stakeholders could be

M&A practitioners: M&A practitioners or advisors involved in Predeal planning or during the post-merger integration process can leverage the M&A priorities highlighted in the business context section. M&A advisors can set the right expectations for sell-side and buy-side stakeholders with the priorities identified in the business context, PMI and DD.

Technology leaders: Technology leaders from the buy-side or sell-side can consider leveraging the IT maturity model to prepare their IT organization to pursue changes and build stability.

Decision Makers in M&A: Business leaders making decisions on M&A can consider the lifecycle approach and emphasize the importance of DD and value realization planning from the early stages of discussions.

End-users or employees impacted by M&A: Anyone who likes to understand the lifecycle of M&A can leverage the findings from business context, IT Maturity, DD, PMI, Value realization, Day 0, Day 1, Day 2 priorities to the organization and teams. The teams can be well prepared who are planning to embark on a journey of M&A.

Enabling teams: Enabling teams such as HR, accounting, junior technical teams, and service providers who want to understand the lifecycle of M&A, map

The lifecycle to various phases, proactive planning can leverage the research.

6.3. Recommendations for Future Research:

As M&A is a complex process, capturing all combinations of business drivers will be a challenge for any researcher. The current research focuses on digital transformation in the M&A context for small and medium global organizations. The following recommendations can be considered for future research.

M&A Integrations with multiple entities: If an organization is merging or acquiring multiple companies locally or globally, then the business context, DD, and PMI will be different and complex. Future researchers can lead the research in simultaneous M&A or divestitures at the same time. The decision-making framework for such situations will be a different endeavor.

Mega mergers with global impact: Research on deals massively impacting the global economy can be undertaken. The following researchers can research this area based on market and country dynamics. Dealing with stock exchanges, various anti-trust policies, and compliance standards can be involved. Transformations in such situations will have different trajectories.

M&A with high government involvement: Mergers and Acquisitions where government agencies are involved can be researched separately. Current research doesn't consider federal or state agencies' participation in M&As. M&A where companies don't go through integration: In some cases, the merger integration is not performed after the companies decide to go through M&A. They exist as independent companies and plan to merge in the future. Researchers can consider such unique cases.

Industry-specific M&As and divestiture: Research can be focused on industry-specific M&As. The financial, Technology, retail, transport, Oil and Gas, and telecom industry verticals have different compliance standards and M&A requirements.

M&A managed by private equity firms: In some cases, private equity firms invest in carving out business units from large corporations to develop the companies and eventually sell them for over 3-5 years. The M&A objectives in such cases can be of interest to future researchers.

Impact of emerging technologies shaping M&As: Emerging technologies can revolutionize the world. Bitcoin, AI, and ML are a few examples. M&A undertakings in companies with high-risk appetites need to be handled separately.

M&As in economically backward countries occurred. Mergers happen worldwide, including in economically backward countries. Future research can focus on these countries and the support they get from the government.

6.4. Conclusion

M&A integrations are complex across vertical industry. Integrations driven by Digital Transformations need leadership teams to navigate teams, manage culture, and attentively drive multiple aspects of readiness. The research aims to take an end-to-end view of M&A and map the digital transformation planning, identifying the building blocks that improve the probability of smooth business integration.

APPENDIX A - INTERVIEW GUIDE

TABLE 5-BUSINESS CONTEXT: INTERVIEW 1

Business Context- Interview 1- An interview focused on soliciting feedback and scoring

BH-1	Categories	Business Context - Round One	Remarks
1	Business Drivers	How will business drivers benefit buying and selling organizations in achieving their objectives?	Mergers, Acquisitions, Divestures are done for the business reasons. The underlying factors are always business drivers. Business Drivers are Instrumental to the success and outcome of M&A
2	Digital Transformations	To capitalize the digital transformations in M&A, how to approach the M&A? What is the importance of Digital transformations?	While digital transformations are very important to enable M&A. Primary priority is business context and drivers.
3	Financial KPIs	As a part of understanding business context in M&A, what is the relative importance of financial KPIs in M&A?	Financial KPIs are key decision-making criteria. Its highly important
4	Value Drivers	As M&A is geared towards P&L gains of the acquirer, how can one define the priority of value drivers in M&A?	Value drivers convince the investors and investment advisors
5	Governance	What is the priority of how the M&A is executed in comparison to planning?	Key component from pre-Day0, Day 0 and Day 1 and beyond
6	Culture	What is the relevance of culture in M&A failures even before the decisions for go-ahead with the buy-decisions?	Key influencer in the success of Merger and PMI
7	Contracts	In your experience, how does contracts influence M&A success or failures?	Contracts are instrumental to manage risk in the business deal

8	Types of M&As – priority	What is the importance of kinds of M&As impact on the ways organizations merge?	Type of M&A decides the trajectory of overall course of M&A
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TABLE 6-BUSINESS CONTEXT: INTERVIEW 1 SCORES

	High	Medium	Low
Digital Transformations	0	2	0
Business Drivers	3	0	0
Financial KPIs	3	0	0
Value Drivers	3	0	0
Governance	3	0	0
Culture	3	0	0
Contracts	3	0	0
Types of M&A - priority	3	0	0

TABLE 7-BUSINESS CONTEXT: INTERVIEW 2

Business Context- Interview 2- An interview focused on solicit feedback and scoring.

BH-2	Categories	Business Context - Round two	Remarks
1	Communication	What is the priority of communication in M&A?	A structured communication strategy is instrumental to the success. Governance and Communication go hand in hand.
2	Regulatory	What influence does regulatory aspects have in M&A?	Regulatory controls decide go/no-go decisions in M&A. Its high priority

3	Legal	What influence does Legal counsel and Legal aspects play in M&A transaction?	Same as Regulatory. Knowing the legal ramifications of an M&A transaction is key
4	Tax	How important is it to review, plan and evaluate impact of taxation laws in M&A transaction?	Taxation laws have major impact on the P&L of any business. Its high priority.
5	Risk Management Framework	As M&A is a high-risk undertaking? What is the relevance/priority of risk management in M&A?	There is high risk involved in M&A transaction. Risk is at every stage and phase of the M&A and divestiture
6	Sales Processes	What importance should be given to Sales Processes in M&A transaction of acquirer and acquired companies?	Every business depends on Sales processes. It's important to look at both sides of acquirer and acquired
7	Marketing Processes	What importance should be given to Marketing Processes in M&A transaction of acquirer and acquired companies?	Every business depends on marketing and branding processes. It's important to look at impact on the brand for both sides of acquirer and acquired. How it communicated to the world from both sides of the organizations is key.
8	Financial Processes	What importance should be given to financial Processes in M&A transaction of acquirer and acquired companies?	Financial data, financial processes, short-term and long-term impacts needs to be assessed thoroughly by both firms.
9	Enterprise Technology Maturity	As an enabler of business, what is the importance of overall enterprise Technology in M&A?	All aspects of merger are driven by technology. Apps, infrastructure, data play vital role in the context of technology. It's very high priority.
10	PMI priority	What is the importance of post-merger Integration in an M&A Transaction?	Success of an M&A transaction is determined by PMI. It's important

TABLE 8-BUSINESS CONTEXT: INTERVIEW 2 SCORES**Business Context- Interview 2- Scores Received for each of the topics**

	High	Medium	Low
Communication	3	0	0
Regulatory	3	0	0
Legal	3	0	0
Tax	3	0	0
Risk Management Framework	3	0	0
Sales	3	0	0
Marketing Processes	3	0	0
Financial Processes	3	0	0
Enterprise Technology Maturity	3	0	0
PMI priority	3	0	0

TABLE 9-BUSINESS CONTEXT: INTERVIEW 3

Business Context: Interview 3 An interview focused on obtaining feedback and scoring.

BH-3	Categories	Business Context - Round 3	Remarks
1	Complex M&As – Governance	Irrespective of type of M&A, what is the importance of governance in bringing two companies together? Ex: hostile mergers, global mergers, conglomerate mergers, etc. Provide the rating	Irrespective to the type of the merger, the governance is important vehicle to get the entire investment successful
2	Industry, Regional compliance	How does industry specific regulations as HIPPA, SOX, PCI and other compliances impact M&A? How do you rate them	Compliances by specific industry have major impact.
3	Contracts and Clauses	During M&A the no disclosure agreements, escrow details, penalties, pre-deal contract clauses, post-deal contract clauses, clauses to manage abrupt market situations have high impact on the M&A decisions. How do you rate the priority?	Legal binding and contractual management are pivotal in M&A. Its high priority
4	Tax Types	The type of corporation, location of the company registered, state tax laws, sales tax on the services and products sold in various countries have strong bearing on the M&A decisions. What is your priority rating?	Taxes will have major ramifications on the employee taxes and on the products and services.

5	Risk Management- Predeal, Post Deal	Identification of risks and mitigating risks from LOI, DD, decisions on go/no-go decisions, financial analysis risks, stakeholder management have major risk management strategies involved. Is risk management involved at every aspect of journey in M&A? How do you rate the risk management?	Risk Management function needs to be focused through the entire life cycle.
6	Sales (Predeal, post deal)	The sales of the products will have an impact on the buying and selling organizational entities. What is the impact and importance of the change process on Sales Processes and functions?	Critical to success of both organizations
7	Marketing (pre deal, post deal)	The marketing and branding functions needs to be enough importance for both entities from day 0 announcement. Do the marketing functions be given enough attention during Day 0 and Day 1 stages of the M&A. What the priority rating of these transitions?	Critical to success of both organizations
8	Financial (pre deal, post deal)	During the deal making in M&A, how important is it to review past years financial performance and review future projections? Provide your rating.	Extremely vital for decision making
9	Technology (buyer maturity)	From Technology Enablement perspective, how important is it to operationally be ready and onboard new company compared to bringing in best of digital transformations?	It's important to get the new company on its feet first, don't try to bring world class solutions. Immediate focus should be getting the business going. Buyer must be ready
10	PMI Execution	In PMI, how important is execution of integration. Provide your rating?	PMI is critically important to the success and team management is pivotal

TABLE 10-BUSINESS CONTEXT: INTERVIEW 3 SCORES**Business Context: Interview 3 scores Received for each of the topics**

	High	Medium	Low
Complex M&As - Governance	3	0	0
Industry, Regional compliance	3	0	0
Contracts and Clauses	3	0	0
Tax Types	3	0	0
Risk Management (pre deal, post deal)	3	0	0
Sales (Predeal, post deal)	3	0	0
Marketing (Post M&A)	3	0	0
Financial (pre deal, post deal)	3	0	0
Technology (buyer maturity)	3	0	0
PMI execution	3	0	0

TABLE 11-BUSINESS CONTEXT: INTERVIEW 4

Business Context: Interview 4 An interview focused on soliciting feedback and scoring.

BH-4	Categories	Business Context - Round One	Remarks
1	Types of M&A	Does Conglomerate, congeneric, market extension, Horizontal, vertical, global, local, hostile, friendly mergers have impact on the outcome of M&A? What is priority?	Type of M&A has direct influence on the PMI and choice of the digital transformation solutions. While DD, organizational maturity provides specific direction to M&A
2	Governance, Communication, OCM	Does the executive governance, OCM, architecture review governance, advisory teams have influence on digital transformations in M&A. What is the priority?	Governance models, influence of advisors have direct influence on the digital transformation solutions.
3	Risk Appetite	Does the risk appetite play a role in the choice of digital transformations? What is the priority?	Risk appetite of the M&A has influence on the choice of the digital solutions in M&A or divestiture pursuit.
4	Financial KPIs	Does analysis of revenues, gross margins, auditor reports, financial ratios, deal structuring have influence on the choice of digital transformations?	Financial KPIs are key decision-making criteria. KPIs, financial reports, financial ratios, historical data has direct influence on the maturity of the digital transformations that can chose.
5	Synergies	Do long-term synergies, new market reach planning have influence on digital transformation solutions choice? What is the priority?	Synergies expected by the buyer influence the type of digital solution. Solutions must meet the value synergies expected by the buyer.
6	Regulatory-Tax-Legal impact on transformations	Does factors as regulatory, taxations, legal aspects influence the choice of digital transformations. What is the priority in M&A?	Regulatory systems, Accounting, Taxing, legal processes have influence on the choice of digital transformation solutions. Both buyer and seller situations need to be evaluated.

7	Sales -Marketing- Finance impact on transformations	Does sales, marketing, financial processes between two organizations influence the choice of the digital transformations?	Sales, Marketing, Finance processes and platforms leveraged from both buyer and seller perspective determine the digital transformation solutions.
8	Contracts- Employee, business	Does LOI, NDA, Predeal contract, Post deal contract, TSA, clauses of Day 0, Day 1, employee contracts have influence on M&A? Does contracts influence digital transformation solutions. What is the priority?	The contracts mentioned have short-term and long-term impact on the solution decisions taken. Contract is foundational for managing the TSA, schedule, speed of PMI.
9	Culture (Predeal, post deal)	Does culture of the organizations influence the choice of digital transformations? What is the priority?	Culture in some cases dictate the digital transformation solutions in M&A. Org culture, country culture, industry culture influences the choices of digital solutions.
10	Technology (seller maturity)	Does seller Technology maturity, ability to move to new platforms have influence in M&A. Does business drivers, technology drivers influence the digital transformation choices. What is the priority.	Technology is deployed at every level of the organization. During M&A decision making, seller technology is seen as an enabler and considered in making the final decisions. Keeping all the business drivers in perspective, the technology digital solutions decisions are taken by buyers.

TABLE 12-BUSINESS CONTEXT: INTERVIEW 4 SCORES**Business Context: Interview 4 scores Received for each of the topics**

	High	Medium	Low
Types of M&A	3	0	0
Governance, Communication, OCM	3	0	0
Risk Appetite	3	0	0
Financial KPIs	3	0	0
synergies	3	0	0
Regulatory-Tax- Legal impact on transformations	3	0	0
Sales -Marketing- Finance impact on transformations	3	0	0
Contracts- Employee, business	3	0	0
Culture (Predeal, post deal)	3	0	0
Technology (Maturity)	3	0	0

TABLE 13-BUYER IT ASSESSMENT

Buyer IT Assessment: Following category of topics are important for a Buyer. The interview questions are highlighted below.

SNO	Categories	Buyer IT Assessment
1	Ops Readiness	How important is it for the acquirer organization to have stable IT Organization with matured IT platforms? In case the acquirer needs to provide IT services the stability and readiness of Platforms is critical. How do you give priority rating?
2	Services Scaling	How important is it for the acquirer organization to expand its services to accommodate the brand-new organization into it?
3	Process Management-1	How important are performance and conformance standards in any organization planning to acquire another firm?
4	Policy and Standards	How important are the policies and standards for an enterprise planning to acquire another firm?
5	IT influencers-1	Does IT strategy and outcome management influence by business strategy? What is priority rating?
6	IT influencers-2	Does Internal and External factors influence the IT strategy for any organization? What is the degree of priority?
7	Process Management-2	How important is Process management in leading any organization? Especially in the context of planning to buy another organization?
8	Process Management-3	When managing IT strategy, how important are the KPIs to manage IT strategy?
9	IT Strategy-1	Does acquiring organization need to have strategy, systems, processes, KPIs to manage IT (Infra, apps, data, security, vendor management and service Management)? What is the priority in the context of being Acquiring organization?
10	IT Strategy-2	For an acquiring organization, how important are External IT factors as business compliance, IT compliance, country and state legal requirements? What is the priority?
11	IT influencers-3	How important are internal IT influencers for a company important as finance, HR, Technology risk committee and DR/BCP requirement? What is priority rating?

12	IT Governance	From IT governance perspective what is the priority of having IT leaders (CIO, CTO), business leaders be part of steering committee?
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TABLE 14-BUYER IT ASSESSMENT SCORES

Buyer IT Assessment Scores: Scores obtained from surveys to evaluate the Buyer's IT priorities. Buyer needs to be ready for acquiring another entity. Scores Rating (3-High, 2-Medium, 1-Low)

	RP	LR	RV	MV	SS	SG	VK	KK	VR	PP	KW	EN	MOK	Avg Score
Ops Readiness	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Services Scaling	3	3	2	3	3	3	3	3	3	3	3	3	3	2.92
Process Management-1	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Policy and Standards	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT influencers-1	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT influencers-2	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Process Management-2	3	3	2	3	3	3	3	3	3	3	3	3	3	2.92
Process Management-3	3	2	3	3	3	3	3	3	3	3	3	3	3	2.92
IT Strategy-1	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT Strategy-2	3	3	3	3	3	3	3	3	3	3	3	3	3	3

IT influencers-3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT Governance	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3

TABLE 15-SELLER IT ASSESSMENT SCORES

Seller IT Assessment: Following categories will help assess IT maturity of the seller organization. Marketability of the seller is dependent on the IT maturity.

SNO	Categories	IT Maturity of the Seller
1	Ops Readiness	How important is it for the organization ready to be acquired to have stable IT Organization with matured IT platforms? How do you give priority rating?
2	Services Scaling	How important is it for the organization to be acquired have matured platform to be acquired by acquirer in M&A context?
3	Process Management-1	How important are performance and conformance standards in any organization planning to be acquired?
4	Policy and Standards	How important are the policies and standards for an enterprise planning to be acquired?
5	IT influencers-1	Does IT strategy and outcome management influence by business strategy. How important is it for any organization especially when it's up for be merger/acquisition? What is priority rating?
6	IT influencers-2	Does Internal and External factors influence the IT strategy for any organization even if will be acquired in future? What is the degree of priority?
7	Process Management-2	How important is Process management in leading any organization? Especially in the context of getting acquired by another organization?
8	Process Management-3	When managing IT strategy, how important are the KPIs to manage IT strategy? Is it required even if a firm will be acquired in near future?
9	IT Strategy-1	Does acquiring organization need to have strategy, systems, processes, KPIs to manage IT (Infra, apps, data, security, vendor management and service Management)? What is the priority in the context of being acquired by other organization?

10	IT Strategy-2	For an acquiring organization, how important are External IT factors as business compliance, IT compliance, country and state legal requirements? What is the priority in the context being acquired by another firm?
11	IT influencers-3	How important are internal IT influencers for a company important as finance, HR, Technology risk committee and DR/BCP requirement? What is priority rating in the context of being acquired?
12	IT Governance	From IT governance perspective what is the priority of having IT leaders (CIO, CTO), business leaders be part of steering committee? Please consider the context of the firm is being acquired

TABLE 16-SELLER IT ASSESSMENT

Seller IT Assessment scores: Table below provides the scores obtained from interviews on the focus areas indicated below. Seller IT maturity is important for a buying entity to make decisions. Scores priority Rating (3-High, 2-Medium, 1-low)

Focus Areas	RP	LR	RV	MV	SS	SG	VK	KK	VR	PP	KW	EN	MOK	Avg Score
Ops Readiness	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Services Scaling	2	3	3	3	3	3	3	3	3	2	2	1	1	2.46
Process Management -1	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Policy and Standards	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT influencers-1	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT influencers-2	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Process Management-2	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Process Management-3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT Strategy-1	3	3	3	3	3	3	3	3	3	3	3	3	3	3

IT Strategy-2	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT influencers-3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
IT Governance	3	3	3	3	3	3	3	3	3	3	3	3	3	3

TABLE 17-SELLER IT ASSESSMENT SCORES

DD- During Deal Planning Interview: Following table provides the DD focus areas and the associated questions leveraged for the interviews with experts and perform scoring. The DD focus areas are the areas of concentration the buyer has to focus.

SNO	DD Focus Areas	Interview Questions
1	HR Transition	How important is it to plan for HR transition to ensure deal materializes?
2	Facilities	How important is it to close the Facilities due diligence prior to M&A decision?
3	IT Systems- End User Services	How important is it to perform DD for end-user requirements prior to deal closing?
4	IT Systems - Network	How important is it to perform DD to understand Network (WAN, LAN, Internet) requirements prior to deal closing?
5	IT Systems - Cloud	How important is it to perform DD to understand Cloud (public, private, PAAS, SAAS, IAAS) requirements prior to deal closing?
6	IT Systems - On Prem DCs	How important is it to perform DD to understand On-Prem DC requirements prior to deal closing?
7	IT Systems - Storage	How important is it to perform DD to understand storage requirements prior to deal closing?
8	IT Systems - Apps	How important is it to perform DD to understand Apps requirements prior to deal closing?
9	IT Systems - Data	How important is it to perform DD to understand Data requirements prior to deal closing?
10	IT - GRC	How important is it to perform DD on GRC status quo of the company?
11	Vendor Management	How important is it to perform DD on vendor dependencies of the company?

12	Contracts and Procurement	How important is it to perform DD on procurement and contracts of the company?
13	Transformation Opportunities	How important is it to perform DD in understanding future digital transformation opportunities of the company?
14	Process Management	How important is it to understand the process footprint and maturity in an organization?
15	Capex, Opex Systems	How important is it to understand IT tools leveraged for capex, opex and budgeting systems?
16	Front-Office Processes	How important is it to perform DD on front office processes and systems?
17	Back-Office Processes	How important is it to perform DD on middle office processes and systems?
18	Middle-Office processes	How important is it to perform DD on back-office processes and systems?
19	Services Management Platforms	How important is it to perform DD on service management platforms in organization?
20	Monitoring, Event Management	How important is it to perform and understand Event Management and monitoring platforms prior to deal closure?
21	Emerging Technologies - Automation	How important is it to understand about automation implementations in an organization?
22	Emerging Technologies - ML	How important is it to understand about machine learning implementation in an organization?
23	Emerging Technologies - AI	How important is it to understand about AI implementation in an organization?
24	Emerging Technologies - SAAS, PAAS, IAAS	How important is it to understand about SAAS, PAAS, IAAS implementations in an organization?
25	Cybersecurity - Policies &Processes	How important is it to understand about cybersecurity practices?
26	OCM	How important is it to understand about OCM implementation?

27	Operations KPI - Stability Management	How important is it to understand about Operations KPIs that are driving business today?
28	Portfolio Management Processes	How important is it to understand about Portfolio-Program-Project Management processes?
29	Recent security and legal breaches	How important is it to recent security and legal breaches prior to deal closing the deal?
30	IT Transformations impact on business	How important is it to understand IT transformation that impacted the business?

TABLE 18-DD- DURING DEAL PLANNING INTERVIEW

Deal Planning – Survey Scores: When two organizations merge or divest, during the deal planning stages, the following scores were obtained. Scores below indicate the priority items during deal planning. Score Rating(3-High, 2-Medium, 1-Low).

SN O	DD Focus Areas	R P	L R	R V	M V	S S	S G	V K	K K	V R	P P	K W	E N	MO K
1	HR Transition	3	3	3	3	3	3	3	3	3	3	3	3	3
2	Facilities	1	1	1	1	1	1	1	1	1	1	1	1	1
3	IT Systems- End User Services	2	2	2	2	2	2	2	2	2	2	2	2	2
4	IT Systems - Network	3	3	3	3	3	3	3	3	3	3	3	3	3
5	IT Systems - Cloud	2	2	2	2	2	2	2	2	2	2	2	2	2
6	IT Systems - On Prem DCs	1	1	1	1	1	1	1	1	1	1	1	1	1
7	IT Systems - Storage	1	1	1	1	1	1	1	1	1	1	1	1	1
8	IT Systems - Apps	3	3	3	3	3	3	3	3	3	3	3	3	3

9	IT Systems - Data	3	3	3	3	3	3	3	3	3	3	3	3	3
10	IT - GRC	3	3	3	3	3	3	3	3	3	3	3	3	3
11	Vendor Management	3	3	3	3	3	3	3	3	3	3	3	3	3
12	Contracts and Procurement	3	3	3	3	3	3	3	3	3	3	3	3	3
13	Transformation Opportunities	1	1	1	1	1	1	1	1	1	1	1	1	1
14	Process Management	2	2	2	2	2	2	2	2	2	2	2	2	2
15	Capex, Opex Systems	3	3	3	3	3	3	3	3	3	3	3	3	3
16	Front-Office Processes	2	2	2	2	2	2	2	2	2	2	2	2	2
17	Back-Office Processes	2	2	2	2	2	2	2	2	2	2	2	2	2
18	Middle-Office processes	2	2	2	2	2	2	2	2	2	2	2	2	2
19	Services Management Platforms	1	1	1	1	1	1	1	1	1	1	1	1	1
20	Monitoring, Event Management	1	1	1	1	1	1	1	1	1	1	1	1	1
21	Emerging Technologies - Automation	3	3	3	3	3	3	3	3	3	3	3	3	3
22	Emerging Technologies - ML	3	3	3	3	3	3	3	3	3	3	3	3	3
23	Emerging Technologies - AI	3	3	3	3	3	3	3	3	3	3	3	3	3
24	Emerging Technologies - SAAS, PAAS, IAAS	3	3	3	3	3	3	3	3	3	3	3	3	3

25	Cybersecurity - Policies &Processes	3	3	3	3	3	3	3	3	3	3	3	3	3
26	OCM	2	2	2	2	2	2	2	2	2	2	2	2	2
27	Operations KPI - Stability Management	1	1	1	1	1	1	1	1	1	1	1	1	1
28	Portfolio Management Processes	1	1	1	1	1	1	1	1	1	1	1	1	1
29	Recent security and legal breaches	3	3	3	3	3	3	3	3	3	3	3	3	3
30	IT Transformatio ns impact on business	3	3	3	3	3	3	3	3	3	3	3	3	3

TABLE 19-DEAL PLANNING – SURVEY SCORES

DD- Post Deal Closure: Interview : Once the deal is closed for merger or divesture during M&A process, the following DD focus areas and interview questions will be leveraged for scoring purposes.

SNO	DD Focus Areas	Interview Questions
1	HR Transition	How important is it to plan for HR transition to ensure the merger execution is a success?
2	Facilities	How important is it to close the Facilities due diligence prior to starting M&A execution?
3	IT Systems- End Users	How important is it to perform detailed DD for end-user requirements prior to Deal closure?
4	IT Systems - Network	How important is it to perform detailed DD to ensure Network (WAN, LAN, Internet) to ensure the new organization is integrated successfully?
5	IT Systems - Cloud	How important is it to perform detailed DD to understand Cloud (public, private, PAAS, SAAS, IAAS) requirements prior to Day1 execution?

6	IT Systems - On Prem DCs	How important is it to perform detailed DD to understand On-Prem DC requirements prior to Day 1 readiness?
7	IT Systems - Storage	How important is it to perform detailed DD to understand storage requirements prior to executing solutions?
8	IT Systems - Apps	How important is it to perform detailed DD to understand Apps requirements prior to Day 1 closing?
9	IT Systems - Data	How important is it to perform detailed DD to understand Data requirements prior to executing Data solutions?
10	IT - Governance Risk Compliance	How important is it to perform DD on GRC status quo of the company before identifying GRC target solution and architecture?
11	Vendor Management	How important is it to perform detailed DD on vendor dependencies of the company and driving the required changes?
12	Contracts and Procurement	How important is it to perform detailed DD on procurement and contracts of the company before finalizing revised contracts and procurement systems?
13	Digital Transformation Opportunities	How important is it to perform detailed DD in understanding future digital transformation opportunities of the company by understanding business priorities?
14	Process Management	How important is it to understand the process footprint and maturity in an organization before proposing target processes?
15	Capex, Opex, Budgeting	How important is it to understand IT tools leveraged for capex, opex and budgeting systems in detail before proposing and executing target solutions?
16	Front Office Processes	How important is it to perform detailed DD on front office processes and systems to identify target solution and execute it?
17	Back Office Processes	How important is it to perform detailed DD on middle office processes and systems to identify target solution and implement it?
18	Middle Office Processes	How important is it to perform detailed DD on back-office processes and systems to identify the target solution and implement it?
19	Services Management	How important is it to perform detailed DD on service management platforms in organization to finalize and implement target solution?

20	Monitoring, Event Management Platforms	How important is it to perform detailed DD on Event Management and monitoring platforms prior to executing them?
21	Emerging Technologies - Automation	How important is it to understand about automation implementations in an organization to identify target architecture and solutions?
22	Emerging Technologies - ML	How important is it to understand about machine learning implementation in an organization to identify target architecture and solutions?
23	Emerging Technologies - AI	How important is it to understand about AI implementation in an organization to identify target solution?
24	Emerging Tech - SAAS, PAAS, IAAS	How important is it to understand about SAAS, PAAS, IAAS implementations in an organization to identify target solution and implement for Day 1 or Day 2?
25	Cybersecurity - Policies &Processes	How important is it to understand about cybersecurity practices in current organization in detail and then identify target solution?
26	OCM	How important is it to understand about current OCM (organization change management) implementation practices and identify target OCM strategy?
27	Operations KPI	How important is it to understand about Operations KPI metrics in detail and identify target solution for newly integrated organization and implement it for Day 1?
28	Portfolio Management	How important is it to understand about Portfolio-Program-Project Management processes in place to identify the target solution?
29	Recent security and legal breaches	How important is it to recent security and legal breaches prior to deal closing?
30	IT Transformations impact on business	How important is it to understand IT transformation that impacted the business?

TABLE 20-DD- POST DEAL CLOSURE

DD Post-Deal Closure Scores: After a deal is closed by the buying entity, a final due diligence is required before starting the integration. Scores below indicate the importance of the Due diligence after closure of the deal. Scores (3-high, 2-medium, 1-low)

SN O	DD Focus Areas	R P	L R	R V	M V	S S	S G	V K	K K	V R	P P	K W	E N	MO K
1	HR Transition	3	3	3	3	3	3	3	3	3	3	3	3	3
2	Facilities	3	3	3	3	3	3	3	3	3	3	3	3	3
3	IT Systems- End Users	3	3	3	3	3	3	3	3	3	3	3	3	3
4	IT Systems - Network	3	3	3	3	3	3	3	3	3	3	3	3	3
5	IT Systems - Cloud	3	3	3	3	3	3	3	3	3	3	3	3	3
6	IT Systems - On Prem DCs	3	3	3	3	3	3	3	3	3	3	3	3	3
7	IT Systems - Storage	3	3	3	3	3	3	3	3	3	3	3	3	3
8	IT Systems - Apps	3	3	3	3	3	3	3	3	3	3	3	3	3
9	IT Systems - Data	3	3	3	3	3	3	3	3	3	3	3	3	3
10	IT - Governance Risk Compliance	3	3	3	3	3	3	3	3	3	3	3	3	3
11	Vendor Management	3	3	3	3	3	3	3	3	3	3	3	3	3
12	Contracts and Procurement	3	3	3	3	3	3	3	3	3	3	3	3	3
13	Digital Transformatio n Opportunities	3	3	3	3	3	3	3	3	3	3	3	3	3

14	Process Management	3	3	3	3	3	3	3	3	3	3	3	3	3
15	Capex, Opex, Budgeting	3	3	3	3	3	3	3	3	3	3	3	3	3
16	Front Office Processes	3	3	3	3	3	3	3	3	3	3	3	3	3
17	Back Office Processes	3	3	3	3	3	3	3	3	3	3	3	3	3
18	Middle Office Processes	3	3	3	3	3	3	3	3	3	3	3	3	3
19	Services Management	3	3	3	3	3	3	3	3	3	3	3	3	3
20	Monitoring, Event Management Platforms	3	3	3	3	3	3	3	3	3	3	3	3	3
21	Emerging Technologies - Automation	3	3	3	3	3	3	3	3	3	3	3	3	3
22	Emerging Technologies - ML	3	3	3	3	3	3	3	3	3	3	3	3	3
23	Emerging Technologies - AI	3	3	3	3	3	3	3	3	3	3	3	3	3
24	Emerging Tech - SAAS, PAAS, IAAS	3	3	3	3	3	3	3	3	3	3	3	3	3
25	Cybersecurity - Policies &Processes	3	3	3	3	3	3	3	3	3	3	3	3	3
26	OCM	3	3	3	3	3	3	3	3	3	3	3	3	3
27	Operations KPI	3	3	3	3	3	3	3	3	3	3	3	3	3
28	Portfolio Management	3	3	3	3	3	3	3	3	3	3	3	3	3
29	Recent security and legal breaches	3	3	3	3	3	3	3	3	3	3	3	3	3

IT Transformation ns impact on 30 business	3	3	3	3	3	3	3	3	3	3	3	3	3
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TABLE 21-DD POST-DEAL CLOSURE SCORES

Table 21: Post Merger Integration (Interview) and Responses : The table below provides the summarized responses from various experts on the importance of various focus areas as a part of Post merger integration.

Focus Areas in PMI: Executive Governance Team, Technical Governance team, Change Governance Team, Operations Readiness Team, Transition Management Office – Governance, Contract Management – Governance, Risk Governance, Financial Governance, HR Transition, Facilities, IT Systems- End Users, IT Systems – Network, IT Systems – Cloud, IT Systems - On Prem DCs, IT Systems – Storage, IT Systems – Apps, IT Systems – Data, Governance Risk Compliance, Vendor Management, Contracts and Procurement, Digital Transformation Opportunities, Process Management, Capex, Opex, Budgeting Systems, Front Office Processes, Back Office Processes, Middle Office Processes, Services Management Platforms, Monitoring, Event Management Platforms, Emerging Technologies – Automation, Emerging Technologies – ML, Emerging Technologies – AI, Emerging Technologies - SAAS, PAAS, IAAS, Cybersecurity - Policies &Processes, OCM, Operations KPIs, Portfolio Management, Recent security & legal breaches.

SNO	Focus Areas	Interview Questions	Remarks from various interviews.
1	Executive Governance Team	How important is the executive governance team in M&A during PMI?	Executive Governance is required so senior leaders have visibility and can make decisions that will positively impact the outcome of M&A. Governing body has highest decision-making authority. Members of this team or committee can be from both sides of organization or will be decided by buying organization. Including the members from newly acquired organization is a good practice. When two organizations come together there will be many decisions that will be taken through the journey of Presales, Closure of the deal and during post-merger integration till the Day-1 and Day-2 are concluded.
2	Technical Governance team	How important is the technical governance team in M&A during PMI?	Technical governance team is responsible for making technical decisions and provide direction to the major technical changes that needs to be implementation as part of integration. Architecture decisions, design decisions, integration decisions, redundancy planning, short-term, long-term perspectives of decisions in implementing technical solutions needs to be organized as a part of technical governance function. The team will have been the technical governing body and work in conjunction with executive team, change governance team and transition management office.
3	Change Governance Team	How important is the change governance team in M&A during PMI?	Change Governance team is practically the technical and functional execution team to drive the implementation of the plans. The teams might come from advisors, service providers, internal teams but primarily responsible to the execution of the designs and solutions finalized by technical governance team.
4	Operations Readiness Team	How important is it to have an operations team ready to support the newly acquired organization?	The team responsible for making decisions on the operational readiness of the newly acquired business plays an important role in onboarding new organization. Operational readiness team can and must ensure the newly acquired business operates without any impact on the revenues and services to the end-clients. Operations readiness team needs to work with all other governance teams to declare its readiness.

5	Transition Management Office - Governance	How important is it to have a transition management office to execute the integration between two organizations?	Transition Management Office can be the PMO to drive all activities during the post-merger integration. Transition management office should be the first team that needs to be onboarded to build the teams, be the communication tower for the entire set of teams and stakeholders. Transition Management office should be empowered to lead the efforts and collaborate with all the teams from both organizations. Executive Governance team is required to empower the Transition Management Office. Once the merger is officially concluded, the transition management office can be disbanded by executive governance team.
6	Contract Management - Governance	How important is it to have a contract management governance team to ensure the contracts doesn't impact the acquired organization?	Contract management needs to be given utmost importance in PMI process. The acquired organization's contracts with its clients and stakeholders needs to be honoured by the firm that has acquired them. New contract decisions, terms and conditions in the newly integrated organization needs to be recreated. Procurement contracts, employee contracts, banking contracts, building contracts, technical service provider contracts must revisit to ensure the newly acquired and integrated organization manage the contracts effectively
7	Risk Governance	How important is it to have a risk governance function during PMI of two organizations?	During the journey of PMI, there is likely hood of many issues and risks that will occur, and the risks must be mitigated in timely fashion. Risks can range from various categories as technical, contract, resource dependency risks, compliance risks and many more. Risk Governance can be part of the Transition management office. Objective of risk governance function is to provide single pane view of all issues and risks, categorize the risks and avoid the risk impact and resolve the issues in timely fashion
8	Financial Governance	How important is to have a financial governance function or team to track the transition budgets, costs and oversee the revenues and margins during PMI?	Financial Governance plays an important role in the PMI. Technical integrations, business integrations, delays, managing integration budgets become part of financial governance. It's recommended to have cost management, budgeting, financial systems integrations are well planned in detailed. Integrations that go beyond TSA agreed dates needs to be understood early in the PMI process to avoid financial impact in the future.

9	HR Transition	How important is it to plan and execute HR transition in M&A during PMI?	HR Transition is fundamental to the success of M&A as it impacts directly both the organizations at all levels. Managing benefits, titles, roles, critical resource requirements to avoid attrition all play an important role in HR transition. In the cycle of post-merger integration, successful outcome is dependent on the way HR transition is handled. Managing cultural dynamics between both organizations is a challenging dimension for the buying organization
10	Facilities	How important is it to complete the facilities readiness in PMI process?	Facility options for the staff joining the new organization are a priority and needs to be addressed immediately. Based on the terms and conditions in TSA, the immediate and future needs to facility needs to be addressed. Identification of new facilities, managing digital solutions for new facility and moving end-users into new location can be time consuming and costly affair.
11	IT Systems- End Users	How important is it to finalize an overall strategy and implement the solutions that impact end-users?	End-user requirements, digital transformations around it play an important role in M&A digital transformation journey. User administration, Active directory services, federation services, digital solutions around VDI create digital platforms for new organization.
12	IT Systems – Network	How important is it to plan and conclude network solutions in the integrated organization? Ex: (WAN, LAN, Internet) readiness to ensure the new organization is integrated successfully?	Network digital platforms are complex and important aspect of M&A. ACI, Automation, SDWANs are few latest digital platforms. After DD of both firms, the feasibility and need of next generation solutions needs to be addressed by buying company. Its high priority.
13	IT Systems – Cloud	How important is it to complete the assessments and execute cloud solutions so the business will have minimal impact? Ex: Cloud (public, private, PAAS, SAAS, IAAS) prior to Day1?	Multi cloud solutions, hybrid cloud environments are fundamental but equally complex implementations. In the context of M&A, the Cloud platform needs in the integrated environment needs to be addressed immediately. Cloud migrations will be either Day-1 or Day-2 requirement in the new integrated organization.

14	IT Systems - On Prem DCs	How important is it to perform detailed DD and plan for on Prem DC migrations and relocations from sell side to buy-side of the organizations?	As cloud assessments and solutions, on prem DC assessments and future planning is important for buy-side organization. The DD must be done thoroughly along with estimated the future datacenter requirements, costs, schedules and contracts.
15	IT Systems – Storage	How important is it to identify storage solutions for the integrated organizations?	Storage and Data Solutions are complex and immediate need for M&A. The platform requirements need to be immediately prioritized during DD and Day-1 planning and execution activities.
16	IT Systems – Apps	How important is it to conclude Apps migrations prior to Day 1 completion?	Apps can be ERP apps, in-house developed, SAAS apps, desktop apps. Its immediate need for M&A. The apps requirements, future architecture, target state of apps needs to be immediately prioritized during DD and Day-1 planning and execution activities.
17	IT Systems – Data	How important is it to finalize the Data Solutions in the PMI journey?	Data Solutions are complex and immediate need for M&A. Solutions in the areas of structured data, unstructured data, data at rest and in transit needs to be considered. Data digital platform solutions need to be prioritized during DD and Day-1 planning and execution activities.
18	Governance Risk Compliance	How important is it to embark on the journey of enabling the newly acquired organization with GRC standards that will protect the interests of parent company and newly acquired organization?	GRC prescribes both the buyer and seller organizations. GRC specialists needs to be engaged early in the M&A integration efforts to evaluate and provide target solutions. It's high priority. Many industries, countries have their own GRC standards. Ex: HIPAA, PII, SOX, etc.
19	Vendor Management	How important is it for the vendor management contracts be agreed for the newly integrated entity?	New organization will have multiple vendors providing various services globally. It's essential to evaluate the impact on such services in the new integrated world. Vendor management reviews need to be done thoroughly to define the future roadmap of vendors and services during Day-1 activities and beyond. It's important and high priority.

20	Contracts and Procurement	How important is it to define new procurement processes and overall contractual terms and conditions for the IT in the M&A context during PMI?	Contracts and Procurement processes needs a thorough review and target solutions must be finalized. There can be immediate impact if the Contracts of facilities, software, hardware, applications, employee contracts, procurements systems are not addressed immediately.
21	Digital Transformation Opportunities	How important is it to finalize and embark on the journey of the digital transformations for the newly integrated organization?	In every aspect of integration, evaluation of current and future solutions across the spectrum, the buyer needs to identify the digital transformation opportunities that are in the best interest of the future organization. It's in the best interest of buyer and future business needs.
22	Process Management	How important is it to finalize the new processes and rollout the processes for the newly acquired entity?	All process changes need to be evaluated and future processes must be defined in future state of M&A. Training on new processes for new environment needs to be given utmost importance.
23	Capex, Opex, Budgeting Systems	How important is it to introduce the parent company's budgeting, project and operational budget processes and approval process during PMI?	Capex, Opex processes and system changes need to be timed correctly to avoid impact on the current ongoing projects. The end-users should not be impacted in the newly created world. New tools and processes need to be introduced to the acquired organization with a detailed plan and agreement with right stakeholders.
24	Front Office Processes	How important is it to change the processes for the front office teams to comply to the acquired organization? Ex: sales, marketing	The apps, systems, processes that are business centric and market facing need close attention. Sales, Marketing and other front office systems will have a major impact globally and locally. Target solutions for Day-1 and Day-2 need to be planned and implemented.
25	Back Office Processes	How important is it to change the processes for the back-office teams to comply to the acquired organization? Ex: finance, accounting, taxing, reporting teams	Backoffice systems will have to be adopted by the newly integrated organizations. The changes need to be planned thoroughly with right stakeholders. Its highly priority business requirements to manage the back-office processes for the newly integrated or divested organization.
26	Middle Office Processes	How important is it to change the processes for the middle office teams to comply to the acquired organization? Ex: transaction	Middle office processes as transaction systems, compliance check systems, eligibility requirements systems need to be planned for during the DD for the Day1 readiness. It's a high priority requirement.

		processing, compliance management	
27	Services Management Platforms	How important is it to standardize the service management platform to support newly acquired organization?	Service Management platforms impact internal and external user base. The SLA agreements, penalty clauses for the business commitments needs to be reviewed and the target solutions must be developed and deployed. Every situation can be unique.
28	Monitoring, Event Management Platforms	How important is it to standardize the monitoring and event management platforms to support newly acquired organization?	IT in its entirety will have and need event management and monitoring solutions and platforms. These systems are backbone to run IT operations. The technical teams are required to plan and develop target solutions.
29	Emerging Technologies - Automation	How important is it to understand and drive the automation implementations in acquired organization to minimize or address the complexity?	Automation has been integral part of IT for many years. During M&A, the DD needs to identify all areas where automation systems are in-place to define target strategies and solutions. It's a high priority requirement.
30	Emerging Technologies – ML	How important is it to understand and pace the machine learning solutions implementations in acquired organization to minimize or address the complexity?	Machine Learning is an emerging technology, and the adoption journey is different for every organization. From M&A context, the DD and defining the future state for Day-1, Day-2 needs to be fully evaluated and agreed with buyer senior leadership teams.
31	Emerging Technologies – AI	How important is it to understand and pace the Artificial Intelligence implementations in acquired organization to minimize or address the complexity?	AI is revolutionary disruptive technology and the adoption into business world is experimental and evolving rapidly. All technology firms are moving towards AI in some capacity. From M&A perspective, the current maturity levels of buyer and seller need to evaluate with future state in perspective. New standards and compliances are emerging rapidly globally. ex: ISO 42001, EU AI act.

32	Emerging Technologies - SAAS, PAAS, IAAS	From PMI perspective, how important is it to understand about SAAS, PAAS, IAAS implementations in an organization to identify target solution and implement for Day 1 or Day 2?	It's important for both buyer and seller. SAAS, PAAS, IAAS are integral part of IT. From M&A perspective, the DD, impact on Day-1 readiness, technical complexity, costs and contracts needs to be evaluated during DD. More importantly the future state digital solutions need to be agreed with leadership teams.
33	Cybersecurity - Policies & Processes	How important is it to implement cyber security policies and procedures to protect the integrated organization?	Cybersecurity is foundational and critical requirement for the existence of any organization. The buyer needs to prioritize the cybersecurity DD, future solutions and operations from security perspective.
34	OCM	How important is it to agree on an OCM (organization change management) implementation practices and identify target OCM strategy?	OCM is key for effective change management in M&A situation for the success of the integration journey. Merger integration office needs to enable OCM strategies and plan proactively for desirable outcomes. The degree of change is complex in M&A and divestiture scenario.
35	Operations KPIs	How important is it to revisit the Operations KPI metrics in detail and agreed on target solution implementation for newly integrated organization and implement it for Day-1?	Operations KPIs, SLA, OLAs for internal and external stakeholders needs to be agreed during pre-merger DD to estimate the impact on the business users. Operations KPIs can have impact on the SLAs committed to external clients. Operational KPIs are priority in M&A context.
36	Portfolio Management	How important is it to introduce new Portfolio-Program-Project Management processes to suit the needs of combined organization?	DD plays an important role in determining the future state of the portfolio management systems. Besides operations, every organization does the solution planning and execution with budget approval processes in portfolio management. Interim changes and Day-1 changes needs to be agreed with stakeholders. To avoid disruptions, the decisions must made early and agreed with the teams.
37	Recent security & legal breaches	How important is it to look at critical incidents in organizations and implement the recommendations made or implement risk mitigation solutions?	Buyer needs to know the recent and prior security incidents that impacted the seller company. The degree of exposure in the past and potential impact in the future, existing lawsuits needs to be evaluated, and impact must be assessed. Security and Legal challenges of a company can be a decision factor to walk away from the deals for a buyer.

TABLE 22-POST MERGER INTEGRATION SCORES

Post Merger Integration Scores: Table below indicates the scores obtained for various focus areas as a part of post merger integration journey. Scores (3-High, 2-Medium, 1-Low).

SNO	Focus Areas	R P	L R	R V	M V	S S	S G	V K	K K	V R	P P	K W	E N	M OK
1	Executive Governance Team	3	3	3	3	3	3	3	3	3	3	3	3	3
2	Technical Governance team	3	3	3	3	3	3	3	3	3	3	3	3	3
3	Change Governance Team	3	3	3	3	3	3	3	3	3	3	3	3	3
4	Operations Readiness Team	3	3	3	3	3	3	3	3	3	3	3	3	3
5	Transition Management Office - Governance	3	3	3	3	3	3	3	3	3	3	3	3	3
6	Contract Management - Governance	3	3	3	3	3	3	3	3	3	3	3	3	3
7	Risk Governance	3	3	3	3	3	3	3	3	3	3	3	3	3
8	Financial Governance	3	3	3	3	3	3	3	3	3	3	3	3	3
9	HR Transition	3	3	3	3	3	3	3	3	3	3	3	3	3
10	Facilities	3	3	3	3	3	3	3	3	3	3	3	3	3
11	IT Systems- End Users	3	3	3	3	3	3	3	3	3	3	3	3	3
12	IT Systems - Network	3	3	3	3	3	3	3	3	3	3	3	3	3
13	IT Systems - Cloud	3	3	3	3	3	3	3	3	3	3	3	3	3

14	IT Systems - On Prem DCs	3	3	3	3	3	3	3	3	3	3	3	3
15	IT Systems - Storage	3	3	3	3	3	3	3	3	3	3	3	3
16	IT Systems - Apps	3	3	3	3	3	3	3	3	3	3	3	3
17	IT Systems - Data	3	3	3	3	3	3	3	3	3	3	3	3
18	Governance Risk Compliance	3	3	3	3	3	3	3	3	3	3	3	3
19	Vendor Management	3	3	3	3	3	3	3	3	3	3	3	3
20	Contracts and Procurement	3	3	3	3	3	3	3	3	3	3	3	3
21	Digital Transformation Opportunities	3	3	3	3	3	3	3	3	3	3	3	3
22	Process Management	3	3	3	3	3	3	3	3	3	3	3	3
23	Capex, Opex, Budgeting Systems	3	3	3	3	3	3	3	3	3	3	3	3
24	Front Office Processes	3	3	3	3	3	3	3	3	3	3	3	3
25	Back Office Processes	3	3	3	3	3	3	3	3	3	3	3	3
26	Middle Office Processes	3	3	3	3	3	3	3	3	3	3	3	3
27	Services Management Platforms	3	3	3	3	3	3	3	3	3	3	3	3
28	Monitoring, Event Management Platforms	3	3	3	3	3	3	3	3	3	3	3	3
29	Emerging Technologies - Automation	3	3	3	3	3	3	3	3	3	3	3	3

30	Emerging Technologies - ML	3	3	3	3	3	3	3	3	3	3	3	3
31	Emerging Technologies - AI	3	3	3	3	3	3	3	3	3	3	3	3
32	Emerging Technologies - SAAS, PAAS, IAAS	3	3	3	3	3	3	3	3	3	3	3	3
33	Cybersecurity - Policies & Processes	3	3	3	3	3	3	3	3	3	3	3	3
34	OCM	3	3	3	3	3	3	3	3	3	3	3	3
35	Operations KPIs	3	3	3	3	3	3	3	3	3	3	3	3
36	Portfolio Management	3	3	3	3	3	3	3	3	3	3	3	3
37	Recent security & legal breaches	3	3	3	3	3	3	3	3	3	3	3	3

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Guidelines for Planning M&A and Future Research Areas:

M&A Business Drivers - M&A Types - Synergies and Challenges				
	SNO	Research Domain	Focus Areas	Research Methodology
Business Context	1	Business Context of M&A	Success factors and failures in M&A. Challenges in global M&A. Different types of M&A, financial KPIs, contracts, governance, opportunities for digital transformation	Quantitative and Qualitative Modelling. Interviewing Highly experienced industry professionals. Review quantitative data from Institute of M&A and various publications. Conducting interviews with experts. Refining the questionnaires based on the acquired refined knowledge and re-interview the candidates to get refined perspective.
	SWOT of IT Platforms and IT Governance of Buyer and Seller			
	SNO	Research Domains	Focus Areas	Research Methodology
Buyer, Seller IT Assessment	1	Thorough review of Acquirer's IT Governance, IT Systems	Before proceeding with M&A LOI or TSA, the acquiring entity needs to self examine and perform SWOT analysis to ensure they are ready for the M&A. IT Governance, IT Policy & Standards Management, Key IT domains to focus.	Quantitative and Qualitative Modelling. Interviewing Highly experienced industry professionals. Review the standards published in ISACA COBIT, ISACA IT Governance Standards Frameworks to create a model.
	2	Analysis and readiness report of the Acquirer	The data collected during self-discovery will provide maturity of technology areas	Quantitative Analysis and maturity mapping. Internet resources, publications on risk Management to assess IT, Process, Strategy were leveraged during other rounds of interview.
	3	Decisions -Greenfield, Brownfield Solutions	Post Due Diligence, Identification and prioritization of Greenfield and Brownfield solutions	Leverage qualitative methods and frameworks provided by Microsoft, AWS provide resources for refining the solution. Cost Management, project management, and financial analysis are available from PMI standards and needs to be leveraged.
	SNO	Research Domains	Focus Areas	Research Methodology
Pre-Merger DD of the organization to be acquired				
DD- Deal Planning	1	Creation of M&A team with the selling organization to perform DD	With LOI in place, buying and selling organizations must create an M&A team to plan and execute preliminary DD	Quantitative and Qualitative analysis will be leveraged through interviews. Literature reviews, published books in team building and M&A integration will set the foundation.
	2	Pre-merger Due Diligence planning of the organization to be acquired	1. HR DD 2.IT Systems DD 3. Facilities DD 4. Facilities 5. Compliance & Security 6.Procurement and contracts 7. Vendor management 8.Sales 9. Marketing 10. Digital transformation opportunities	Quantitative and Qualitative approaches can be leveraged. Leverage Internet resources, publications, books, Microsoft/AWS/Google, various global standards in HR, Sales, Contracting has to be referenced
	3	Analysis and Outcome planning of the Due Diligence of the organization to be acquired	Risk Overview, Costs for M&A, Resource Demands, Forecast of 3 years, Schedule for transformation, Digital Transformation maturity, Time to start the integration, Internal and External Dependencies inflecting integration journey	Leverage Internet resources, publications, books, Microsoft/AWS/Google, various global standards in HR, Sales, Contracting has to be referenced
	4	Final report of the DD to the buying organization deal team	Buy-Walkaway decision making process	Qualitative and Quantitative approaches can be leveraged. Leverage Internet resources, publications, books, Microsoft/AWS/Google, various global standards in HR, Sales, and Contracting has to be referenced

	SNO	Domains in Digital Transformation for M&A	Focus Areas	Research Methodology
Post-Merger Integration between Organizations				
Merger Integration	1	Post Merger Integration Planning and Readiness	1. DD Team Creation 2. Secured Documentation management platform for buying and selling entities 3. Combined Governance Setup 4. Risk Management Function 4. Financial Governance 5. Legal and Contracts 6.HR Transition Planning 7. Digital Transformation Orchestration 8. Tech Ops Readiness 9. Procurement Management 10. Site Cutovers to new company 11. Compliance 12 Security 13. Facilities Planning 14. Financial Controls 15. Future Governance Model of New entity 16. Sales Transition Planning 17. Marketing Transition Planning 18. Communication and Reporting of Post-merger Integration 19. Vendor Management 20. BCP/DR Requirements	Progressive Interviews. Quantitative and Qualitative research. Focus on the literature reviews. Project Management, Program Management, HR transition Management, BCP/DR and other global technology publications and white papers have to be researched to ensure merger integration is a success
	2	Post Merger Integration Execution Kickoff - Day 0	1. Digital Transformation execution solutions across the board 2. Effective Governance Model 3. Organic Change Management 4. HR Transition 5. Cultural Sensitization 6. Procurement and Contract Transformations 7. User cutover execution to new solution 8. Operations stabilization 9. Technology Tools Execution 10.Digital Transformations for next 2-3 years	Progressive Interviews. Quantitative and Qualitative research. Focus on the literature reviews. Lean Management, Project and Program Management Practices and standards, Cultural and HR transition frameworks in the industry needs to be refined for the Post Merger Integration execution
	3	New Entity Go live for business - Day 1	Planning the staggered go-lives need to be planned to meet business demands	Progressive Interviews. Quantitative and Qualitative research. Focus on the literature reviews. ITIL Frameworks needs to be applied for the Operational Go lives.
	4	Closure of M&A - Next Steps	Residual Solutions to be planned as next steps	IT governance and PMI standards can be leveraged to drive closure
Future Research Areas	1	Future Research Areas	Areas that can be researched beyond this research material is application of AI techniques into the Digital transformation of M&A.	Future researchers can focus on AI and security controls from NIST, World Economic forum's AI governance alliance framework, European Union's EU AI Act and Ethic guidelines for trustworthy AI regulations, OECD AI principles, MITRE organizations's ATLAS framework (adversarial threat landscape for AI systems)

Data Used for the Post Merger Integration: Data is representation of the responses received and average ratios for each of the high impact M&A categories as digital transformation, cost impact, schedule impact and synergies against each of the M&A priorities.

TABLE 23 - DATA FOR PMI

	Digital Transformation	Cost Impact	Schedule Impact	Synergies
Ops		2.30769230		
Readiness	2.538461538	8	2.538461538	2.461538462
Types of M&A	2.461538462	2.538461538		
		8	2.307692308	2.538461538
Financial KPIs		2.46153846		
	2.615384615	2	2.692307692	2.307692308
Value Drivers		2.538461538		
	2.538461538	8	2.461538462	2.615384615
Regulatory-Tax-Legal		2.46153846		
	2.230769231	2	2.461538462	2.384615385
Contracts		2.61538461		
	2.461538462	5	2.307692308	2.230769231
Culture		2.38461538		
	2.538461538	5	2.538461538	2.307692308
HR Transition		2.38461538		
	2.307692308	5	2.307692308	2.538461538
IT Systems		2.61538461		
	2.384615385	5	2.230769231	2.307692308
GRC		2.38461538		
	2.461538462	5	2.230769231	2.615384615
Cybersecurity		2.38461538		
	2.538461538	5	2.538461538	2.461538462

Prompt:

- Role: Act like fortune 500 Expert Data Scientist.
- Goal: The following table consists data of ratings from 13 people.
- We have collected rating on the following Main categories: ["Ops Readiness","Types of M&A","Financial KPIs","Value Drivers","Regulatory-Tax-Legal","Contracts","Culture","HR Transition","IT Systems","GRC","Cybersecurity"] against the subcategories: ["Digital Transformation","Cost Impact","Schedule Impact","Synergies"]

- Note: If person SG ratings are captured in the subcategories, the column names will be mentioned as SG.Digital Transformation, SG.Cost Impact, SG.Schedule Impact, SG.Synergies.
- Generate all valid and meaningful analysis, preferring heatmaps and other visualizations.

The objective of the prompt is to leverage generative AI to create Python code and data visuals using underlying LLMs to generate the reports.

AI generated Python Code for the HeatMap by Julian.AI for figure 23:

```
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
# Load the Excel file
file_path = 'MADat_V2.xlsx' # <-- Adjust this if you're using Colab
df = pd.read_excel(file_path, sheet_name='Sheet1')
# Extract metadata
main_categories = df['Column1']
subcategories = ["Digital Transformation", "Cost Impact", "Schedule Impact", "Synergies"]
df_data = df.drop(columns=["Column1"])
# Rename columns into MultiIndex: (Person, Subcategory)
df_data.columns = pd.MultiIndex.from_tuples([tuple(col.split(".", 1)) for col in df_data.columns])
df_data.index = main_categories
# -----
# Heatmap 1: Average Subcategory Rating per Main Category
# -----
avg_subcategory_matrix = pd.DataFrame(index=main_categories, columns=subcategories)
for subcat in subcategories:
    subcat_cols = df_data.xs(subcat, level=1, axis=1)
    avg_subcategory_matrix[subcat] = subcat_cols.mean(axis=1)
plt.figure(figsize=(12, 8))
```

```

sns.heatmap(avg_subcategory_matrix.astype(float), annot=True, cmap="YlGnBu",
cbar_kws={'label': 'Avg Rating'})

plt.title("Average Rating per Subcategory per Main Category")
plt.ylabel("Main Categories")
plt.xlabel("Subcategories")
plt.xticks(rotation=30)
plt.tight_layout()
plt.show()

# -----
# Heatmap 2: Average Rating by Person Across All Categories
# -----
person_subcat_avg = df_data.groupby(level=0, axis=1).mean().T
plt.figure(figsize=(14, 8))
sns.heatmap(person_subcat_avg, annot=True, cmap="coolwarm", cbar_kws={'label': 'Avg
Rating'})
plt.title("Average Rating by Person Across Main Categories")
plt.xlabel("Main Categories")
plt.ylabel("Person")
plt.xticks(rotation=45, ha='right')
plt.tight_layout()
plt.show()

# -----
# Heatmap 3: Subcategory-wise Standard Deviation (Volatility Indicator)
# -----
std_matrix = pd.DataFrame(index=main_categories, columns=subcategories)
for subcat in subcategories:
    std_matrix[subcat] = df_data.xs(subcat, level=1, axis=1).std(axis=1)
plt.figure(figsize=(12, 8))
sns.heatmap(std_matrix.astype(float), annot=True, cmap="Oranges", cbar_kws={'label': 'Std
Dev'})
plt.title("Subcategory Rating Variability per Main Category")

```

```

plt.ylabel("Main Categories")
plt.xlabel("Subcategories")
plt.xticks(rotation=30)
plt.tight_layout()
plt.show()

```

The code generated from the prompt generated the heat maps.
AI generated Python Code for Figure 25 to generate scatter graph:

```

import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
# Load the Excel data
df = pd.read_excel("MADat_V2.xlsx", sheet_name="Sheet1")
# Extract main categories and drop the first column
main_categories = df['Column1']
df_data = df.drop(columns=["Column1"])
# Reformat to MultiIndex: (Person, Subcategory)
df_data.columns = pd.MultiIndex.from_tuples([tuple(col.split(".", 1)) for col in
df_data.columns])
df_data.index = main_categories
# Clean the data
df_data_clean = df_data.dropna(axis=1, how='all')
# Compute average and standard deviation of all ratings per category
subcategories = ["Digital Transformation", "Cost Impact", "Schedule Impact", "Synergies"]
category_stats = pd.DataFrame(index=main_categories, columns=['Average Rating', 'Standard
Deviation'])
for cat in main_categories:
    ratings = []
    for subcat in subcategories:
        if subcat in df_data_clean.columns.get_level_values(1):
            subcat_ratings = df_data_clean.loc[cat].xs(subcat, level=1, axis=0, drop_level=False).dropna()
            ratings.extend(subcat_ratings.values.flatten())

```



```

if ratings:
    category_stats.loc[cat, 'Average Rating'] = pd.Series(ratings).mean()
    category_stats.loc[cat, 'Standard Deviation'] = pd.Series(ratings).std()
    # Drop NaNs and convert to float
    category_stats = category_stats.dropna().astype(float)
    # Plot
    plt.figure(figsize=(8, 6))
    sns.scatterplot(
        x='Average Rating',
        y='Standard Deviation',
        data=category_stats,
        hue=category_stats.index,
        palette='viridis',
        s=100,
        legend=False
    )
    # Add category labels
    for i in category_stats.index:
        plt.text(
            x=category_stats.loc[i, 'Average Rating'] + 0.01,
            y=category_stats.loc[i, 'Standard Deviation'],
            s=i,
            fontsize=9
        )
    plt.title("Category Performance vs Variability")
    plt.xlabel("Average Rating")
    plt.ylabel("Standard Deviation")
    plt.grid(True)
    plt.tight_layout()
    plt.show()

```

AI generated Python Code for the Clustered Dendrogram by Julias.AI for Figure 24:

```
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
from scipy.cluster.hierarchy import dendrogram, linkage
from scipy.spatial.distance import pdist
# Step 1: Load the Excel data
df = pd.read_excel("MADat_V2.xlsx", sheet_name="Sheet1")
main_categories = df['Column1']
subcategories = ["Digital Transformation", "Cost Impact", "Schedule Impact", "Synergies"]
df_data = df.drop(columns=["Column1"])
# Step 2: Reformat columns into MultiIndex
df_data.columns = pd.MultiIndex.from_tuples([tuple(col.split(".", 1)) for col in
df_data.columns])
df_data.index = main_categories
# Step 3: Clean up columns with all NaNs
df_data_clean = df_data.dropna(axis=1, how='all')
# Step 4: Calculate average score for each participant across subcategories (per main category)
participants = df_data_clean.columns.get_level_values(0).unique()
person_avg = pd.DataFrame(index=participants, columns=df_data_clean.index)
for person in participants:
    person_cols = df_data_clean[person].dropna(axis=1, how='all')
    person_avg.loc[person] = person_cols.mean(axis=1)
# Step 5: Drop any rows with all NaNs
person_avg = person_avg.dropna(how='all').astype(float)
# Step 6: Compute linkage matrix for hierarchical clustering
dist_matrix = pdist(person_avg.values, metric='euclidean')
linkage_matrix = linkage(dist_matrix, method='ward')
# Step 7: Plot the dendrogram
plt.figure(figsize=(12, 6))
dendrogram(linkage_matrix, labels=person_avg.index, leaf_rotation=45, leaf_font_size=10)
```

```
plt.title("Hierarchical Clustering Dendrogram (Participants)")  
plt.xlabel("Participants")  
plt.ylabel("Euclidean Distance")  
plt.tight_layout()  
plt.show()
```