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Article

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Mergers and Acquisitions - top tips to make it less daunting

Originally published in the London Business Matters magazine (LCCI). Read our recent column on making Mergers & Acquisitions less daunting...

Mergers and acquisitions are an inevitable part of business. Whether you're acquiring to diversify your product range, gain market share, or need access to skills and experience you don't have; or if you've decided it's a good time to sell up and move on, chances are you'll end up in an M&A process.

As a technology business, we're committed to doing the best for our customers and providing the widest range of services we can. That's why we have a dedicated M&A team. We help customers prepare for sale, or do technology due diligence on businesses they're thinking of acquiring. We've done a lot of M&A work, and we wanted to share some tips we've learned along the way.

- If you're thinking of selling, you'll do everything you can to make your business attractive. But, don't forget about technology and systems. You wouldn't buy a car without service history or a service plan, so why would buyers want to take on a system that hasn't been upgraded for years? Or infrastructure that doesn't have support? Take time to get the technology up to scratch, and it's one less thing to worry about.
- For buyers, it's not usually enough to ask what 'core systems' the business uses. In our experience, it's not the flagship ERP implementation that causes real problems, but that small-scale payroll, or factory management system, that sits on a 15 year-old PC in the corner of a dusty office. Good technical due diligence uncovers those key risks and provides a clear plan to mitigate them.
- Selling a technology business? You may have a market leading web platform, but if it's not secure, you'll never be able to sell it. Prepare for the inevitable questions, and have your product independently evaluated for security, scalability, and reliability. It'll look better in the seller's information pack!
- If you've just bought a business and need to integrate it with another, technology not only helps, but actually drives change. Take the opportunity to evaluate the wider systems and infrastructure landscape, and invest in things that'll make real differences to all the businesses in the Group. It'll save work later on.

If this has got you thinking, we'd love to talk to you about your M&A plans. You can get in touch with our M&A team at M&A@waterstons.com, or find out more on our Mergers and Acquisitions page

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