



acquisition due diligence assessment

A leading Los Angeles-based private equity investment firm makes equity investments in operating businesses and forms new companies to pursue growth-through-acquisition strategies in selected industries. Business demands required a quick assessment of a target acquisition, a growing retailer in the sports and clothing market. They needed information and insight on:

- Overall technological health of the firm
- Any potential short term difficulties that may require major IT expenditures
- Target acquisition's technical viability for a large corporate expansion

vision

TCA conducted a comprehensive audit of all systems (at the corporate headquarters and in their stores), applications, communications, on-line technical operation (internet), security, vendor (system provider) relations, IT support to stores, e-commerce operations and overall business support.

Using a variety of internally developed templates, our consultants completed the on-site assessment by interviewing users and evaluating the state of their overall technical support to the business and its processes. The audit was completed in 5 days from start to finish.

results

We documented and delivered a complete assessment of the technology infrastructure and the services provided by the IT organization.

value

TCA successfully completed the assessment in a short time, not only identifying a number of technology issues, but also convincing the firm to cancel one project. The cancellation of this project saved the firm \$250,000.

Using the assessment as input, the acquiring firm was able to make an acquisition determination. The firm also understood the costs and requirements for future investments into the technical infrastructure.

As a result, the target firm was acquired and TCA's recommendations were implemented.