



Protecting Critical Data During the M&A Process

Information Technology is a menacing area of risk for the M&A process. All companies rely on critical data assets that are housed in the existing IT structure/organization. Whatever your critical data is, it is represented in bits and bytes, housed in computer hardware and software. This critical data needs to be identified, shepherded, and protected throughout the M&A process. The **IT Acquisition Risk Management Report** helps you identify and interpret the effect of risks in the areas of IT that are critical to your business.

Solving an IT problem after the acquisition can cost hundreds of thousands of dollars, and the hassle of dealing with the unforeseen issue and subsequent escrow claims can be a nightmare scenario that wastes time and saps morale.

Simply put: **hidden IT risks in an organization can make or break the ROI on your deal.**

- **If you are buying a company:** Use this opportunity to be confident that you're getting healthy IT assets, processes, and data. Where problems are identified, use this report to make adjustments in the purchase price. Leverage good information about the IT capacity of a company to drive up performance.
- **If you are selling your company:** Showcase that you've done the right thing with IT and that your company is an attractive and stable acquisition target.

Accountants can value a company and make an assessment of the health and well-being of the company in terms of the financials *but with IT being so critical to the company, you need experts to help you identify and mitigate IT-associated risks.* **Critical Assets** is the premier IT Audit firm for M&A transactions.

The Solution

Order an **IT Acquisition Risk Management Report** as part of the initial Due Diligence. Consume the report and use the information as follows:

- Use the report to adjust the sale price so that it benefits you.
- Use the report to adjust the escrow set-aside amounts.
- Use the report to adjust expectations related to ROI calculations and transition plans.
- Use the report to indemnify your company, where appropriate.



Problematic Lack of Information

Inaction, old habits, and an alarming lack of IT information will lead to significant breakdowns, blind-spots, and additional stress for your M&A transaction.

The help that is currently available during an M&A window comes in various forms, all of which are insufficient:

- **Do-it-yourself** is problematic because you don't have sufficient independence from the process. Additionally, if the acquisition target is a competitor, there may be intellectual property (secrecy) issues that can only be solved by using a 3rd party auditor.
- **Ad Hoc Assessments** are non-standard. Occasionally, these are performed by an accounting firm's IT Security or Enterprise Risk Management division, typically for a very high billable rate, due to the firm's significant overhead. If included at all, these assessments are often little more than an afterthought. Additionally, projects often extend past the critical 45-day M&A window since these firms are not nimble with resource allocation.

Smoother Transition

By engaging the **IT Acquisition Risk Management Report**, you ensure smoother IT transitions in the M&A process, and can take action to effectively mitigate IT-related risks. You'll gain a feeling of confidence and security from receiving the distilled information in this report. As a result, you'll have a more streamlined, easy integration.

- **Helps Reduce Threats:** This information reduces the likelihood that major IT problems will go undetected during the M&A process. If foundational IT problems are unresolved/undetected results include: a loss of value after the sale of the company, loss of revenue, increased likelihood of litigation and escrow claims, and unforeseen costs to fix the damage.
- **Helps Fulfill Obligations:** Use this report as a way to fulfill your fiduciary duty to engage in a good faith process with a degree of care regarding disclosures and due diligence. This information enables decision-making that protects the value for stakeholders.
- **Helps Take Advantage of Opportunities:** This **IT Acquisition Risk Management Report** is also designed to highlight what is going right in a company. Is there a solid foundation of hardware/software/processes/personnel to build upon? If so, then this report will highlight the company's ability to launch.





Nuts and Bolts

Critical Assets acts as an independent party, keeping your critical data secret. The **IT Acquisition Risk Management Report** is an IT audit tailored to address the specific concerns of the M&A process.

The audit is characterized as a “Regulatory Prep” audit, so as to keep the true intentions of the report confined to those who need to know. The audit includes Observation and Inquiry by a staff of expert IT auditors with credentials specific to IT security. The audit also includes data gathering and analysis for information in key areas of consideration. The resulting report is a document, which is formatted to be easily readable, and actionable.

The 12 Essential Areas of IT Risk

Twelve areas of IT Risk are investigated and assessed in the **IT Acquisition Risk Management Report**. These areas are:

IT Organizations: Structure, Strategy, and Communications	Logical Access Control
Critical/Sensitive Data Identification	Application Development Practices
IT Roles and Responsibilities	Secure Networks
Asset Management	Auditing, Monitoring, Testing, and Incident Management
Policy & Procedures Documentation	Encryption & Secure Storage
Archiving, Backup, Recovery & Continuity Planning	Physical Access

An expert IT assessment will help you identify and interpret issues. You can reasonably expect 200% return on the cost of the **IT Acquisition Risk Management Report**. Once you know what to solve, you’ll be positioned for a successful future. Plus, we’ll identify what’s working well so that you can leverage those strengths for maximum performance.





About Critical Assets

Critical Assets is the leader in the IT Acquisition Risk Management space, located in Southern California. We have helped multiple clients mitigate IT threats, and fulfill regulatory obligations.

Executive Bios



Matt Harrigan CPISM, CPISA – President and CEO

Board Member, Society of Payment Security Professionals

Mr. Harrigan is a 15 year information security industry veteran, having played various executive and delivery roles with organizations ranging from the fortune 100 to technology startups. He has been a key contributor to the payment card industry, developing for and supporting the adoption of PCI-DSS and subsequent standards.

Mr. Harrigan is the former President of NSS Labs, the world's leading security product efficacy and performance testing lab. Prior to NSS, he served as Vice President, Consulting for Trustwave where he launched the company's western region operations.

Mr. Harrigan is a frequently sought after speaker. He has appeared in most major media outlets, including ABC News, The Discovery Channel, Canadian Broadcast Network, TV Asahi (Japan), Forbes (Cover), Inc. Magazine, and Computerworld. Recent speaking engagements include ISACA Spring Conference 09, NetEvents Malta (Speaker/Panelist) and IBM's Retail Summit (Speaker/Panelist).



Lura Lee, CISA - Principal

Ms. Lee has over 10 years experience in the field of IT, much of it specifically related to Regulatory Compliance and Risk Management. As such, Ms. Lee has extensive experience with several Regulatory and best-practice frameworks including SOX, HIPAA, NERC-CIP, IFRS-IT, PCI-DSS, PA-DSS, SAS70, and ITIL.

Ms. Lee also helps companies identify IT-related activities that are strategic and global in nature. For example, Walmart's Global Association Communication department is currently engaging Ms. Lee to work through the challenges of implementing new technologies on a massive scale.

Ms. Lee's former positions include: VP of Compliance for a consulting firm specializing in Sarbanes-Oxley compliance services for mid-market, public companies. As Director of Compliance for a large cyber-security firm specializing in Payment Card Industry (PCI) compliance, she successfully led over 25 remote projects for tier-one customers both in the US and worldwide. Prior to that, she was the SOX IT Manager for Intuit, motivating greater SOX compliance and achieving a 30% improvement in audit results and over 50% reduction in audit costs year-over-year.

Ms. Lee is also an accomplished speaker, panelist, and writer. Recently, she led a session at the ISACA Conference on the topic of *Managing by Measurement*, and has spoken on the topic of the *IT Impact of IFRS*. She also wrote an article on *Due-diligence for IT Vendor Selection* in the Medical Imaging Services industry.

