

Mergers and Acquisitions + Enterprise Architecture: Best Practices

Mergers and acquisitions (M&A) are one of the most popular and fastest ways for a company to grow in the modern age. However, this places a burden on teams going through them, who go from dealing with one mass of applications, technologies and processes to dealing with double that. This document will detail best practices for preparation and handling of M&A.

Pre-M&A preparation

Often Enterprise Architecture (EA) only goes into action post-M&A. However, EA can support several key executive activities in the stages before M&A.



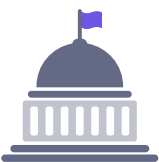
Doing your due diligence

By involving IT and EA in the due diligence process early on, architects can plan the integration before the project becomes too complicated. This in turn provides valuable insights which can be incorporated into your strategy, and helps to mitigate unforeseen risks, integration, and planning. Adding EA into the project later can result in missed opportunities, wasted resources, and ultimately risk.



Define a common strategy and roadmap for IT

Architects can act as translators between business and IT, ensuring that everyone is moving towards a common goal, addressing the milestones along the way, and helping to minimize concerns of the employees.



Create M&A architecture governance

A set of general architecture principles and specific M&A architecture principles can also help guide integration decisions and provide an overall guiding light for the future of a firm's architecture.



Communicate and engage with the wider business

Disruption from M&A can be particularly acute for IT and its use, which makes demonstrating plans and earning buy-in important ahead of time. This is true in general for M&A, which can lead to staff anxiety or siloes without strong communication.



Link business outcomes to assets to identify risk

Between 70-90% of M&A projects fail, according to collated research and a Harvard Business Review report. Identifying and understanding the risks for new operations is difficult due to the lack of transparency and internal knowledge. EA can help to map business outcomes to the assets that produced them, highlighting where risk may arise.

Post-M&A preparation

The architecture practice is also crucial post-M&A. The process of merging with or acquiring another organization is complex, involving integrating different systems, operations, and cultures.



Provide a single source of truth

All the information related to the merger or acquisition is scattered across the enterprise, which leads to lack of visibility of the enterprise ecosystem and could lead to harmful risk.

Having a central location for all key and critical information provides a single source of truth which can lead to better decision-making.



Have a central architecture owner

Think of your architecture like an orchestra, with the enterprise architect as the conductor. This person should be appointed as the owner, calling on relevant contributors when it makes sense to do so.



Establish a capability model

A business capability model provides a high-level overview of what your organization does. It's a great starting point to connect processes, applications, and technologies. It improves understanding of what assets you own and how they support your business, as well as potential redundancy, gaps, and lack of value. This model is a crucial tool for strategic planning and decision-making.



Determine current and target states

Enterprise architects need to understand the current and target states across infrastructure and application reference models, data models, and business and technology models. EA supports this.



Minimize overlap at the application level

It is inevitable that two companies will have applications and technologies that do the same or similar things; it is up to enterprise architects to identify and rationalize those applications which are no longer required or do not align with business capabilities. This will cut costs and prevent wasted effort in integration architecture.

Make the difference

Implementing the best EA practices requires one of the best EA tools. Orbus Software's OrbusInfinity has been named Gartner's Peer Insights Customers' Choice for EA Tools for seven years running, and serves hundreds of enterprises as they embark on digital transformation.

[Chat to us](#) if you want to find out how OrbusInfinity can help your business.

