



How to Stabilize? New Investment, New Management

CASE STUDY – VBEM1

Service:

IT Independent Verification & Validation (IVV)

Client:

Board of Directors, venture backed start-up company

Requirement:

Technology Diligence post Series A investment on product-based technology firm

Situation:

A well-regarded VC firm had recently invested over \$10,000,000 in a pre-product start up company. In addition, several original founding members had been repositioned within the organization and a new CEO (few months) and CTO (few weeks) were in place.

The company established a beta customer that was expecting delivery of version 1 of the product. After a failed version 1 release, the board of directors required assurance that the current product release plan was appropriate as well as to obtain an objective path for moving the technology forward. Several critical questions remained before additional funds could be released: Is the technology really there? In what condition is it? Does it work? How was it put together? How skilled were the people? Did a proper development process exist?

Scope:

Staffing: two person weeks.

Deliverable: a written report of findings and presentation/inquisition with the board.

Discovery:

Semaphore Technology Diligence (S4TD) practice found the technical architecture approach to be satisfactory. However, several tactical decisions were in place that severely compromised attempts to productize the software artifacts. Architecture and design artifacts were incomplete. Existing documentation contained inaccuracies and inconsistencies.

The development processes used to design, implement and test the product were wholly inadequate and in most cases, lacking.

S4TD determined that the start-up was not prepared to support the product, nor capable of predicting installation, configuration and integration requirements in customer environments. The current direction will prevent the start-up from successfully bringing the product to the commercial grade required for deployment.

Outcome:

1. The board has visibility and a roadmap regarding issues associated with the current technology/product, lack of process and internal staff capabilities.
2. A complete architecture assessment and product review has been performed to align corporate business and technology initiatives, including: product releases,



technology selections, development processes used, and sales and marketing efforts.

3. The company implemented a periodic IVV review by S4TD to ensure continued adherence to and implementation of recommendations and provide project assurance for future product releases.