



New Technology Rejuvenates Declining Market Play

CASE STUDY -VMDM1

Service:

Technology Diligence Advisory

Client:

Publicly Traded Holding Company

Requirement:

Provide diligence on acquisition candidate and the integration of new product line with existing portfolio company

Situation:

The client owned an existing entity experiencing declining market appeal for its products. This was partially due to product capabilities as well as dated technology and deployment conditions. Client was in an existing partnership using one of several products distributed by partner. Client required technology diligence on the viability of acquiring the partner company and establishing a plan to integrate the two products lines while maintaining profitability.

Semaphore's Technology Advisory Practice was requested to perform technology diligence on the people, processes and technology of the currently owned entity. Second, Semaphore was requested to perform technology diligence on the people, processes and technology of the acquisition candidate. Finally, Semaphore was requested to provide recommendations for a plan to integrate the technologies and organizations should the acquisition be realized.

Scope:

Staffing: 15 person days

Deliverable: A verbal presentation with follow up written findings in document form.

Discovery:

Semaphore began the engagement by reviewing the existing owned entity's product line. Semaphore determined that the existing product line (ASP-based) did not have a sufficiently robust architecture to handle product additions to address market needs. The products were implemented with differing technologies that were loosely integrated. Existing state did not allow for material improvements in functionality without a major re-architecture, redesign and reimplementation effort.

Semaphore then reviewed the product line of the acquisition candidate. This review indicated a solid, scaleable architecture with consistent implementations and processes utilized (also ASP-based). The feature set, although less than appropriate for future market, could be extended within the current framework.

Semaphore proposed that the acquisition candidate's architecture and development processes be the baseline for future product direction. Recommendations were made for the resulting engineering organization. A development plan was outlined that migrated product components and client deployments over an 18 month period, resulting in a feature superset as compared to the current individual offerings.

Outcome:



1. Acquisition was approved and completed.
2. Technology migration plan was adopted, augmented and initiated.
3. Follow up oversight was requested to ensure efficient implementation of recommendations contained in migration plan.