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Managing the IT Transition in Mergers, Acquisitions, and Divestitures.

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Successfully completing a major transaction such as a merger, acquisition, or divestiture is a tall order. Integrating information technology issues and involving the respective information technology departments is a vitally important aspect of any deal. The two IT departments will likely run on different platforms with different infrastructures, and how each department deals with the transition will have an effect on the speed and success of the overall transaction.

Due Diligence

Long before the transaction in completed, both parties must conduct an inventory audit. Licenses, software, contracts and equipment – all must be accounted for in order to identify redundancies, overlaps, and incompatibilities. Until each party knows what it has before the deal, it can’t decide what it will have after the deal.

Getting It On Paper

The Information Technology Transition Services Agreement (ITTSA) is the driving force behind how two IT departments will make the successful transition. It must address everything from the Seller’s ability to share its IT products and services, to ownership of any new intellectual property. Failure to execute an ITTSA can leave both parties guessing if things break down.

Compliance With Privacy Laws

An unavoidable aspect of the transaction is the transfer of Protected Health Information and other confidential information. All aspects of the transition should be compliant not only with HIPAA, but with each party's own internal privacy and security policies as well.