

Successful Merger & Demerger Planning in ICT

1. Overview:

- **Mergers and Acquisitions:** Integration of ICT elements for seamless business operation.
- **Demergers:** Separation into distinct entities with efficient ICT transition.

2. Key Steps for ICT Integration/Separation:

- **Due Diligence & Gap Analysis:** Assess hardware, software, contracts, IP, and staff.
- **Transition Plan:** Set a go-live date; rely on existing systems for immediate function.
- **Integration or Complete Demerger:** Align with parent business standards and systems; ensure standalone operation in demergers.

3. Due Diligence Process:

- Assess transfer of ownership and licensing rights.
- Include transition and conversion costs.

4. ICT Domains for Consideration:

- **Infrastructure:** PCs, laptops, servers, firewalls.
- **Software:** ERP systems, licences.
- **Telecommunications:** WAN, ISP, firewall.
- **Intellectual Property:** System documentation, IP addresses.
- **Contracts:** License agreements, cloud services.
- **Staff & Continuity:** Transfer of staff, disaster recovery plans.

5. Planning Phases:

- **Financial Commitments:** Identify IT costs and obligations.
- **IT Competencies & Skills:** Analyze staff capabilities and outsourcing impacts.
- **Data Network Separation:** Plan for network transition and migration.
- **IT Asset & Software Licence Management:** Ensure proper transfer and legal compliance.
- **Messaging Infrastructure:** Manage transition of messaging systems.
- **Business Systems Integration:** Align business systems with acquiring entity.
- **IT Security & Compliance:** Audit and align with security policies.
- **BCP/DRP:** Ensure continuity and disaster recovery plans.

6. Tips for CIOs:

- Thorough planning is essential for cost and time efficiency.
- Precision in ICT element integration is crucial.
- Monitor for unexpected challenges in both mergers and demergers.