Mergers & Acquisitions

A field guide for people doing deals

The no-nonsense guide to M&A.

A deal is won on strategy and price. It's realised or lost in the technology.

The work nobody sees

M&A is the hardest undertaking a technology team is ever asked to do.

If you are responsible for the technology in a deal, you are being asked to keep everything running and change all of it at the same time, to a timetable set by the deal rather than by you, on information that is never complete. The model the deal is built on assumes the technology will carry across and work. It rarely does on its own, without people who have been through it before.

The stakes are not abstract. When the technology does not land, the value the deal was sold on does not arrive – and that question lands on whoever was responsible for it. The work is high pressure, high consequence and largely invisible until it goes wrong.

The technology workstream is the part we work on. Not the deal, but the work that sits underneath them: the diligence, the separation or integration and the exit from the TSA at the end. The same senior team stays with you from the first diligence conversation through to that exit.

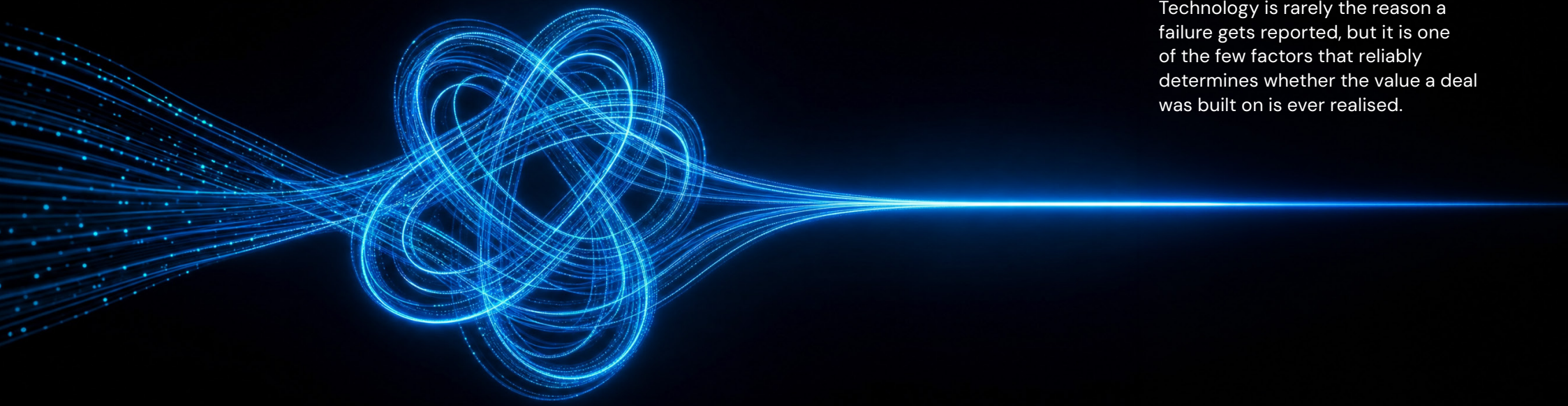
Where value is lost

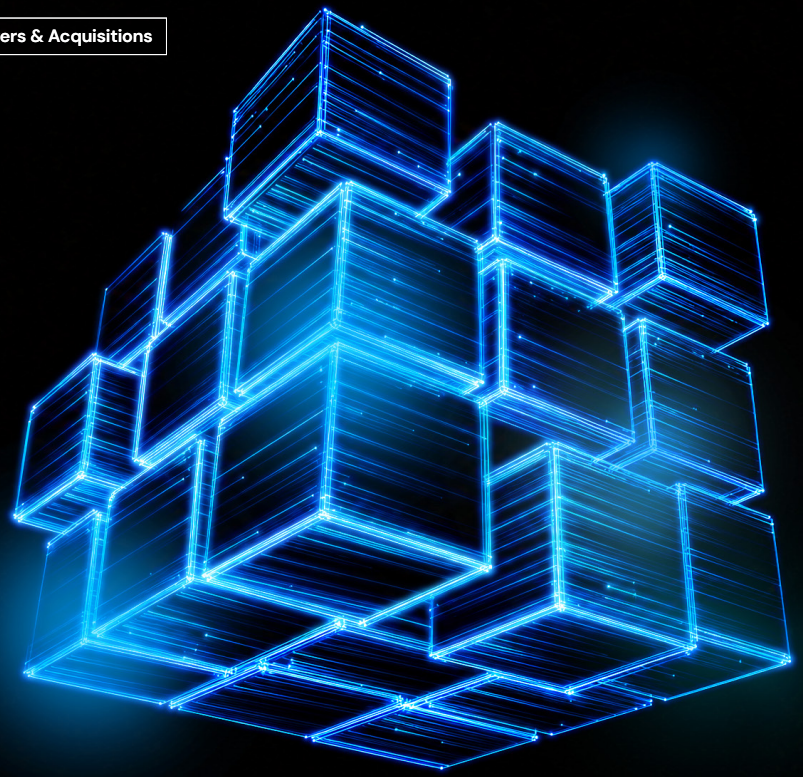
In our experience budgets are often challenged

The model assumes the estate is clean, the systems align and the TSA exits on schedule. In practice, the plan meets an estate that has grown for twenty years and it begins to bend. Access that was assumed to work on day one does not. Systems that were meant to connect do not. A TSA scoped for six months is still billing at month nine, and every month it runs is cost the deal had already counted as saved.

Technology is one of the most consistently underestimated parts of a deal. The cost of separating or integrating two estates is more often guessed at than measured, and the guess tends to be low - because the real complexity only surfaces once the work starts. In our own experience, separations scoped for a few hundred thousand have run to several times that figure.

The failure rate of mergers and acquisitions is high by any measure. Technology is rarely the reason a failure gets reported, but it is one of the few factors that reliably determines whether the value a deal was built on is ever realised.





Why it so often goes wrong

The help on offer often makes the problem harder, not easier.

By the time the technology work begins in earnest, most teams have already been sold a version of the answer. A strategy firm has produced a plan, typically shaped around day one and moved on. That is the precise moment the plan meets the real world and starts to bend. The plan reads well. It was never tested against the systems it describes.

The larger integrators tend to sell the work with their most senior people and deliver it with their most junior. The team that wins the engagement is not the team that delivers it and it is often rotated more than once before the work is done.

The people who understand the commercial logic of the deal sit above the workstreams rather than inside them, meaning the logic behind key decisions is often obscured.

The incumbent IT team, meanwhile, is frequently asked to run the separation or integration on top of the day job, in conditions that quietly set it up to fail. None of this is bad faith. It is the structure of how the work is usually bought, and it is why so much of the value leaks away in the delivery rather than in the deal itself.

What we do

We run the technology workstream, with the same senior team throughout.

01

We do not advise on the deal and we do not hand over a plan and step away. We take responsibility for the technology workstream from beginning to end. The senior people who shape the solution at the start are the same people accountable for it at the end. They are not replaced by a more junior team once the engagement is won.

02

That means being accountable for the real condition of the estate, not the version presented in the data room, for what the two businesses actually share across identity, platforms, licensing and data, and for what it takes to separate or integrate them in practice. It also means being accountable for the result: under real timelines, real commercial pressure and across all technology domains.

03

Producing a plan is the easy part, and most plans do not survive contact with the real world. What we are accountable for is the outcome, not the document.

04

SCC has fifty years of technical depth across some of the most complex technology environments in the UK. This is the foundation we bring to M&A work, the operational experience of having made difficult technology work under pressure, at scale, in environments that could not afford to stop.

What it looks like in practice

Four situations from real deals.*

A separation with no usable information

On one public sector separation, there was almost no usable documentation of the estate. Legacy systems, undocumented dependencies, no clear picture of what the two entities shared or where one ended and the other began. The real risk was not the complexity of the work, it was that early decisions, some of them irreversible, had to be made without the information they needed. The job was to establish enough clarity, quickly, to commit to a plan that would hold; then to carry it out without taking the business offline.

A TSA under time and cost pressure

Another PE-backed Retail carve-out deal was defined by misaligned incentives. The seller was funding the TSA and wanted out. The buyer had to approve every step. Platforms were heavily shared between the two businesses, and every month the separation ran was stranded cost, deferred value, charged monthly. The outcome was a single plan that worked technically and commercially for both sides, and a TSA exit that came in on time.

An acquirer with no capacity to absorb the business

In a third case, the PE-backed defence acquirer had no internal capability to absorb what it had bought. The risk was not that the migration would fail, it was that no one would own the result once it was finished. The work, in the end, was not integration alone. It was standing up a functioning IT operation that could run the business the day after we left.

A carve-out where everything converged

On the harder carve-outs, regulation, people, operating model and physical location all arrive in the technology workstream at once. The only outcome that counts in those situations is continuity: the first day works, the business keeps trading and the change is barely visible to the customers and the people doing the job.

*The identifying detail has been removed, but each of these is a real engagement. The circumstances differ; the underlying problem tends not to.

Agree what good looks like before you start

Every deal is bought on a value thesis, the outcomes that justified the price. IT being operational is not the same as that thesis being delivered, and the gap between them is where deal value leaks away. Without success criteria agreed at the outset, there is no reliable way to tell whether an integration is delivering the business case or has simply been switched on. Define done against the outcomes that matter - synergies realised, processes genuinely running, people working the new way, not system availability alone. "It's running" and "it's working" are not the same thing.

Be honest about disruption

Change fails the moment a real person first has to do their job differently, not when the system goes live. Treat this as a technology project and you meet that moment unprepared, because the hard part was never the tech. It was the people asked to work a new way, with no warning and no say. A plan that promises zero disruption is not a plan, it is a risk deferred and hidden, left for people to discover live. We rehearse the change and communicate it early, so disruption is anticipated and contained. The people affected deserve an honest account of what is coming.

What runs through all of it

Plan the TSA exit before you agree to the entry

A TSA is written to get the deal done, not to get you cleanly out of it. The deadlines are usually optimistic and the exit conditions vague, and exit planning gets deferred as detail that can wait. It cannot. The exit conditions, cutover criteria and the point at which each dependency transfers have to be defined before the clock starts because once it is running, every minute of slippage is charged straight to the deal. A TSA that quietly overruns is not a technical delay. It is value draining out of the business case a month at a time.

Treat it as business change, not a technical project

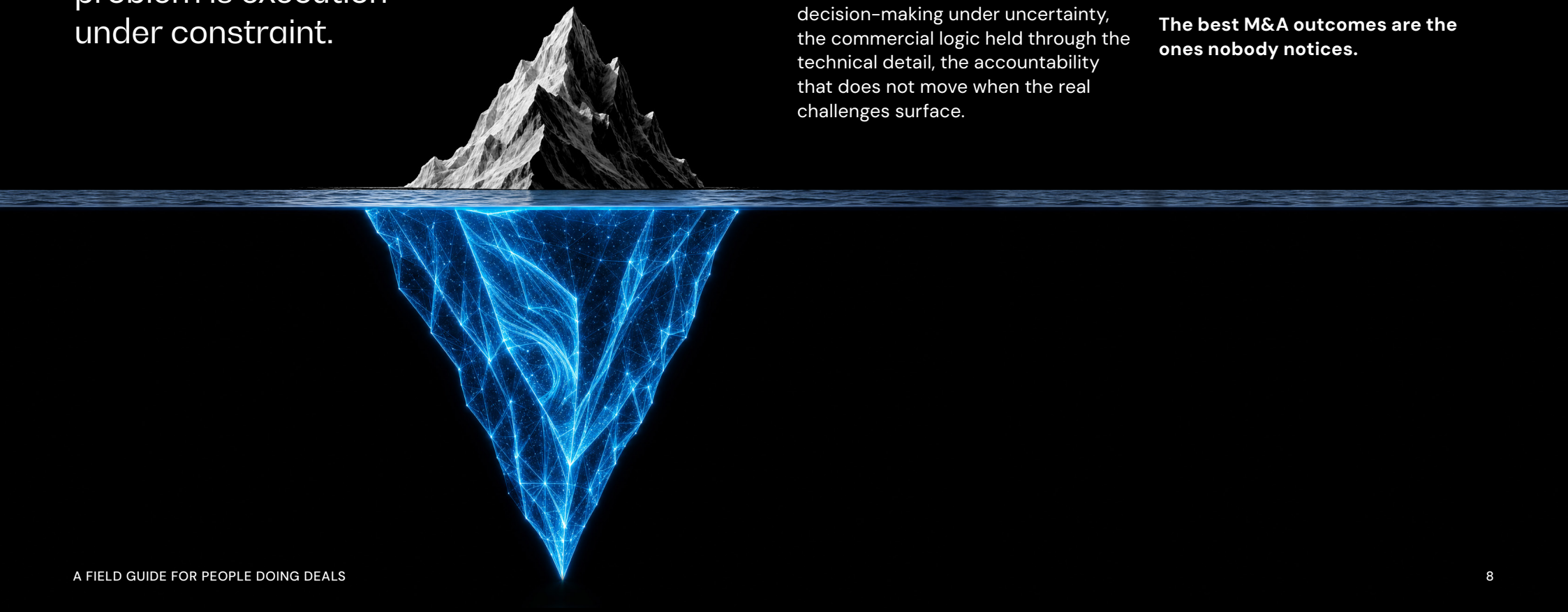
The technology workstream is rarely the only one, but it is usually the one that connects all the others. When a building goes uncleaned or an invoice goes unsent on Day 1, the cause is almost always a system, integration or access right that nobody owned. People, operating-model and technology decisions have to move together, because the business does not experience them separately. Run technology as a track of its own and you all but guarantee the problems land at go-live on the people, not on the plan.

Hold the commercial logic through delivery

The deal was built on a commercial logic: cost savings assumed, synergies modelled, TSA charges that were always meant to be temporary. IT being operational delivers none of that on its own, people have to make the right calls when something unexpected surfaces, and they can only do that if they understand what the deal was bought to achieve. Most delivery failures are not technical. They are failures to connect a technical decision to its commercial consequence.

The point of all this

The visible problem is technology. The real problem is execution under constraint.



Limited time, incomplete information, competing stakeholders, a business that has to keep trading while it is being changed. That is the real work of a deal, and it is specialist work.

Most providers either stay at a high level where the advice is safe but little gets delivered or they reduce the whole thing to a migration and miss what it does to the business. The work that decides whether value lands sits between those two: the decision-making under uncertainty, the commercial logic held through the technical detail, the accountability that does not move when the real challenges surface.

We can do that work alongside your own team, or own the delivery outright whichever the deal needs. Many of the businesses we work with have already started, or have already tried once. We are not here to tell anyone they got it wrong. We are here because this is where we spend our time, and because we know where the real challenges are.

If you are in a deal, or about to be, we should talk.

The best M&A outcomes are the ones nobody notices.

About SCC

SCC is a British, privately owned technology business with fifty years of experience helping organisations run, change and improve the technology their businesses depend on.

Pictured: James Rigby, SIR Peter Rigby, Steve Rigby

We work across the full technology lifecycle, advisory, infrastructure, cloud, cyber security and digital workplace through to managed services, supply chain, financing, recycling and secure disposal. Our role is to make complex technology work in the real world, under real commercial pressure.

As part of the Rigby Group, SCC combines the scale of a multi-billion-pound technology business with the independence of a family-owned organisation. We are not tied to a vendor, a platform or a way of working. That means we can bring the right people, partners and technology together around the outcome the client needs.

For organisations going through M&A, that operational depth is what matters. Deals create pressure, uncertainty and competing priorities. Technology has to keep the business running while the future state is being built. SCC has the experience and the people to make that happen.

Mergers & Acquisitions

The technology workstream behind the deal. Diligence to TSA exit, the same senior team throughout.

Start a conversation

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