

DATA-DRIVEN INFORMATION GOVERNANCE: MERGERS, DIVESTITURES, AND ACQUISITIONS

A large pharmaceutical company faced the challenge of identifying and remediating data within a two month window before a divestiture was completed when it would lose access to the subsidiary's servers. Nuix Workstation and Nuix Collector were deployed to the data center to process and index all of the data on the servers, identify the intellectual property, and remove it before the deadline arrived. In addition, the company also needed to search its email servers to ensure its intellectual property was not contained in any of the departing users' email mailboxes.

Major business involves major information changes as well. There are a number of answers that Nuix can provide to help organizations concerned with managing these changes properly.

FINDING SYNERGISTIC VALUE

Nuix information governance tools enable organizations to align information management capabilities and practices with changing business realities. There is no better example of the breadth of requirements for information governance than the stages and activities surrounding mergers and acquisitions. Companies undergo mergers, divestitures, and acquisitions in the pursuit of synergistic value.

Three powerful drivers of enterprise value in a merger or acquisition guide the decisions the company makes:

- Revenue enhancement from increased product range, geographic coverage, or other capabilities
- Cost reduction from operations and efficiencies of scale
- Governance, risk, compliance, and M&A-specific regulations.

Information technology departments certainly face some of the largest challenges during mergers, divestitures, and acquisitions, but they can also realize some of the biggest benefits for their companies. Benefits come from combined IT infrastructure, eliminated duplication of roles and functions, and integrated operational structures and processes. Indeed, \$2 of every \$5 in synergy from a merger comes from the IT field. Although this document discusses the stages of a merger or divestiture, the value identified would be true of any number of business-driven information management scenarios.

MERGERS, ACQUISITIONS, AND DIVESTITURES IN SEVEN STEPS

Nuix shed light on the pharmaceutical company's dark data and helped it make fact-based decisions to move forward with the divestiture, in compliance with applicable regulations.

1. **Pre-acquisition/divestment grooming:** Companies prepare themselves for acquisition or divestitures in a number of ways, from financial attractiveness to staffing and organization. The pharmaceutical company saw this divestiture as an opportunity for a fresh start managing its information. It included information governance in the grooming process to help the organization make operations easier and more compliant. This can also make an organization more attractive in a merger scenario. Information governance can help you:
 - Organize critical products, clients, and services
 - Segregate IT systems and applications from content to better evaluate and manage each
 - Establish an enterprise content and records management (ECRM) infrastructure for content to manage data that helps integrate functions and systems
 - Develop retention schedules and data mapping so the organization can point to what information assets it owns
 - Implement naming conventions and content structures so that information about decisions and knowledge can be more easily found and produced.
2. **Valuation and due diligence analytics:** When you are evaluating the value of an organization for acquisition or divestment, it is critical to make decisions based on facts about operation, rather than perceptions. The content of an organization can tell you a lot. Once the evaluation process begins, there is a level of due diligence to minimize the risk. Due diligence analytics will tell you what information assets you have and what that content tells you about the business. Nuix contributed to this company's evaluation and due diligence process by helping to identify a number of areas

within the new organization's structure of information that indicated risk and value, including:

- Active discussions and documentation activities to see what the organization was concerned with and actively working on
- Level of structure and consistency, an indicator of the organization's ability to make decisions and merge information
- Existence of records management and risk practices and programs showing the level of, and attitude toward, risk
- Existence and values for quality metrics within the organization
- Custodians and experts to cultivate and protect.

3. **Information management, data cleansing, and cost**

reduction: Cutting costs and risk is a critical step in a merger, but it can also optimize value when divesting and starting fresh. The pharmaceutical company used Nuix to help minimize the negative financial impact of inheriting or maintaining non-value business content. This reduction in content impacts IT storage and management costs, productivity costs, and document and data capture costs if there is a need to migrate to new systems. Opportunities for cleanup to save on IT integration costs and help you find content include:

- Temporary files and other system-generated ephemera
- Duplicates and near duplicates of eTrash
- Content identified as being worthless, outdated, or redundant
- Applications, web content, and databases that perform better on dedicated and secure devices
- Personal or other non-business photos and media
- Outdated "administrivia."

4. **Post-acquisition integration:** Once a merger has occurred, data integration begins. Although the company's divestiture did not include a major consolidation in its divestiture, Nuix can help to integrate or separate content into improved logical structures to meet the new business needs of an organization experiencing a merger by:

- Merging product or project activity content
- Organizing and centralizing client-based content, finding contracts and contacts, or just making structures identical, facilitating cross-training and cross-geographical consistency
- Facilitating a consistent branding and market message
- Building new linkage data to map older content to new

content through metadata in repositories

- Merging RM schedule definitions
- Evaluating litigation risk and content preservation activities
- Protecting intellectual property (based on topics or custodianship) against claims
- Responding to regulatory inquiries
- Inventorying and integrating technology systems.

5. **Post-divestment separation:** Once the divestment for the pharmaceutical company occurred, there was a very short period of time to ensure all the assets from each new company formed were removed from the previous company's systems, including information assets. Nuix can assist with identifying, classifying, and acting upon:

- Content identified by product name or code name exclusively belonging to only one of the new companies
- Research content included in and supporting manufacturing material information used by both companies
- Additional software assets stored on shared drives that were impacted by licensing ownership decisions.

6. **Expertise and expert content:** When merging or divesting, understanding who subject matter experts and contributors are may provide significant value and assistance to HR and operations. Nuix gives you the opportunity to align information and individuals so that:

- Experts on specific topics or products can be identified
- Content relating to work groups and departments can be separated without leaving out important parts
- Content to be allocated to one company or the other can be easily surmised across hundreds, thousands, tens of thousands, or more shares spread across the company.

7. **Reduce the massive amount of leftover garbage:**

Following a merger or divestiture, especially if there is any staff turnover, the issues, risks, and problems residing in un-owned content can become significant. Nuix will help you identify:

- Abandoned or un-owned content that will never be accessed
- Risk or privacy data in uncontrolled or unsecure locations
- The large collection of photos and videos from the Christmas party seven years ago that nobody recognizes.

Once you identify this data, you can then consistently classify unrecognized content into rule-based retention categories for compliant purging.

8. Tackling other information governance tasks: The pharmaceutical company now knows that Nuix can address a number of information governance issues from a firm starting point and with appropriate representation within the organization. Next, the company will be looking into other ways Nuix can help them answer:

- What are the benefits of an ECRM system?
- What is the best way to get access to content in its struggling email archive system?
- What risks does it face in consolidating its data centers?
- How can it best prepare for the inevitable need to perform digital forensic, incident response, or breach investigations?

In accordance with the divestiture's closing schedule, the intellectual property on the subsidiary's systems was remediated. The pharmaceutical company's information governance needs moving forward don't differ greatly from many other organizations' needs, and apply to a variety of merger, acquisition, divestiture, and organizational change scenarios.

Dealing with data related to mergers, acquisitions, or divestitures?

Visit nuix.com/demo today and see how Nuix can ease the process.



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APAC

Australia: +61 2 8320 9444

EMEA

UK: +44 203 934 1600

NORTH AMERICA

USA: +1 877 470 6849

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