



How the pandemic changed the technology and its major impacts on M&A deals





Covid-19 is having an unprecedented impact on markets around the globe. The consequences of this pandemic are felt worldwide and are having a significant impact on different sectors, especially technology.

Driven by these technology effects, large companies are speeding up the search to close M&A deals – amounting to the highest rate of acquisitions and strategic investments since 2015.¹ We are also seeing non technology companies acquire to bring specific IT capabilities in-house. This is making start-ups in the digital world, e-commerce and apps more and more attractive.

Despite the lockdowns and market uncertainties, today, more than ever, **technology is playing a crucial part** in the organizations' activities, from facilitating remote work to increasing digital experiences.

Consider the trends below and your target's readiness in a deal, because they can have an important impact on the value of the deal. Specifically, include it as a topic in your due diligence and reflect any required investments into the business case.

MAJOR EFFECTS IN TECHNOLOGY

	 VIRTUAL WORKING	 CONNECTIVITY	 DEVICES	 SECURITY
THE TRENDS	Companies with virtual-working technologies are already seeing increased demand as organizations increase their virtual-working capabilities.	Faster access to data (5G technology) and applications enhance the focus on network equipment and communications.	Large orders for laptops and mobile devices to support professionals working remotely have been placed with hardware companies	Cybersecurity has been a major concern during the pandemic because of the increasing risks of vulnerabilities and information leakage.
WHAT CHANGED	<ul style="list-style-type: none"> Increased adoption of collaborative tools (e.g. Teams, Trello, Google Drive, Slack) and conferencing solutions (e.g. Skype Meet, Zoom, Google Meet, WebEx). Increased demand for solutions for remote access (e.g. VPN). 	<ul style="list-style-type: none"> The need for ever-faster access to data amplified the focus on network equipment and communications, speeding up the adoption of faster equipment (routers, gateways, AP). Enhanced security for access to corporate environments. 	<ul style="list-style-type: none"> Increased the demand for portable devices (laptops, tablets and smartphones) to facilitate work-from-home situations. Improved bring your own device (BYOD) policies to secure corporate data. Demand for more robust assets management controls. 	<ul style="list-style-type: none"> Reinforcement of Information Security policies (e.g. how to handle confidential data and prevent cyber attacks) Improved adoption of security devices (firewalls, endpoints) and end-user solutions (e.g. antivirus).
WHAT TO DO	Encourage employees to use teleconferencing software as a way to preserve / safeguard their health and enhance productivity.	Assess the current infrastructure resources and prioritize the investments on actions to meet the demand for access to internal and external systems – as e-commerce sites.	Carefully evaluate and plan the acquisition of new equipment, given that with the increase in demand the values have also undergone adjustments.	Consider increase spending on security solutions, such as log / access management and VPNs, to secure particularly critical cloud-based systems, for example.

Source: ¹ The Financial Times



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