

## PRE-DILIGENCE CHECKLIST

# How do you know your next tech investment is the real deal?

23 questions to consider before you commit

### PRODUCT

- Does the product strategy align with your investment and growth objectives
- Are there product opportunities on the roadmap will add business value?
- Are there obvious product quality issues – or a high volume of support tickets that could indicate a problem?
- Is the UI modern and user-friendly?
- Can the product generate recurring revenue?

### ARCHITECTURE AND CODE

- What is the financial impact of replacing any legacy components of the software?
- Do third-party or open source components present any legal or technical challenges?
- Is the code written in a maintainable and understandable way so that other developers can easily be productive?
- Is the R&D spend appropriate for the company size?
- Are deployment practices efficient, with minimal risk of human error?

### SCALABILITY

- Are there any challenges with the architecture that could prevent you from meeting growth objectives?
- Will existing processes and practices scale appropriately with company growth?
- Are implementation times reflective of the right degree of product configurability and customization?
- Are there needed product improvements to reduce the burden on professional services and support?

### TECHNOLOGY OPERATIONS

- Is the overall technology budget appropriate for the company size?
- Are there opportunities to reduce expenses or gain efficiencies?
- Are there any major vendor initiatives in place, such as a move to the cloud or a transition to a new service provider?

### SECURITY AND PRIVACY

- Are adequate security controls in place to protect customer and company data?
- Has the business achieved security certifications required for its industry and client base?
- Is there a business continuity plan in place?

### PEOPLE

- Are the right leaders and team in place to meet investment objectives?
- Which business-critical employees must be retained with the acquisition?
- What knowledge and skill gaps must be filled to fully realize your strategy?
- Will planned product and technology investments significantly impact the size of the team?

