

# How IT diligence has evolved

## Transcript

### SPEAKERS:

Wade Kruse, National Managing Partner, Advisory Services

Sonny Origitano, Managing Director, Strategy and Transactions

Derek Han, Principal, Cybersecurity

**WADE KRUSE:** We see a lot of tech in M&A these days, so clearly a lot of clients, a lot of companies are buying technology to enable their growth, that's how I see it. Tell me about this. How has IT diligence — something we've been doing for 20 years — how has that evolved over the last decade?

**SONNY ORIGITANO:** Definitely cybersecurity and tech platform have become integral to that. It's no longer just IT. We're not just looking at the back office. We're looking at cybersecurity and the tech platform. We have a client who recently acquired six different e-commerce businesses, put them together, and it's very much a global business now. They had to have development over in Europe. They had cybersecurity issues. They're doing a number of remediations. But they're doing things that now, you wouldn't see 20 years ago. And our diligence now encompasses looking at everything from the front end to the back end on that value chain for IT. We're looking at all of it. And so technology and cyber become integral to that diligence, which it wasn't 20 years ago.

**DEREK HAN:** Adding to that, if you looked at it 10 years ago, only the big companies would have considered cyber as part of the due diligence process. But if you look at today in a lot of big markets, even smaller clients look at cyber as part of the core transactions. So cyber definitely has become a lot more important in terms of the transaction decision-making.

**SONNY ORIGITANO:** I think in the mid-market we still see that not enough companies are focused on cyber. Certainly the big companies are, but there's still an opportunity there [for] mid-market to do a better job. They haven't caught up yet and they're not

willing to put all the dollars in the budget. We'll still see traditional IT budgets where they haven't increased to account for cybersecurity.

**DEREK HAN:** I definitely think there's really room for growth. You look at it today, it's the cyber insurance driving a lot of the cyber growth because a lot of the big market clients had difficulty in getting the insurance policies to cover their cyber liabilities, or the insurance premium has really jumped twofold, threefold, in the past two years. It's definitely getting a lot of attention from even the small or mid-sized companies to spend more time on cyber. Not only because of technology but also because of really the risk consideration as part of it.

**WADE KRUSE:** Thank you Sonny, Thank you Derek. I appreciate your time today, and thank you for joining us.