Today's global economy depends on software. The prospect of capital losses or unplanned expenditures in a targeted asset, due to their software, has swiftly become more of a concern, affecting deal pricing and structure. Anyone who has experienced the challenges of unexpected software project costs, schedule overruns, integration management problems or source code failure has dealt with the subsequent damage to the value of an asset.

Both the balance sheet and the P&L statements are affected by a target company’s dependence on its software. If custom software is the embodiment of the target company’s unique business model and value, then there is real risk if the software does not support the financial statements or is unduly expensive to maintain.

You should be informed about the potential pitfalls or the hidden asset value in your next transaction. Your investors will appreciate the thorough nature of your due diligence and the enhanced quality of performance for your management teams.

**What We Offer: Software Asset Due Diligence (ADD)**

Poorly performing investments, in both the VC and M&A communities, can often be attributed to software-related capital losses and unplanned expenditures. DCG Software Value (DCG) provides a complete due diligence evaluation of the current state of a targeted asset’s software and internal operating structure.

This information can produce substantial gains, either via negotiation for a more advantageous position in the targeted asset or via a much more thorough understanding of the impact on financial statements.

In many cases, we identify hidden asset value, thereby substantially enhancing profitability for investors. The return-on-investment is the confidence you receive in moving forward with a comprehensive understanding of the impact of the software involved.

**Benefits of Software ADD**

Software ADD is designed to shed light on the impact IT can have on a merger or acquisition. Other benefits include:

- Improved confidence in the profitability associated with a merger or acquisition
- Identification of hidden asset value
- Bypassed post-acquisition risks, including software maintenance and upgrade fees
- Identification of undue dependency on selected individuals in the development team
How It Works

DCG consultants come in prior to the merger or acquisition to:

- provide software expertise and objectivity.
- validate the current state of the targeted assets’ software and internal operating structure.
- provide a clear picture of the dependencies, risks and potential financial implications of the software asset.
- provide recommendations on how to move forward with the technological piece of the merger or acquisition – if at all.

A successful merger or acquisition considers all of the aspects of its business model – including IT. Unforeseen risks and mismanaged software can negatively impact profitability.

DCG’s M&A Analytics Services

DCG offers consulting services designed to help assess the IT-related aspects of mergers and acquisitions and outline a plan for moving forward. These include:

- **Software Asset Due Diligence (ADD):** A profile of how the target organization relies on its technology.
- **Software Asset Risk Management (ARM):** An assessment of the risk involved in transitioning the target organization’s software.
- **Software Asset Maturity Analysis (AMA):** A profile of the return-on-investment for the acquired software, with an eye on the future.
- **Software Asset Integration Management (AIM):** An analysis of how to integrate the acquired software into the current environment.

Contact

DCG is headquartered in Malvern, P.A. The company maintains an additional U.S.-based office in Colorado.

DCG’s Europe-based office is located in the United Kingdom.

DCG Software Value is a global provider of software analytics, software quality management and Agile support services. DCG maintains a U.S. corporate office and a European corporate office in the U.K.

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Measure. Optimize. Deliver.