Avanade POV:
M365 M & A and Divestitures

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Introductions and Agenda

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Agenda

Focus of today's discussion

01

The Role of IT in M&A and Divestitures

02

How Avanade Can Help

03

Our Approach to M&A and Divestitures

04

Post-M&A and Post-Divesture Transformations

05

Next Steps

06

Appendix

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The Role of IT in M&A and Divestitures

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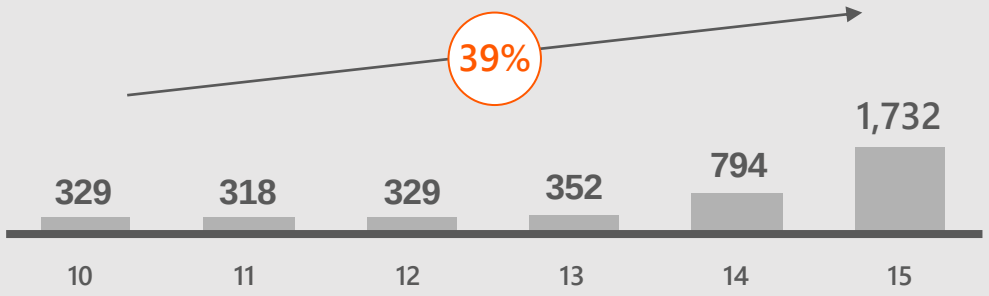
M&A Challenges: Growing size and frequency

Putting pressure on achieving IT effectiveness in M&A

With increasing deal size, manageability of M&A transactions becomes even more important requiring innovative tools and methodology

M&A Deal Total Value, Billion USD



- Trend towards **increasing deal sizes** puts **additional pressure** on **IT** as the main driver of M&A **costs** and **synergy** potential.
- The **CIO** becomes a **strategic partner** in identifying acquisition opportunities and overseeing the planning and preparation of the M&A deal to spot potential obstacles & ensure optimal leveraging the synergy potential
- Overall, the **role of IT will shift** from being an inhibitor to change **towards** becoming a **source of value creation** in the deal. Increasing systemic flexibility (e.g. IT Architecture) will allow companies to follow additional opportunities
- Key environmental changes combined with **enabling technologies** reveal dramatic opportunities for increasing M&A activity

Note: Mega Deal is a deal with >10 Billion USD value; All M&A transactions (excluding Real Estate); 2003-12 deal value based on Enterprise Value. 2013-15 total net transaction value. Excludes terminated or withdrawn deals.
Source: Thomson Reuters data 2003-12, Capital IQ 2013-15.

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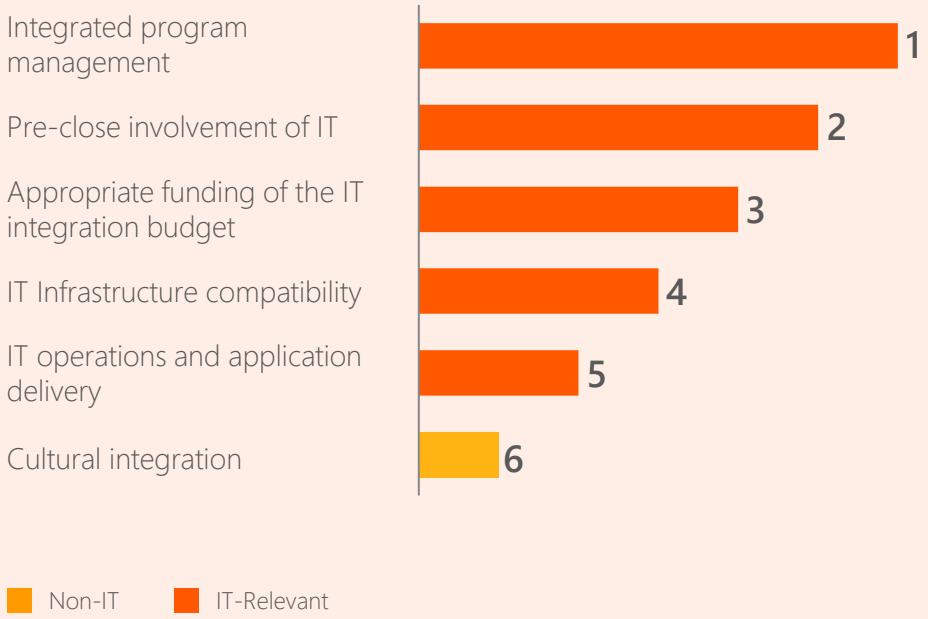
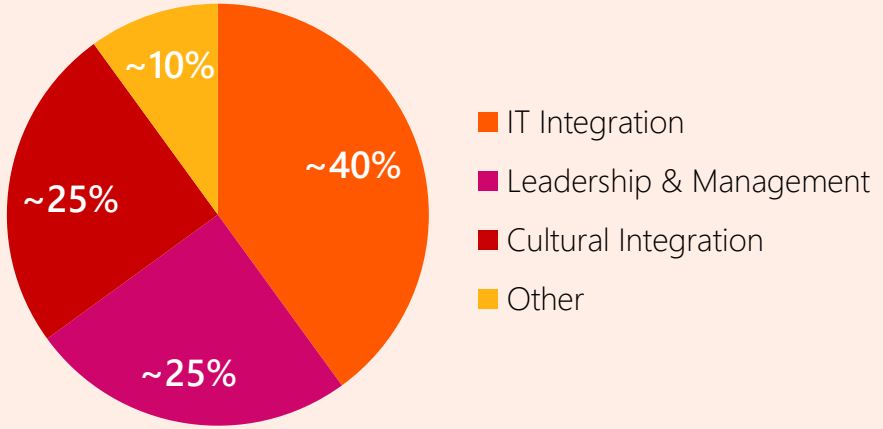
M&A Challenges: IT is often a failure point

Putting pressure on achieving IT effectiveness in M&A

Reasons for M&A Success[1] (Ranked)



Reasons for M&A Failure



- Failures in IT integration is the main reason for M&A failure
- At the same time, 25% percent of total integration efforts typically come from IT, and more than 50% of all synergy-relevant integration activities are critically dependent on IT[2]

(1) Source: Accenture Merger Integration Study (150 CIOs, 150 CxOs), 2005. 2) Source: Gartner 2015

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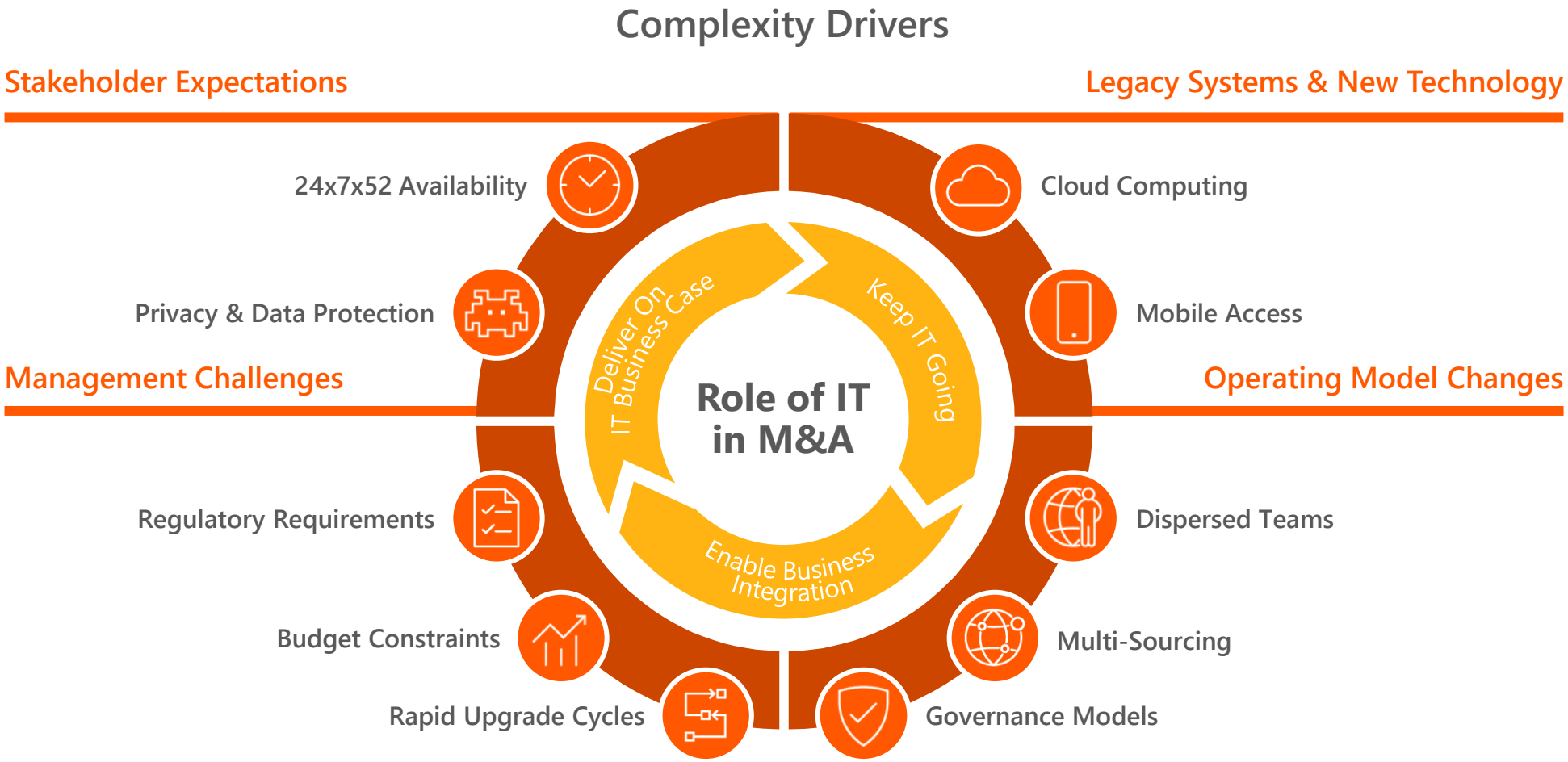
IT in M&A: Operations, Integration and Value

Balance the three roles of IT while addressing the complexity of modern technology



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Top 7 Challenges for IT with M&A

Putting additional pressure on achieving IT effectiveness in M&A

1	Aggressive timelines for cutover	Contractual commitments may require a rapid transition
2	Global regulatory complexity	Regulations governing each entity may differ in each affected state and country.
3	Loss of resources	Resources with key skills and institutional knowledge will leave the company before and during transition
4	Daily operations and user impact	Despite M&A disruption, a focus on service delivery can be lost
5	Juggling transformation	M&A creates an opportunity for transformation, but this adds complexity to the program
6	Change management and communications	Managing change is key for both IT and business buy-in and success. Branding is a specific challenge
7	Blackout period	The M&A blackout period will create challenges for the program schedule

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Top 7 Information Security Challenges with M&A

Putting Enterprise Information at Risk

1	IT Security / IT Risk Unengaged	Business Development Team not aware of the Cyber Risks inherent to M&A Activity. Cyber Security must be a part of overall Risk equation.
2	Regulatory Compliance	New Regulatory demands create IT hurdles. Export Controls, PHI and PII are common areas of Risk.
3	Customer Compliance	With a new acquisition comes the acquisition of new Customers and Customer agreements. Contractual requirements for Information Security must be recognized.
4	Policy Alignment	Have we closed policy gaps and aligned new policies on day one?
5	Synergies Realized	IT Security Tools require consolidation and harmonization to rationalize cost.
6	Cross-SOC Integration	The Security Operations Center will need to maintain a single pane of glass for incident response.
7	Protect the Bridge	Secure networking must be implemented between the two entities to prevent cross-compromise until integration is complete and the security homeostasis is achieved.

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M&A Challenges: Cyber Compromise

Opportunities for Infrastructure Improvement

In the rush to connect two company networks to proceed with integration, Cyber Security is often overlooked. This is a opportune time for threat actors that have remained dormant on one or both networks to travel across the network to cross-contaminate.

For example:

- Threat Actors spend an average of 200+ days on a network before discovery.
- During this time, they are moving laterally from server to server looking for data to steal.
- There is a high likelihood that when a new network is connected, the threat actor will move onto it.
- This will ultimately result in account exposure and data breach, costing $4M USD on average.*

*2016 Cost of Data Breach Study: Global Analysis, Ponemon Institute, June 2016

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M&A Challenges: Growing size and frequency

Addressing Business Goals

Merger Business Goals

- Combine business entities and operate as a new business entity
- Realize cost reduction by reducing redundancies
- Establish a new unified brand for the new business entity

Acquisition Business Goals

- Integrate an acquired business entity, asset, or capability into the existing business entity
- Realize cost reduction by reducing redundancies
- Promote brand of existing business entity (the acquiring entity)

Divesture Business Goals

- Separate a divested business entity, asset, or capability from the existing business entity
- Divesture may be acquired by another existing business entity or may itself may become a new business entity
- Cease usage of existing business entity brand (the divesting entity) by divesture

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M&A Challenges: Growing size and frequency

Typical Infrastructure Impact

During merger, divestiture, and/or acquisition events, infrastructure may need to change due to the event. Typically we see the following efforts associated to such events:

- Mergers typically drive consolidation efforts to address the business requirements of the event
- Acquisitions also typically drive consolidation efforts to address the business requirements of the event
- Divestitures typically drive separation efforts to address the business requirements. Sometimes this leads to greenfield platforms in the future state

All events typically involve branding concerns which infrastructure must abide

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M&A Challenges: Growing size and frequency

Atypical Infrastructure Impact

As merger, divestiture, and/or acquisition events are unique, they may have specific business requirements that drive multiple efforts or even atypical efforts

For example:

- A merger of 2 business entities with dissimilar compliance and regulatory requirements could result in separation efforts as well as consolidation efforts
- A divestiture of a business unit into a wholly owned subsidiary could result in consolidation efforts as well as separation efforts

The efforts to modify the infrastructure must be driven by the business requirements and translated into technical requirements

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M&A Challenges: Growing size and frequency

Opportunities for Infrastructure Improvement

During merger, divestiture, and/or acquisition events, infrastructure may need to change due to the event, but can also be an opportunity for infrastructure improvement that may have not been previously addressed or prioritized.

For example:

- Avoidance of consolidation efforts from previous mergers, we see this often
- Persistence of branding no longer applicable within the infrastructure
- Aging infrastructure that may be incompatible with the future state business requirements and/or scale for the combined entities

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How Avanade Can Help

Our unique and powerful approach

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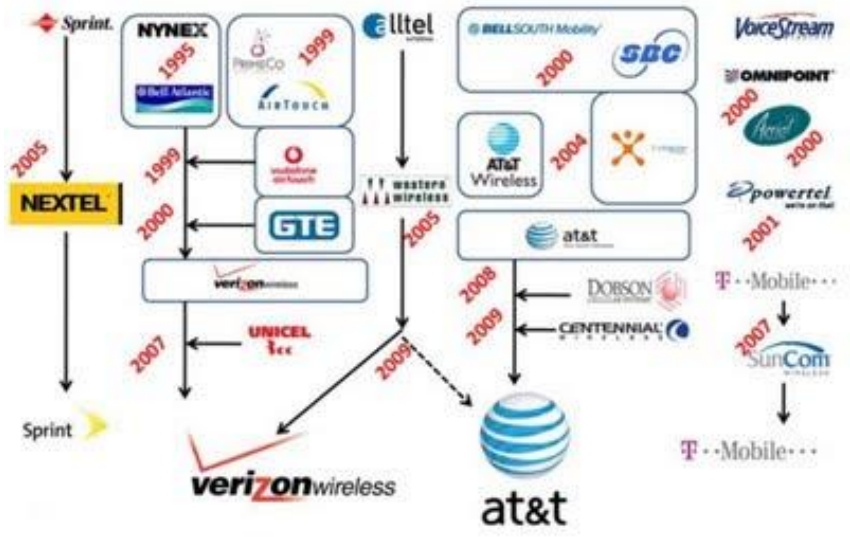
Why Avanade?

Experience, Assets, and People

Our Expertise

- **Migrated/Moved** over 8M users to Merged and/or acquired companies
- **Proven track record** in M & A planning to deployment/run
- Deep **application and virtualization** expertise
- Unmatched **premium skills at scale** – strategy, cost modeling, application rationalization and worker segmentation
- Focus on **business value** – not just software and hardware



Our Assets, Tools & Methods

- Structured **methodology** supported by Avanade Connected Methods
- **Innovative toolset** to accelerate efforts (Accelerate Tool, ARROW chat support, M&A Job Aids, etc.)
- **Cost modeling** assets to maximize value

Our Global Delivery Network

- Onshore, near-shore, offshore network in **22 countries**
- Global workforce enables **factory approach at fair cost**
  - High volumes of work in rapid time frame

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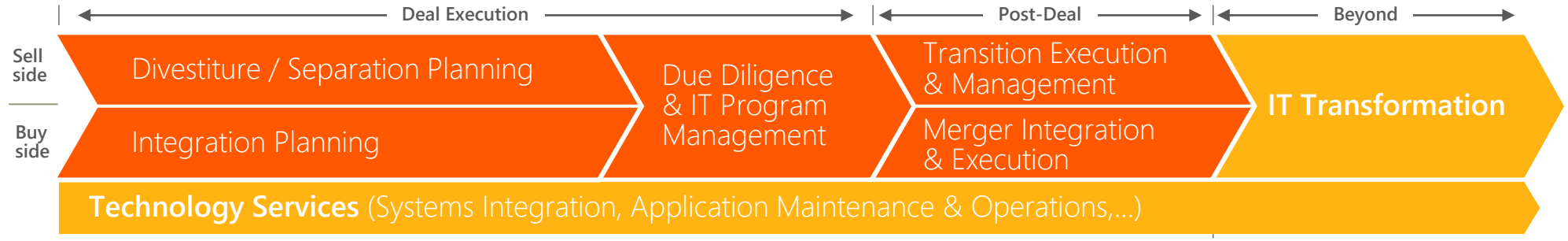
Avanade supports clients across the M&A lifecycle

Today's focus is on Technology Services and IT Transformation



Business

Support the strategy definition at different levels and continuously track progress:
- Microsoft platform Business and IT Strategy
- Information and Data Strategy

IT Due Diligence

Set up IT integration program and achieve early business and IT integration objectives:
- IT Integration strategy & target (model) setting
- IT integration & Day 1 planning
- IT integration program management
- IT integration road mapping and execution support focusing on (1) achieving seamless communication, (2) avoiding operational risks, (3) planning business integration, and (4) achieving rapid IT integration and IT synergies

Technology Services

Support the M&A with Technology Services
- Systems Integration
- Separation of shared applications, data and infrastructure
- Interim Systems Management (take over system responsibility)

IT Transformation

Continue to realize merger objectives:
- Implementation of complex IT transformation programs to realize full merger value

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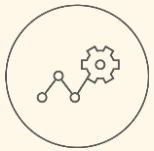
Avanade Assets and Accelerators

Proven, targeted assets and accelerators that target IT in M&A effectiveness

IT Transformation



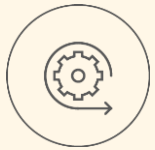
Avanade Delivery Methodology

Methods

Processes

Tools & Templates

Skills and knowledge



Service Integration Offering

Service Transition

Service Operations

Resolver Management

Continuous Improvement

Scalable, High Performance Support

Global Workforce with extensive functional skills and deep industry knowledge

Scalable support depending on the client´s needs

Technology Services

Avanade Accelerate™ Tool

Migration automation and BI engine

Source of truth for complex migrations: AD, UCC, Workplace

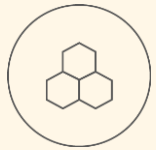
Automation and detailed reporting

IT Strategy Framework

Integrated approach

Value identification

Road map for strategic IT initiatives



Application Portfolio Rationalization

Assessment and Optimization of the application portfolio

Cost model development & migration planning

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Our Approach: Divestitures

Avanade's approach and point of view

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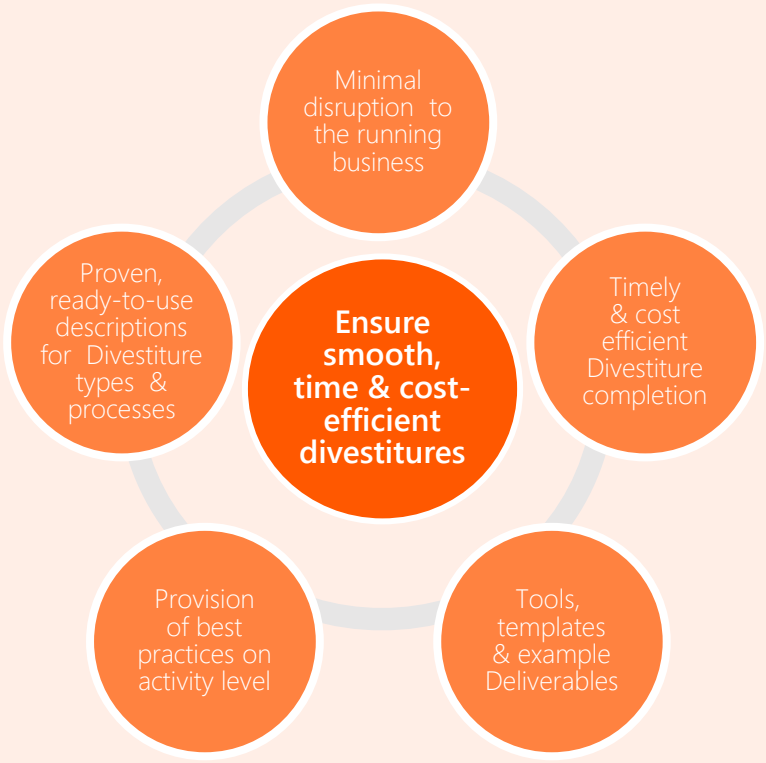
Our Approach to Divestitures

Our distinct capabilities enhance smooth, time- and cost-efficient divestitures

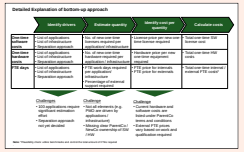
Avanade Value Proposition



Avanade's IT Divestiture: Assets & Accelerators

IT Divestitures Methodology

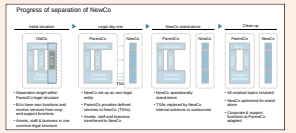
IT Divestiture Communications Plan



Avanade Accelerate™ Tool

IT Divestiture Job Aids

IT Divestiture Effort & Cost Estimator



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Our Approach to Divestitures

Seven key success factors to help guide IT Divestiture projects

1	Company setup drives IT Divestiture complexity	The complexity of an IT Divestiture project is determined by the organizational, physical, contractual and sourcing set-up. The more complex, the more integrated you are.
2	Closely bond with overall Divestiture project	IT is one of the most complex parts within the overall Divestiture realization: Tightest bonds to the overall Divestiture program management and decision makers and an understanding of the full picture and translation into clear guidelines for IT are inevitable for the success of IT.
3	Align objectives & shared knowledge of boundary conditions	Alignment of objectives and shared knowledge of boundary conditions are key for bundling the forces: Consider a kick-off communication package for all participants and maintain effective communication through-out the program.
4	Establish clear program structure & governance	A Divestiture constitutes a highly complex IT program: Clear program structure and governance, undistracted management attention and dedicated resources are inevitable.
5	Establish collaboration with key partners	In today's multi-sourcing IT environment a successful Divestiture needs effective collaboration with your key partners.
6	Prioritize and make decisions effectively	Strict prioritization and effective decision making that is mutually agreed and sustainable are key for maintaining the needed Divestiture momentum and speed.
7	Establish effective program management	Most complex Divestiture programs are highly dynamic: To be effective, program management needs to be adaptive, pragmatic and solutions oriented.

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M&A Challenges: IT is often a failure point

Putting pressure on achieving IT effectiveness in M&A

	1 Plan	2 Analyze	3 Execute Unbundling	4 Plan & Implement Stand-Alone[1]	5 Conduct Clean-Up[1]
Duration	~1-2 weeks	~3-4 months	~3-6 months	~6-12 months	
Typical Activities	1.1 Involve in overall Divestiture program level discussion on scope, timeline, pre-requisites and circumstances 1.2 Define IT guiding principles	2.1 Set-up project 2.2 Define IT separation concept & cornerstones 2.3 Perform IT baselining 2.4 Prioritize scope & outline blueprint for retained and new IT set-up 2.5 Estimate IT separation costs and running cost impact 2.6 Develop aligned IT unbundling plans (incl. transition, data migration, archiving)	3.1 Execute employee transfer 3.2 Execute IT unbundling (applications, contracts, licenses, infrastructure) as prioritized with business 3.3 Analyze demand and negotiate IT TSAs3 3.4 Execute IT asset transfer 3.5 Execute stakeholder program and communication program	4.1 Define IT stand-alone objectives 4.2 Develop IT stand-alone plans 4.3 Implement IT stand-alone plans (incl. complete cutting of infrastructure, renegotiating of contracts, licenses etc.) 4.4 Manage and phase-out IT TSAs 4.5 Restructure & rightsize IT	5.1 Determine scope and plan clean-up activities 5.2 Manage residual cost 5.3 Clean-up further residual issues
Key Results	• IT constraints reflected within overall program guidelines	• IT guidelines, separation concepts and plans defined • Target blueprints established	• IT unbundling completed as far as possible • Operational readiness NewCo supported by IT • IT TSAs in place	• IT NewCo operationally stand-alone	• All residual issues resolved

1 Phases might start already during "Execute Unbundling" phase. 2 Rough estimate. 3 Transitional service agreements.

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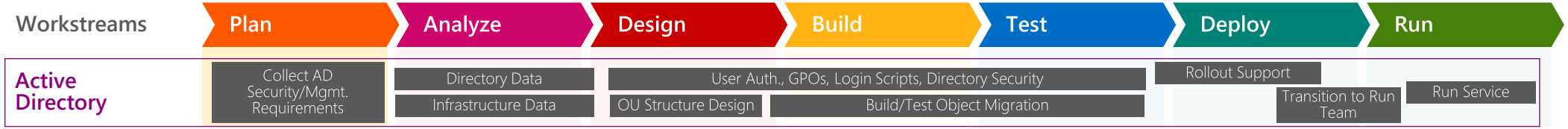
Our Approach to Divestitures

Active Directory



Areas of focus

- Identify requirements specific to the divestiture
- Identify separation challenges
- End user experience
- Directory-dependent application impact
- Integration with future state directory services and/or provisioning systems
- Future integration with Office 365 and Azure AD
- Migration planning and sequence of execution

Lessons Learned

- Define business requirements and map them back to the design
- Application owners must be involved to address directory-dependent application and server migrations
- Avoid cloning Active Directory forests as this may cause issues in the future
- Third party products allow for more features and flexibility beyond what the free Microsoft tools provide
- Plan for end user communication and training as the end user experience may change; such preparation minimize post-migration support requests

Key Design Decisions

- Use of cloud datacenter platforms vs on-premises, or possibly a hybrid of both
- Create new or re-use AD designs and nomenclature
- AD replication and DC placement
- Trust planning
- Federation usage
- Use of virtualized platforms
- Public Key Infrastructure (PKI) and certification authority (CA)

Next Steps

- Active Directory Assessment (6-8 weeks)
- Application Analysis (6 weeks)
- Active Directory Optimization
- Active Directory Modernization

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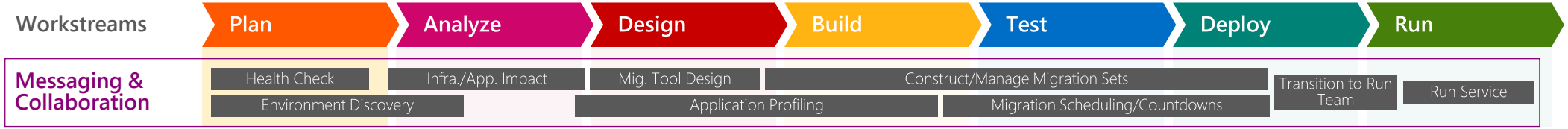
Our Approach to Divestitures

Messaging & Collaboration



Areas of focus

- Identify requirements specific to the divestiture
- Identify separation challenges
- End user experience
- Messaging-dependent application impact
- Integration with future state email services and/or provisioning systems
- Future integration with Office 365 and Azure AD
- Migration planning and sequence of execution

Lessons Learned

- Define business requirements and map them back to the design
- Application owners must be involved to address messaging-dependent applications
- Migration pace is determined by many factors such as amount of data per mailbox, number of mailboxes, network availability, source environment utilization
- Desktop application distribution (such as for Office if necessary) should be coordinated with the messaging migration
- Plan for end user communication and training as the end user experience may change; such preparation minimize post-migration support requests

Key Design Decisions

- Use of cloud messaging platforms vs on-premises, or possibly a hybrid of both
- Exchange organization planning
- Mail routing
- Coexistence services
- Remote access and mobile device management
- Journaling and E-discovery
- Archiving

Next Steps

- Messaging Assessment (6-8 weeks)
- Application Analysis (6 weeks)
- Messaging Modernization
- Unified Communication & Collaboration Modernization

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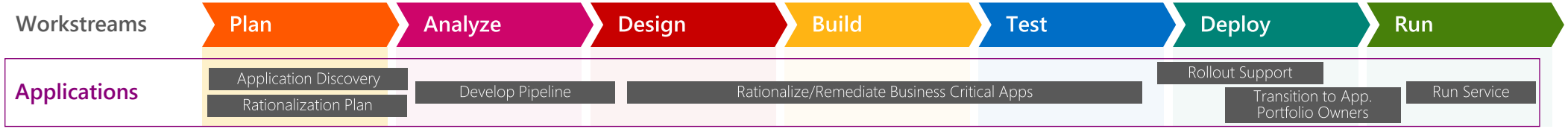
Our Approach to Divestitures

Applications



Areas of focus

- Application ownership identification
- Platform baselining
- Application portfolio rationalization
- Remediation for Active Directory changes
- Application Modernization for target environment (OS version, cloud)

Lessons Learned

- Application ownership identification should start early
- Ongoing engagement of owners is critical for tracking readiness for scheduling
- Minimize change to ensure smooth transition day 1
- Some modernization may be unavoidable if cloud is the target

Key Design Decisions

- Modernize based on budget/timeline
- Factor in costs associated with legacy if not modernizing (i.e. custom support agreements)
- Platform and form factor design
- Security requirements

Next Steps

- Application Strategy (4-6 weeks)
- Modernization POC (4 weeks)
- Application Portfolio Optimization
- Application Portfolio Modernization

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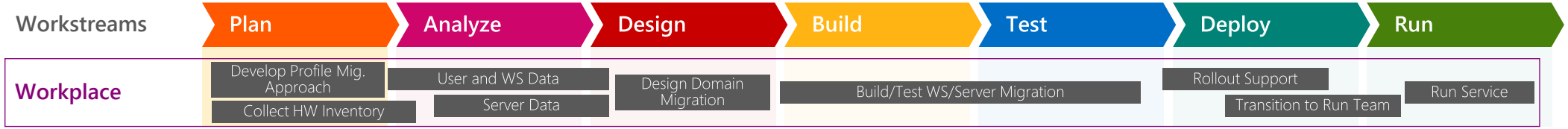
Our Approach to Divestitures

Workplace



Areas of focus

- Image and platforms
- Workstation and mobile security
- Desktop and mobile management tools
- Application inventory and rationalization
- Application relicensing, lifecycle, and ownership
- Application packaging and remediation
- Field support structure and delivery

Lessons Learned

- Keeping legacy image requires relicensing applications
- Application owners must be duplicated, rationalize apps first to lower cost and complexity
- Keeping legacy image requires a standard environment, unknowns are amplified like rogue apps

Key Design Decisions

- New image or adapt legacy image
- Keep legacy tools for ease of migration or use opportunity to mature/optimize
- Modernize app landscape or move mess for now
- Innovate support options like webchat or self-service
- Outsource

Next Steps

- Workplace Assessment (6-8 weeks)
- W10 Application Analysis (6 weeks)
- Workplace Optimization
- Workplace Modernization

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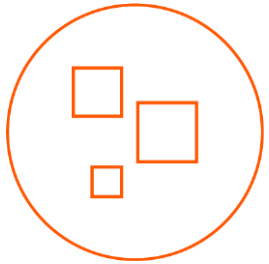
Our Approach to Divestitures

Cloud, Datacenter, and O365

Avanade's standard approach is **rapid infrastructure spin-off with Public cloud and/or Private cloud**



This allows us to support **quick separation of your systems and data** for the now independent organization

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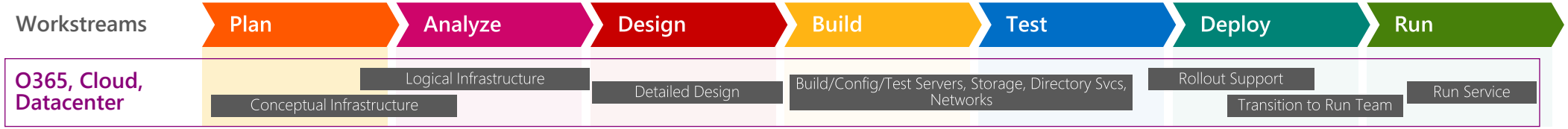
Our Approach to Divestitures

Cloud, Datacenter, and O365



Areas of focus

- Identify requirements specific to the divestiture
- Identify separation challenges
- Identify security, compliance, and legal requirements
- End user experience
- Integration with future collaboration services and/or provisioning systems
- Future integration with Azure and other cloud platforms
- Migration planning and sequence of execution

Lessons Learned

- Define business requirements and map them back to the design
- Moving to a cloud platform is a large transformational event that requires technical and operational planning
- Implementation of Office 365 will result in some AD and Exchange remediation for the majority of enterprise customers
- Leverage the Microsoft Fast Track program
- Plan for end user communication and training as the end user experience may change; such preparation minimize post-migration support requests

Key Design Decisions

- Use of cloud collaboration platforms vs on-premises, or possibly a hybrid of both
- Adherence to security, compliance, and legal requirements
- Coexistence services
- Remote access and mobile device management
- Journaling and E-discovery
- Single sign-on and multi factor authentication

Next Steps

- O365 Readiness Assessment (6-8 weeks)
- Cloud Readiness Assessment (6-8 weeks)
- Cloud Infrastructure Transformation

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Our Approach to Divestitures

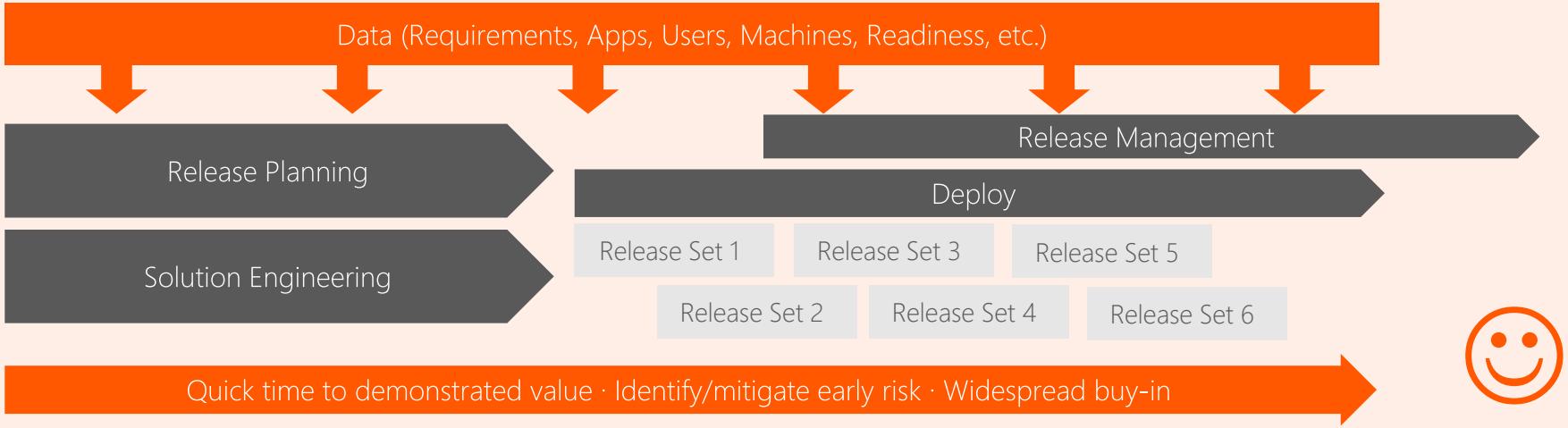
Core Services: Release Planning

Gone Wrong

- Requirements likely have changed since project inception
- Can't predict deployment success

Betting whole program on "one big event" often leads to FAILURE

What's Possible



Data-driven approach minimizes time to value, helps ensure SUCCESS!

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Our Approach to Divestitures

Core Services: Release Planning

Workstreams	Plan	Analyze	Design	Build	Test	Deploy	Run
Release Planning	Develop Migration Approach		Detailed Migration Design	Build Migration Plan/Runbooks	Pilot Rollouts Pilot Feedback	Mass Rollout: Coordination and Comms	

Areas of focus

- Identify readiness criteria across each program
- Identify all data sources and owners
- Assess reporting requirements
- Assess automation opportunities
- Establish business contacts and engagement plan
- Assess user and business impact from all programs
- Gather all business and site blackouts

Lessons Learned

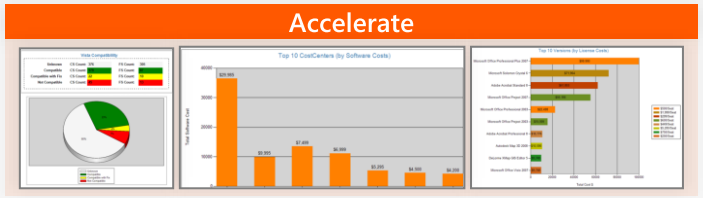
- Readiness inputs must come from disparate sources for all workstreams
- Combine data sources into one source of truth
- Use source of truth for all program decisions and reporting
- Use lens of business and user impact as well as engagement and buy-in

Key Design Decisions

- Determine what readiness items are critical path
- One touch experience?
- Quantity and frequency of automated communications
- Size and parameters of pilot

Next Steps

- Avanade Accelerate™ Tool



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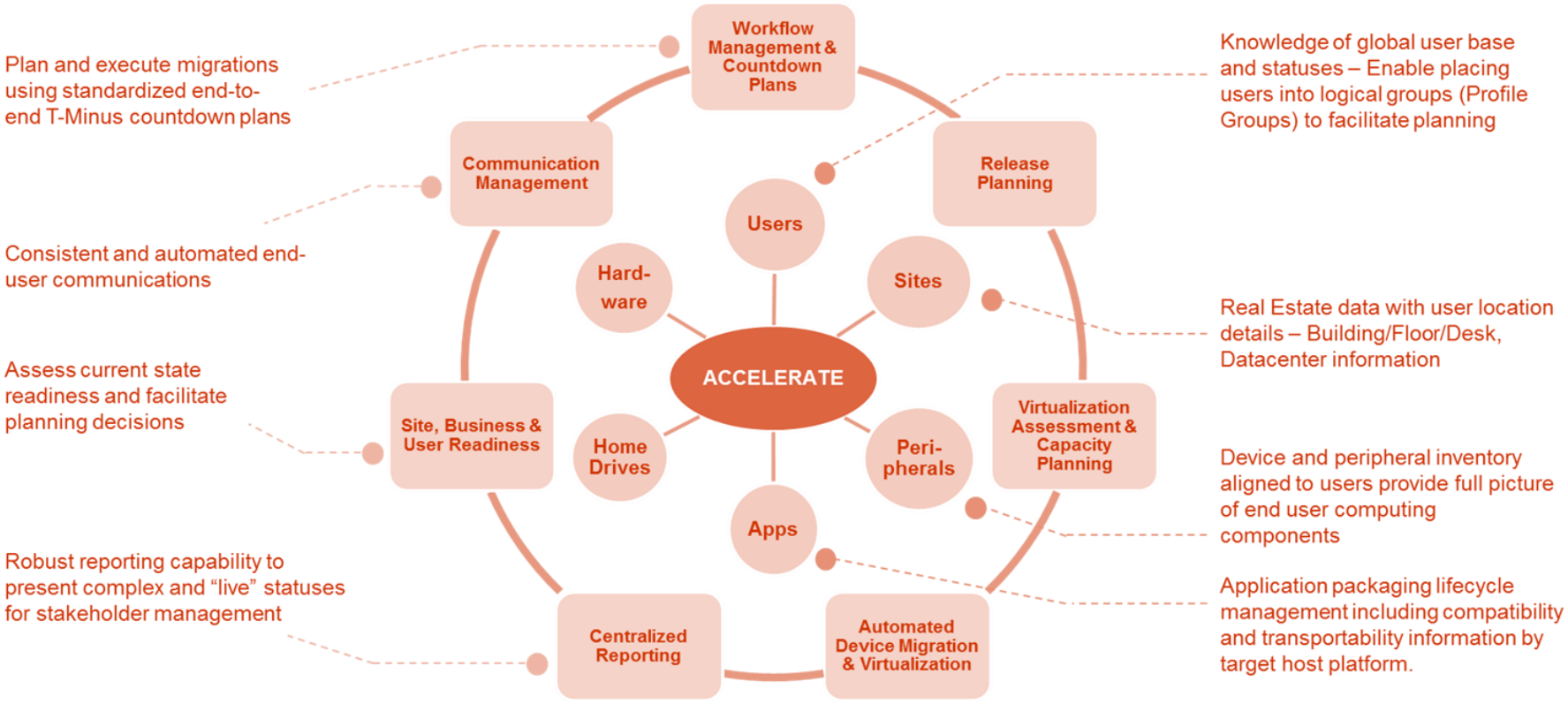
Our Approach to Divestitures

Core Services: Release Planning with Accelerate™

Accelerate™ houses business data & migration logic and enables data driven deployments through common framework across disparate data sources



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Our Approach to Divestitures

Core Services: Change Enablement

Workstreams	Plan	Analyze	Design	Build	Test	Deploy	Run
Change Enablement	Develop Change Enablement Plan	Develop Journey Map Develop Training & Comms Plan	Detailed Communications, Change Network and Training Design	Develop/Test IT/End User Training Manage Change Network		Deliver IT/End User Training	Support by OCE team

1. Stakeholder Engagement & Leadership Alignment:

- On-going activities to continue to inform stakeholders on transformation activities and accomplishments
- Develop and deliver new messages to stakeholders around the behaviour changes which will be required
- Develop and deliver communications to support the implementation of the recommended initiatives

6. Culture:

- Drive identified behavioural changes as part of the overall change program

5. Organization Readiness and Sustainability:

- On-going review and measure of change effectiveness and the absorption of change on a permanent basis
- Build change capability into management skill sets for on-going sustainability of change.

2. Communications:

- On-going activities to continue to inform stakeholders on transformation activities and accomplishments
- Develop and deliver new messages to stakeholders around the behaviour changes which will be required
- Develop and deliver communications to support the implementation of the recommended initiatives

3. Organization Enablement:

- Identify required new jobs and required changes to existing jobs, based on recommended initiatives
- Design new jobs or update design of existing jobs, including the definition of required skills and capabilities
- Assess skills and knowledge and identify gaps

4. Learning & Capability Development:

- Define learning requirements based on skills assessments and recommended initiatives
- Design, build and deploy learning content to support the skill assessment requirements and implementation of the recommended target state

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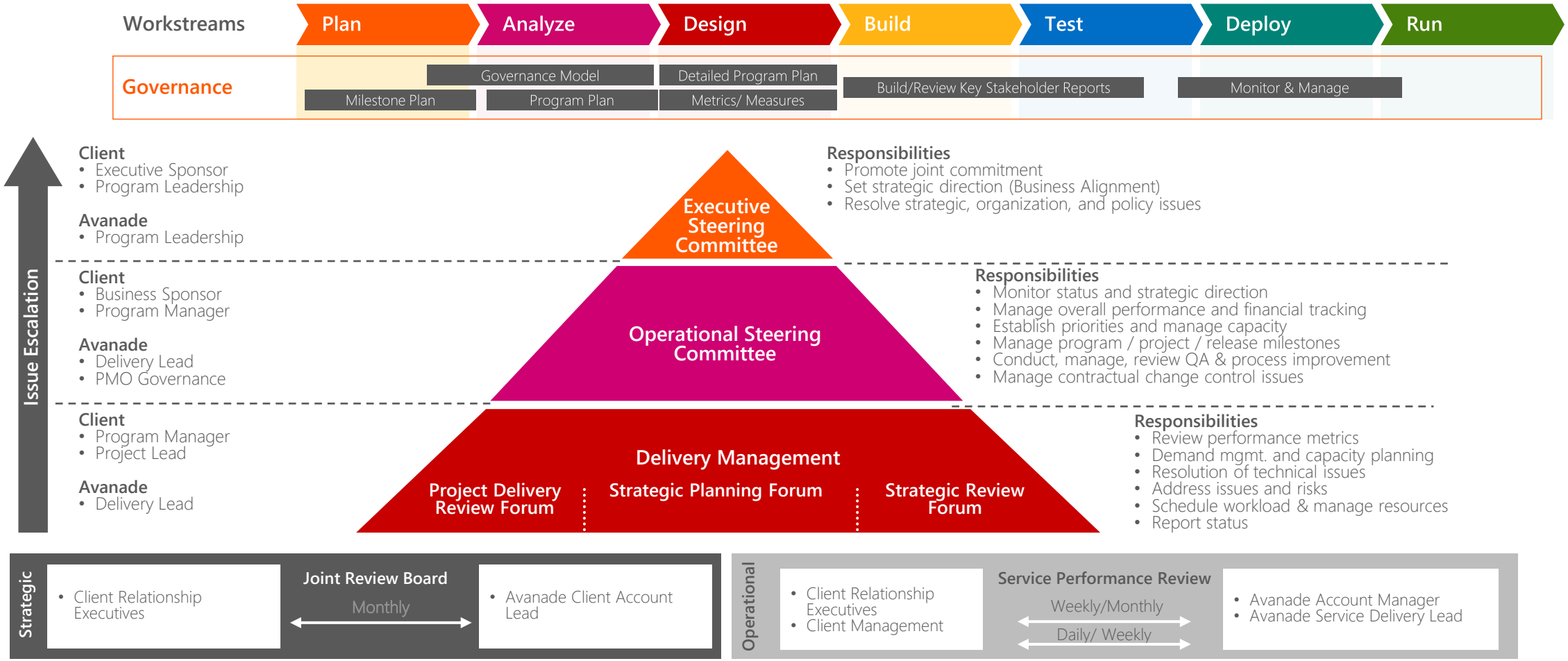
Our Approach to Divestitures

Core Services: Governance



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Our Approach: M&A

Avanade's approach and point of view

Section 04

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Our Approach to M&A

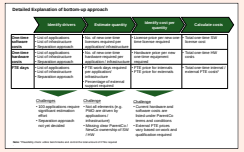
Our distinct capabilities enhance smooth, time- and cost-efficient integration

Avanade Value Proposition

Avanade's IT M&A: Assets & Accelerators

IT M&A Methodology

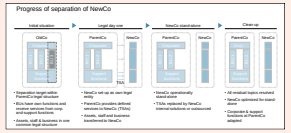
IT M&A Communications Plan



Avanade Accelerate™ Tool

IT M&A Job Aids

IT M&A Effort & Cost Estimator



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Our Approach to M&A

Typical cost reductions

IT Integration Areas	IT Integration Programs	Cost Savings Ranges[1]	Time to Value
Active Directory	• Consolidate forest/Domain • Optimize policies	15-30%	6-12 mo
Messaging & Collaboration	• Consolidate orgs • Streamline platforms to private/public/hybrid	20-40%	6-12 mo
Applications	• Applications Rationalization • **Project Rationalization** • Data Rationalization	15-25%	3-12 mo
Workplace	• Image and Device Rationalization • Management Tool Rationalization • **Support Transformation**	15-35%	3-18 mo
O365, Cloud, Datacenter	• **IT Organization Optimization** • **Capacity Optimization** • Shared Services	10-25%	6-12 mo

Bold = Quick win potential in 1st 100 Days

(1) Note: Cost-savings ranges are % of original specific area IT cost baseline

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Our Approach to M&A

Best practices that ensure a holistic approach, considering past experiences

1	Vision of future IT capabilities drive IT integration program	A business value driven IT target state is crucial to ensure focus and effectiveness in the vast amount of IT integration activities
2	Involve IT early in business discussions about the deal	Early IT involvement ensures that business decisions regarding the deal are feasible from an IT stand-point and gives IT more time to prepare (e.g. lead times)
3	Perform an IT due diligence before the deal is signed	IT due diligence ensures that IT factors – which often have high impact on the deal – are taken into account for deal financials and risks
4	Engage in detailed IT integration planning	Detailed planning is required to prioritize and execute the vast amount of required activities with large number of dependencies
5	Appoint a dedicated IT integration team	The complexity and sheer size of IT integration demands full-time program management and core team – part-timers loose focus
6	Use experienced staff to manage & execute the IT integration	Experience from previous IT integrations allows for more effective steering of the program (avoid pitfalls, etc.) and inspires confidence External staff bring in both skills (e.g., IT integration) and capacity to allow for IT to deliver on its three roles without need to temporarily recruit
7	Engage in IT cultural change	One of the most important reasons for success/failure of IT (and overall) integration, often not given its due attention and rigorous planning

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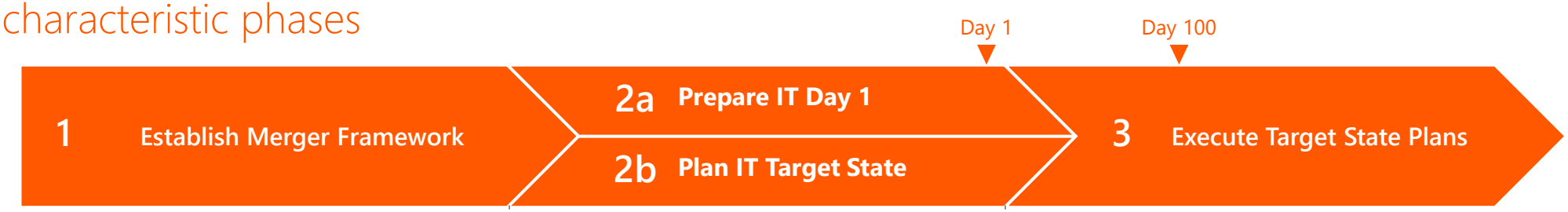
Our Approach to M&A

Three characteristic phases



Duration	**~2-4 weeks**	**~4-6 months**	**~18-24 months**
Typical Activities	1.1 Define deal Strategy and NewCo rationale 1.2 Agree upon revenue and cost reduction targets 1.3 Set-up overall integration plan 1.4 Develop overall guiding principles 1.5 Identify overall merger integration structure; roles and responsibilities 1.6 Prepare overall integration roadmap	2.1 Review previous phase outcomes 2.2 Plan NewCo business strategy & IT imperatives 2.3 Identify overall integration program synergy targets from Due Diligence 2.4 Set-up overall program governance structure 2.5 Develop integration program plan/charter 2.6 Define customer experience and management plans 2.7 Estimate business requirements Day 1/10/30/100	3.1 Review previous phase outcomes 3.2 Execute integration plans, including integration events calendar 3.3 Execute departments' integration plans and logistics 3.4 Determine business model(s) 3.5 Execute consolidation plans 3.6 Execute target state IT support requirements
Selected Key Results	• Set IT vision and integration approach • Executive IT team for merged entity • Established IT program management & program charter • IT merged entity budget	• IT baseline (applications, infrastructure, assets, spend baseline) • Inventory of IT contracts & software licenses • Prioritized IT projects and initiatives portfolio (incl. in-flight projects and programs) • Key IT risks assessment • Detailed IT synergies and measures	• Detailed Business Requirement Gathering and Analysis • Business and IT process adaption • System consolidation • Rationalized contracts • Standardized infrastructure • Integration completed – transfer of responsibilities/activities to business as usual

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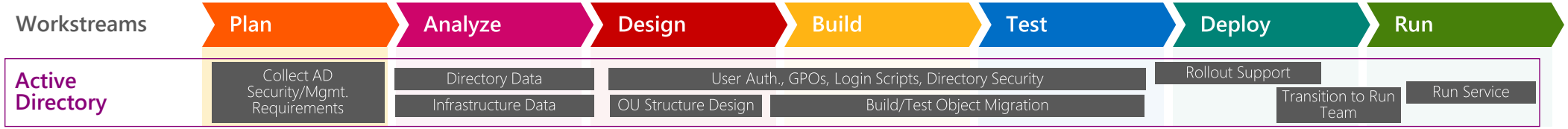
Our Approach to M&A

Active Directory



Areas of focus

- Identify requirements specific to the integration
- Identify consolidation opportunities
- End user experience
- Messaging-dependent application impact
- Integration with existing email services and/or provisioning systems
- Future integration with Office 365 and Azure AD
- Migration planning and sequence of execution

Lessons Learned

- Define business requirements and map them back to the design
- Application owners must be involved to address directory-dependent application and server migrations
- Greenfield deployments may have their benefits but also require additional work
- Third party products allow for more features and flexibility beyond what the free Microsoft tools provide
- Plan for end user communication and training as the end user experience may change; such preparation minimize post-migration support requests

Key Design Decisions

- Use of cloud datacenter platforms vs on-premises, or possibly a hybrid of both
- Create new or re-use AD designs and nomenclature
- AD replication and DC placement
- Trust planning
- Federation usage
- Use of virtualized platforms
- Public Key Infrastructure (PKI) and certification authority (CA)

Next Steps

- Active Directory Assessment (6-8 weeks)
- Application Analysis (6 weeks)
- Active Directory Optimization
- Active Directory Modernization

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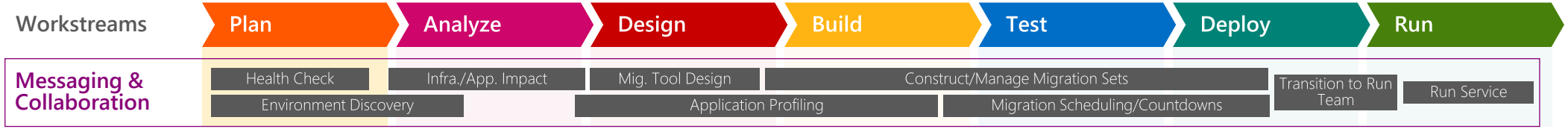
Our Approach to M&A

Messaging & Collaboration



Areas of focus

- Identify requirements specific to the integration
- Identify consolidation opportunities
- End user experience
- Messaging-dependent application impact
- Integration with existing email services and/or provisioning systems
- Future integration with Office 365 and Azure AD
- Migration planning and sequence of execution

Lessons Learned

- Define business requirements and map them back to the design
- Application owners must be involved to address messaging-dependent applications
- Migration pace is determined by many factors such as amount of data per mailbox, number of mailboxes, network availability, source environment utilization
- Desktop application distribution (such as for Office if necessary) should be coordinated with the messaging migration
- Plan for end user communication and training as the end user experience may change; such preparation minimize post-migration support requests

Key Design Decisions

- Use of cloud messaging platforms vs on-premises, or possibly a hybrid of both
- Exchange organization planning
- Mail routing
- Coexistence services
- Remote access and mobile device management
- Journaling and E-discovery
- Archiving

Next Steps

- Messaging Assessment (6-8 weeks)
- Application Analysis (6 weeks)
- Messaging Modernization
- Unified Communication & Collaboration Modernization

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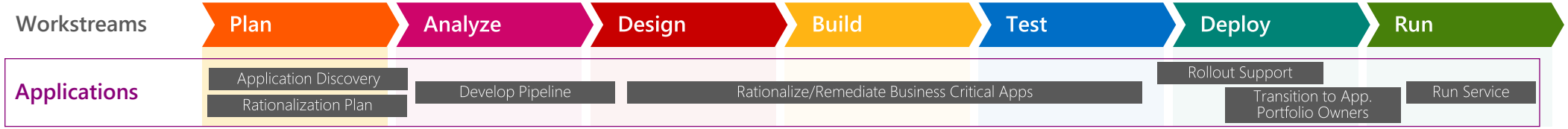
Our Approach to M&A

Applications



Areas of focus

- Application ownership identification
- Platform baselining
- Application portfolio rationalization
- Remediation for Active Directory changes
- Application Modernization for target environment (OS version, cloud)

Lessons Learned

- Application ownership identification should start early
- Ongoing engagement of owners is critical for tracking readiness for scheduling
- Minimize change to ensure smooth transition day 1
- Some modernization may be unavoidable if cloud is the target

Key Design Decisions

- Modernize based on budget/timeline
- Factor in costs associated with legacy if not modernizing (i.e. custom support agreements)
- Platform and form factor design
- Security requirements

Next Steps

- Application Strategy (4-6 weeks)
- Modernization POC (4 weeks)
- Application Portfolio Optimization
- Application Portfolio Modernization

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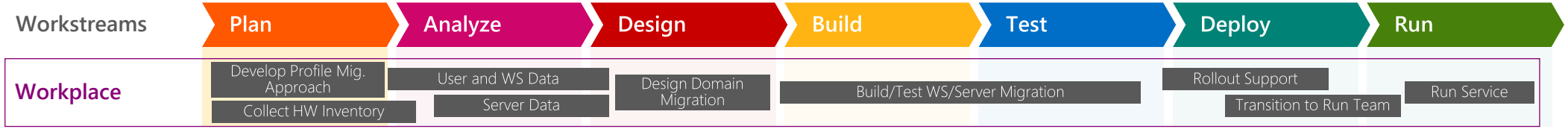
Our Approach to M&A

Workplace



Areas of focus

- Image and platforms
- Workstation and mobile security
- Desktop and mobile management tools
- Application inventory and rationalization
- Application relicensing, lifecycle, and ownership
- Application packaging and remediation
- Field support structure and delivery

Lessons Learned

- Keeping legacy image may require rebranding and relicensing of applications
- Application owners must be duplicated, rationalize apps first to lower cost and complexity
- Keeping legacy image prevents a standard environment, unknowns are amplified like rogue apps, adds to Support complexity

Key Design Decisions

- Re-image for smaller entity or adapt legacy image
- Keep legacy tools for ease of migration or use opportunity to mature/optimize
- Modernize app landscape or move mess for now
- Innovate support options like webchat or self-service
- Outsource

Next Steps

- Workplace Assessment (6-8 weeks)
- W10 Application Analysis (6 weeks)
- Workplace Optimization
- Workplace Modernization

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Our Approach to M&A

Cloud, Datacenter, and O365

- The key is to **consolidate** disparate infrastructures quickly and aligned with organizational objectives, ensuring **support of the M&A business case**
- Avanade's common approach is discrete, manageable and independent activities/milestones to maximize **time to value** and **agility** during the merger process
- We use cloud to quickly enable the target state, including
  - Public Cloud (enable and use as target)
  - Private Cloud (build and use as target)
    - Also may be leveraged as a step on the journey to public cloud
  - Hybrid Cloud (combination of cloud infrastructures)

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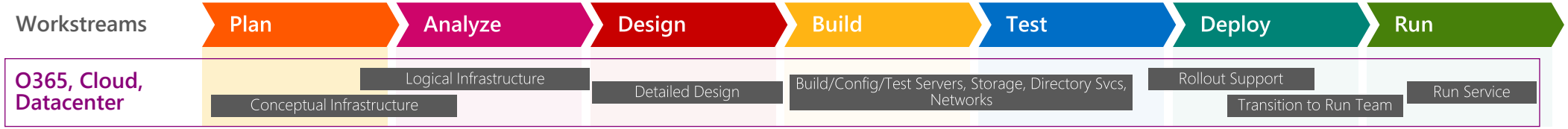
Our Approach to M&A

Cloud, Datacenter, and O365



Areas of focus

- Identify requirements specific to the integration
- Identify consolidation opportunities
- Identify security, compliance, and legal requirements
- End user experience
- Integration with existing collaboration services and/or provisioning systems
- Future integration with Azure and other cloud platforms
- Migration planning and sequence of execution

Lessons Learned

- Define business requirements and map them back to the design
- Moving to a cloud platform is a large transformational event that requires technical and operational planning
- Implementation of Office 365 will result in some AD and Exchange remediation for the majority of enterprise customers
- Leverage the Microsoft Fast Track program
- Plan for end user communication and training as the end user experience may change; such preparation minimize post-migration support requests

Key Design Decisions

- Use of cloud collaboration platforms vs on-premises, or possibly a hybrid of both
- Adherence to security, compliance, and legal requirements
- Coexistence services
- Remote access and mobile device management
- Journaling and E-discovery
- Single sign-on and multi factor authentication

Next Steps

- O365 Readiness Assessment (6-8 weeks)
- Cloud Readiness Assessment (6-8 weeks)
- Cloud Infrastructure Transformation

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Our Approach to M&A

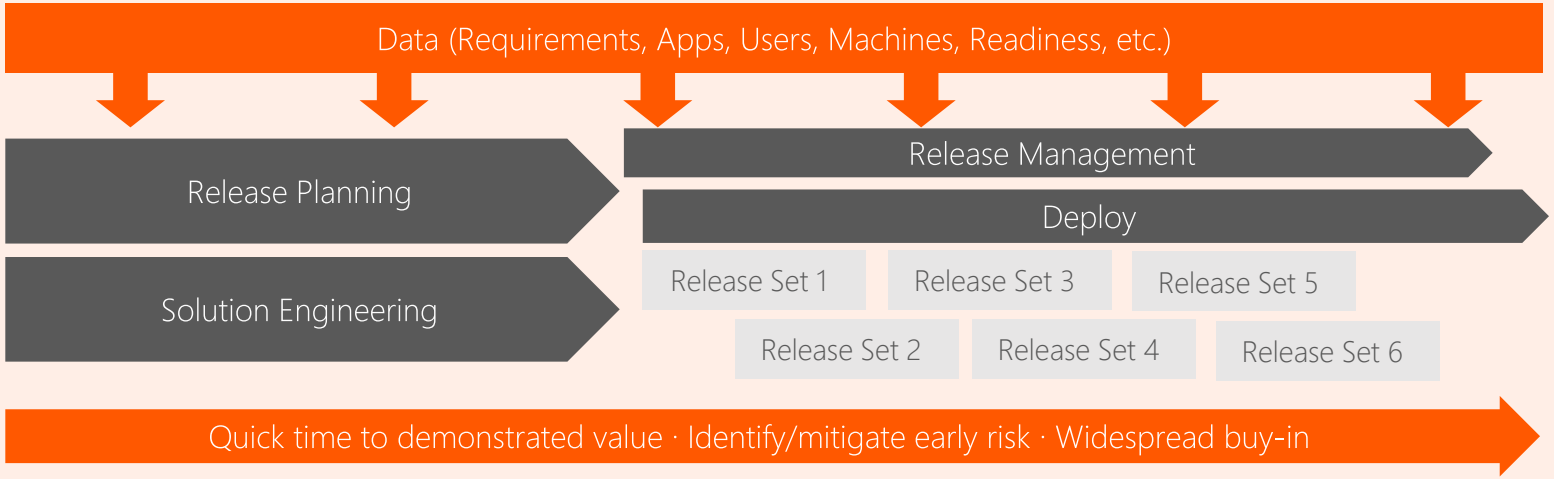
Core Services: Release Planning

Gone Wrong

- Requirements likely have changed since project inception
- Can't predict deployment success

Betting whole program on "one big event" often leads to FAILURE

What's Possible



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Our Approach to M&A

Core Services: Release Planning

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Key Design Decisions

- Determine what readiness items are critical path
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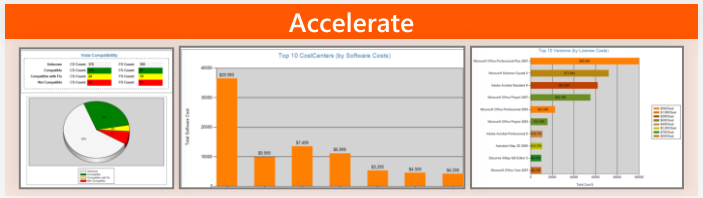
- Quantity and frequency of automated communications
- Size and parameters of pilot

Next Steps

- Avanade Accelerate™ Tool



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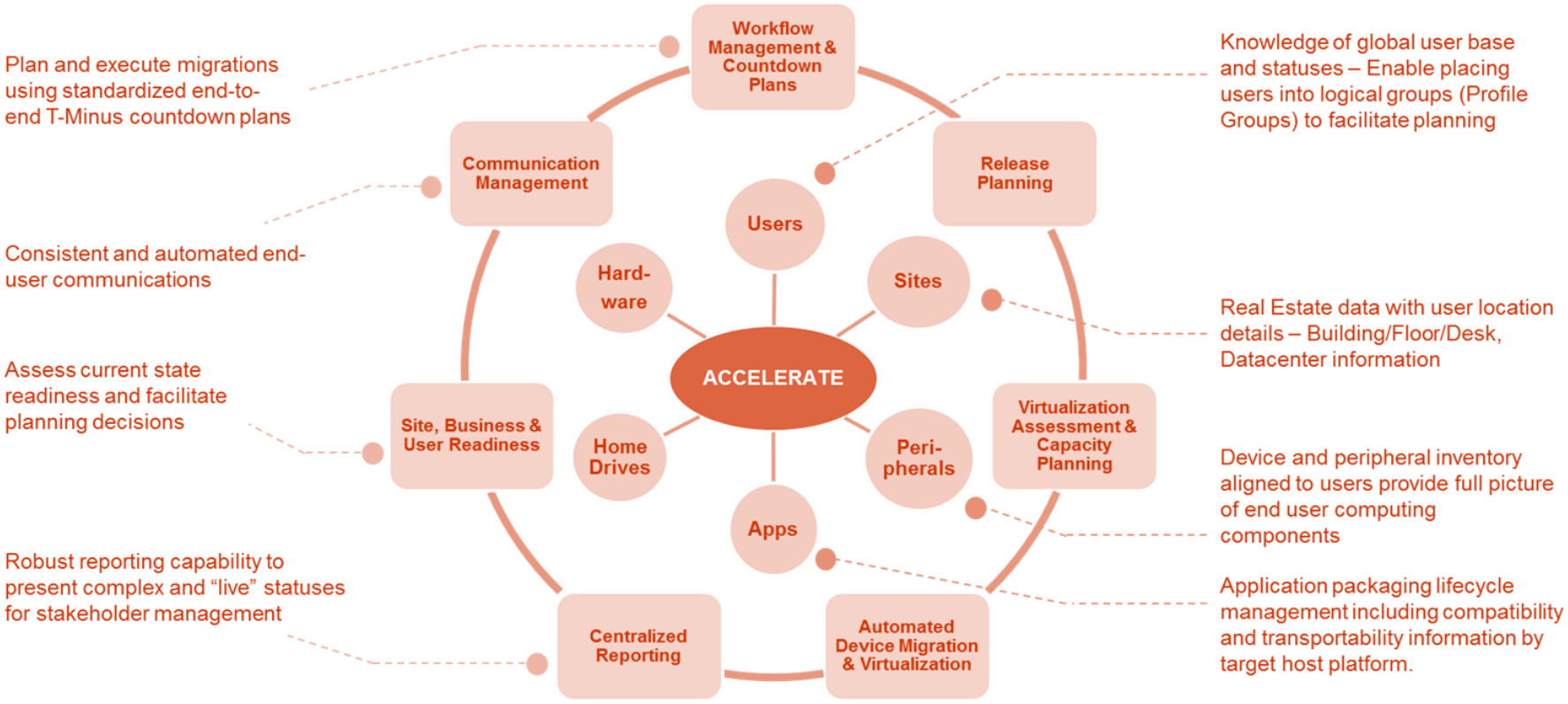
Our Approach to M&A

Core Services: Release Planning with Accelerate™

Accelerate™ houses business data & migration logic and enables data driven deployments through common framework across disparate data sources



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Our Approach to M&A

Core Services: Change Enablement

Workstreams	Plan	Analyze	Design	Build	Test	Deploy	Run
Change Enablement	Develop Change Enablement Plan	Develop Journey Map Develop Training & Comms Plan	Detailed Communications, Change Network and Training Design	Develop/Test IT/End User Training Manage Change Network		Deliver IT/End User Training	Support by OCE team

1. Stakeholder Engagement & Leadership Alignment:

- On-going activities to build commitment to Microsoft platform and keep stakeholders informed
- Specific activities to address impacts from recommended initiatives (e.g. engage other groups within IT to discuss approach and next steps for initiatives which will impact them)

6. Culture:

- Drive identified behavioural changes as part of the overall change program

5. Organization Readiness and Sustainability:

- On-going review and measure of change effectiveness and the absorption of change on a permanent basis
- Build change capability into management skill sets for on-going sustainability of change.

2. Communications:

- On-going activities to continue to inform stakeholders on transformation activities and accomplishments
- Develop and deliver new messages to stakeholders around the behaviour changes which will be required
- Develop and deliver communications to support the implementation of the recommended initiatives

3. Organization Enablement:

- Identify required new jobs and required changes to existing jobs, based on recommended initiatives
- Design new jobs or update design of existing jobs, including the definition of required skills and capabilities
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4. Learning & Capability Development:

- Define learning requirements based on skills assessments and recommended initiatives
- Design, build and deploy learning content to support the skill assessment requirements and implementation of the recommended target state

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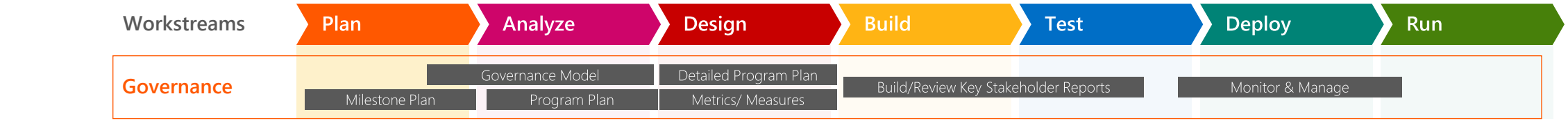
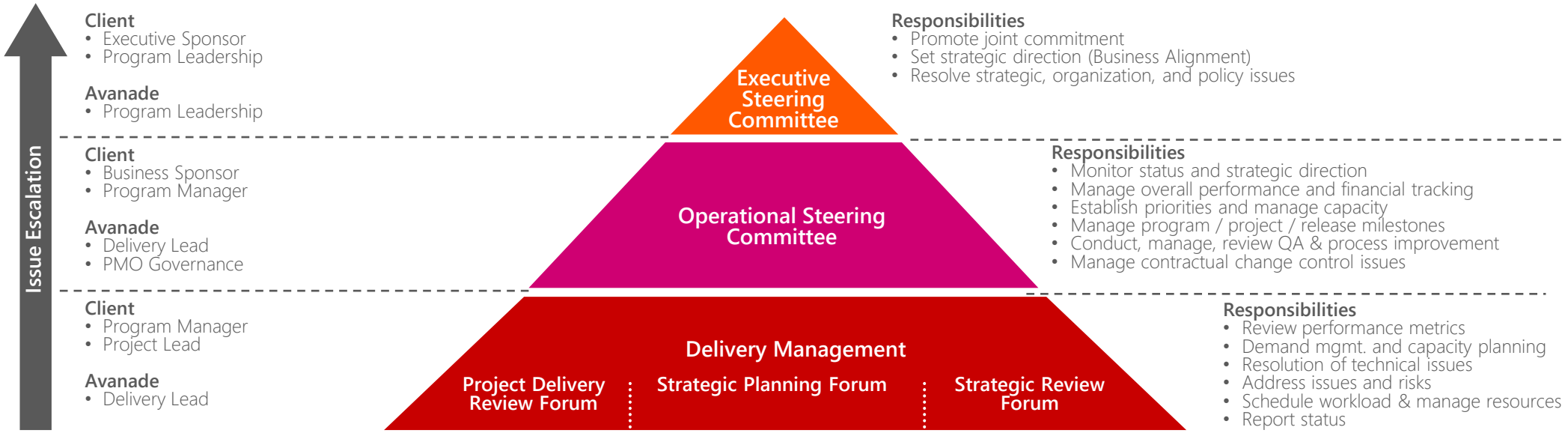
Our Approach to Divestitures

Core Services: Governance





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Avanade Transformation Services

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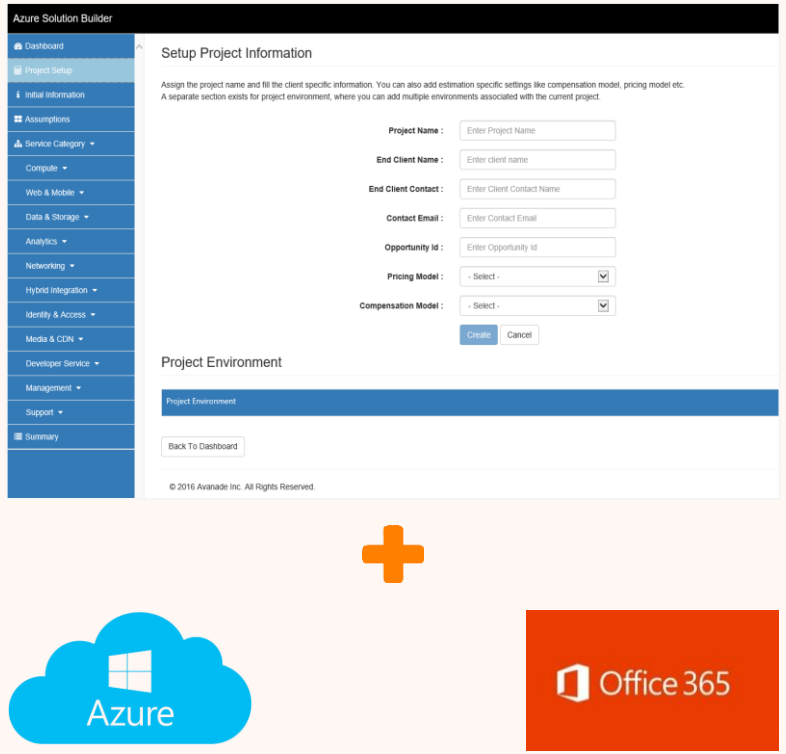
Defining Day One Capabilities and Requirements

Describing the minimum services that enable the businesses to coexist

- Avanade has defined a set of cloud-hosted capabilities to provide rapid integration of key services between two organizations with a **minimum of organizational change**
- The goal is to enable collaboration **without having to migrate user objects or mailboxes, and to deploy little or no new infrastructure**
- The capabilities are enabled utilizing Microsoft Azure and Office 365 Services and are implemented with **Avanade Azure Solution Builder, Avanade's reusable Resource Group Templates, and pre-developed PowerShell scripts**
- Organizations can leverage their existing Azure and Office 365 tenants or enable new ones

Avanade Azure Solution Builder



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Defining Day One Capabilities and Requirements

User and Organizational Benefits

Users & Collaboration

- Ability for users to browse email groups, DLs, and users
- Ability to send/receive instant messages
- Ability to see calendars across organizations
- Ability to send/receive in parent organization's domain name
- Access to Key SAAS applications between orgs
- Access to Key cloud-hosted applications between orgs
- Access to Key on premise applications between orgs

Organizational

- Public Website Branding and M&A Landing Page
- Organizational Communications and Planning
- Internal Employee FAQ Portal
- End User Day One IT Support Plan
- Consolidation Roadmap for IT systems
- Security & Operational Impact Analysis
- Partner and Vendor Integration

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Defining Day One Capabilities and Requirements

Describing the minimum services that enable the businesses to coexist

Due Diligence

- Systems Health Checks
- Technical discovery of acquisition and acquiring organizations
  - Identity
  - Messaging
  - IM
  - LOB applications
  - Network
  - Remote access
  - Federation capability
  - Existing Azure/O365 tenants
  - Security requirements
  - Partner/Vendor considerations
- Business unit discovery and requirements

Day One Planning

- Communications planning
- End state transition architecture design leveraging **Avanade Azure Solution Builder**
- User account transition planning
- User training planning
- Governance planning
- Operations and security planning & impact analysis
- Application and data service selection and coexistence
- Consolidation roadmap
- Customization of Avanade Resource Group Templates (RGTs)

Day One Readiness

- Azure and O365 modifications or new tenant build leveraging **Avanade RGTs and scripts**
- Buildout and testing of cloud services
- Application and data remediation
- Security policies configuration
- B2B account creation
- User training
- Pilot communications
- Pilot of select accounts/users
- Pilot feedback review

Day One Execution

- Day One communications and FAQs portal
- Ongoing user training
- Application migrations
- Service access enablement
- Day of/day after support
- Transition to run team
- Public website update

BAU/Run

- Roll out support
- Legacy systems support
- Ongoing user and department communications
- Ongoing user training

Avanade Teams

- Cloud Advisory
- Azure Cloud Enablement
- O365/UCC
- Change Enablement

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Next Steps

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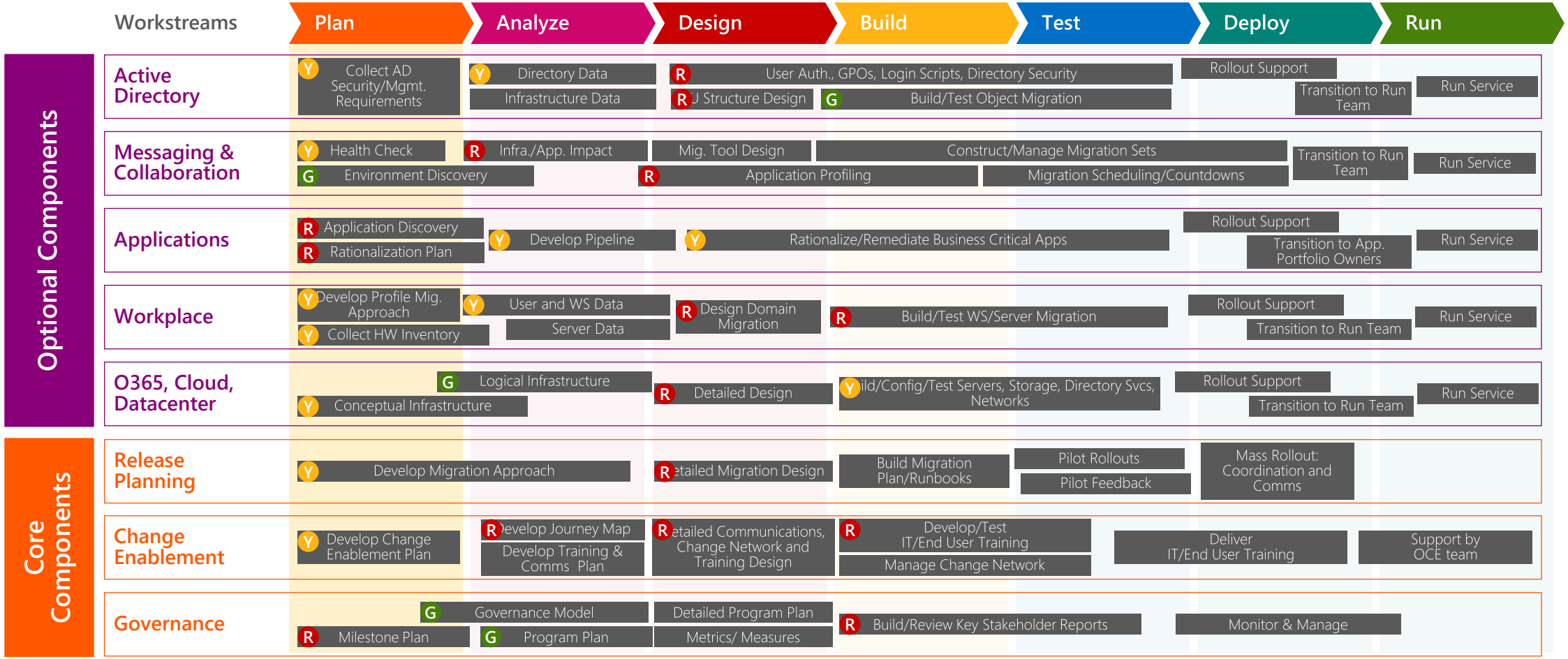
M&A Readiness Report Card

A half- to one-day workshop, sample output below



R Not started Y Incomplete G Complete

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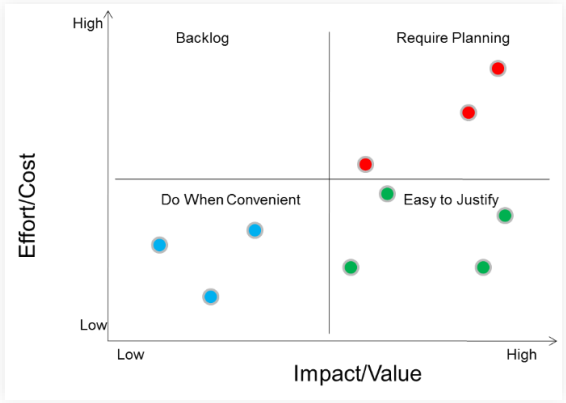
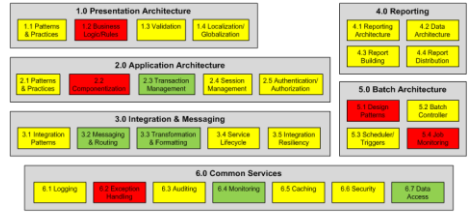
Next Steps

Applications

Application Strategy: 4-6 weeks

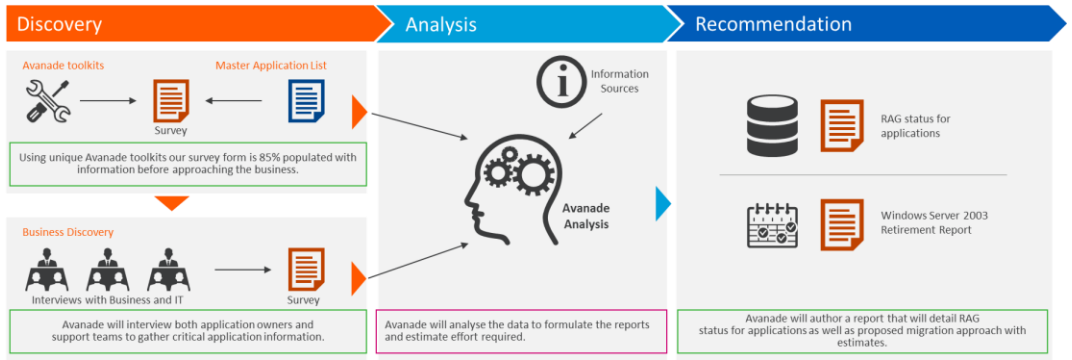
- Assess impact of custom application Divestiture
- Understand dependencies
- Create short- and long-term recommendations
- Output: Design and Roadmap





Modernization POC: 4 weeks

- Assess cross-section of app portfolio
- Understand modernization offerings (rehost, retire/isolate, modernize)
- Output: Detailed modernization report and estimates for cross-section of portfolio
- Output: ROM estimate for full effort



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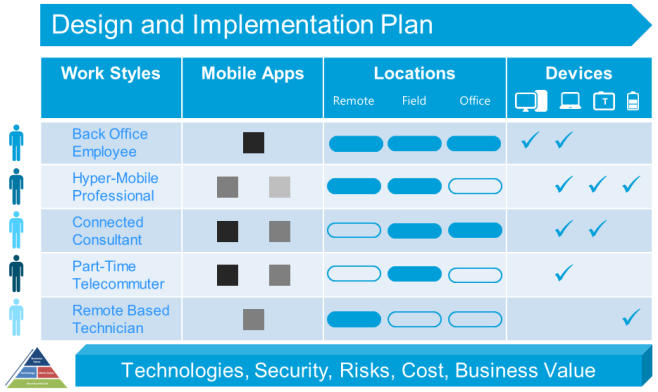
Next Steps

Workplace

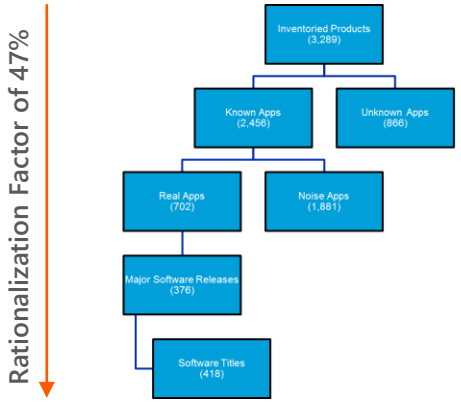
Workplace Assessment: 6-8 weeks

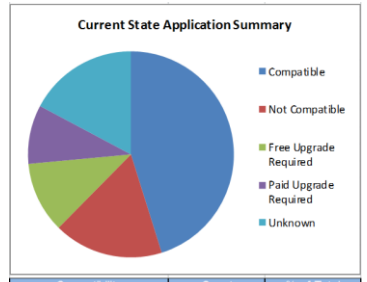
- Evaluate optimization opportunities
- Evaluate tools
- Perform gap analysis
- Financial and TCO analysis
- Output: Design and Roadmap



W10 Application Analysis: 6 weeks

- Comprehensive app inventory
- App and device W10 compatibility
- Output: App migration effort and cost estimates
- Output: Definitive software library and migration workbench input





Compatibility	Count	% of Total
Compatible	215	45%
Not Compatible	82	17%
Free Upgrade Required	53	11%
Paid Upgrade Required	44	9%
Unknow n	82	17%
TOTAL	476	

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Thank you

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