



## Teradata Data-Driven Mergers & Acquisitions

Quickly Achieve an Integrated Data View to Realize Faster Value from a Merger



## Your Business Problem

When mergers & acquisitions are announced, the picture painted in the press release and to the public is always going to be positive... “In building on our existing strengths by joining Company X and Company Y, the combined company will be well positioned for future growth and continued value creation. Together, we will create a best-in-class company for shareholders, employees and customers”—or something to that effect.

Mergers and acquisitions (M&As) happen for a number of reasons: diversification, access to new customers, market share growth, improved competitiveness, to name a few, with an overall goal of deriving benefits from the synergy created between the two companies.

But how many M&As are truly successful at increasing margins and revenue and decreasing costs? And if they don't realize full “synergies,” why?

IT—particularly Enterprise Resource Planning (ERP) systems—is one critical area that can make or break a merger or acquisition. Insufficient IT platform and organization integration, lack of in-depth due diligence, and lengthy implementation can lead to unrealized expectations.

ERP systems are where most companies create and store the bulk of their data, which also means ERP systems are where the most challenges can arise. Bringing together two different systems quickly that have disparate sets of data is often not possible due to the complexity of the systems and differences in data standards across systems and functional

70 percent of all merger deals fail to achieve initial synergy targets

- *Beating the Merger Integration Odds*, Deloitte Touche

areas. The short-term result can be missed targets and slow manual processes to integrate data, with longer-term results being missed cost-cutting and revenue opportunities.

## A New Approach

IT must be an M&A enabler to deliver operational benefits, which means long 12-month, 18-month or 24-month integration projects simply won't get the job done. Historically, M&A ERP projects involve extensive systems integrator custom work, leading to lengthy timeframes and high costs. Custom work involves determining the location of data for data acquisition,

creating requirements documentation and specifications, using an ETL tool to extract the data, writing code, testing, and validation.

While each company brings a unique set of operational systems with their associated data architecture—which makes for complex projects—the goal should be to stand up subject areas in a matter of weeks for faster consolidation of ERP systems and other applications, not many months or even years. Speed is important, but so is accuracy. Having faster, deeper visibility into critical compliance areas—government contracting, environmental, state and federal financial compliance, import/export practices, and more—reduces risk and enables more robust analytics.

Teradata delivers pre-built data acquisition and integration flows and models defined in a modular approach to integrating ERP systems that accommodate the information needs to make business decisions. In a matter of days, applying the metadata analysis output helps to prioritize key information down to the specific ERP table level, leading to the highest value payback and implementation roadmap. In a matter of a few weeks, configuring the solution based upon the roadmap, users can quickly begin addressing the most urgent business and compliance needs using integrated, accurate data.

## Teradata Solution

Teradata Analytics for SAP® Solutions (TAS) is a high-performance, highly extensible solution platform for managing SAP content within the Teradata Integrated Data Warehouse, and includes data acquisition, integration flows, models, and BI business content. TAS includes:

- Near real-time data replication (persistent SAP raw data), including support for SAP Transparent, Cluster and Pool tables
- Numerous pre-built data integration/transformation processes with associated target structures to make content usable in a short time
- A repository of strategic, granular CORE tables with English table and column names
- A base module of shared master data, plus six business context modules
- BI dashboard for immediate business reporting

## What is the Teradata Difference?

By using pre-built data extraction and integration with a modular approach to integrating ERP systems in the Teradata Database, Teradata offers an M&A data solution that greatly reduces the time to begin realizing the intended value from a merger. In mere weeks, users can begin addressing the most critical business and compliance needs using integrated, accurate data to reduce risk and enable improved analytics.



Through the Teradata Database, data acquisition, loading, integration, and reporting performance have been optimized with the data model design, database settings, and database server configuration. TAS is complemented by advanced SAP metadata analytics, SAP content area data modeling, SAP table/field data profiling, “smart view” generators, data growth monitors, tuning resources, and other processes and tools.

## Benefits/Results

The Teradata data-driven M&A solution allows merged companies to integrate SAP and non-SAP data

## Merger of Global High Tech Manufacturers Requires Fast Data Integration

Two global high tech manufacturers in the midst of a merger wanted to gain a holistic view to combine business and manufacturing decision environments, and they wanted a flexible, scalable environment. They turned to Teradata and Teradata Analytics for SAP® Solutions (TAS) with Financial Accounting & Cost Control modules for consolidated financials. An additional 11 modules are being implemented in parallel for various BI tools. With pre-built connectors and pre-defined data in the plug-and-play TAS environment, the merged company has been able to acquire data from source systems, populate a Teradata Integrated Data Warehouse, and cleanse the data in a matter of weeks not the months typically required for a systems integrator to manually create code to perform the process. Even before SAP systems were merged, the company was able to provide shareholders with a consolidated financial report. The Teradata solution is providing quick value and will facilitate the ultimate merger of SAP systems.

to stand up subject areas in a fraction of the time required in traditional custom systems integration projects, allowing for multiple quick wins. The Teradata solution can serve as a data consolidation point that becomes the system of record or as a cleansing point, to take data out of one environment, cleanse it, and then put it into the final environment before sunsetting the legacy system.

The solution maximizes the value of current investments while harmonizing data between the two companies through an agile methodology for analytics—all while providing a foundation for the end-state architecture.

For IT, the solution offers simplified architecture and a flexible model to meet changing business needs with minimal data movement. For the business, the Teradata approach to M&A shields users from backend processes, allowing them to continue accessing data with no interruption even while systems are merging.

To be successful from the start, mergers must address organizational pressures and harmonizing sales models, reporting, processes, products and customers. Too often, ROI is delayed or never achieved because of missed targets, key resource churn, and shortfall in integration of different processes and data. Information about all of these factors is required to make accurate and rapid decisions to execute the merger plan, and address critical compliance issues.

By doing so quickly, merged companies can enable improved analytics to uncover new revenue and profit opportunities, like identifying new customers/markets, upselling to strategic customers and improving overall cash flow. From a cost perspective, the merged company can improve supplier rationalization, remove overlap between departments/cost centers, reduce risk, and capture unrealized discounts and rebates to rapidly achieve the benefits of the merger.

### For More Information

To learn more about Teradata data-driven mergers & acquisitions, contact us at [Teradata.com/contact-us](http://Teradata.com/contact-us).

10000 Innovation Drive, Dayton, OH 45342 [Teradata.com](http://Teradata.com)

Active Enterprise Intelligence™ is a trademark and Teradata and the Teradata logo are registered trademarks of Teradata Corporation and/or its affiliates in the U.S. and worldwide. Teradata continually improves products as new technologies and components become available. Teradata, therefore, reserves the right to change specifications without prior notice. All features, functions, and operations described herein may not be marketed in all parts of the world. Consult your Teradata representative or [Teradata.com](http://Teradata.com) for more information.

Copyright © 2016 by Teradata Corporation All Rights Reserved. Produced in U.S.A.

10.16 EB9550



TERADATA