

# Revolutionize the M&A Process with FileFacets



Every merger, acquisition, or asset sale involves risk, and the success of the transaction can depend on managing the time and resources needed to navigate the process. From discovery and record retrieval to post merger integration, organizations have found success by investing in effective and efficient electronic data discovery and sharing.

FileFacets offers a unique, first-to-market solution, which minimizes risk and cost on multiple fronts:

- ✓ **Reduce risk of signing a reps and warrants guarantee that is false by ensuring all unstructured data has been analyzed**
- ✓ **Reduce risk of deal collapse by shrinking the time of the due diligence process**
- ✓ **Reduce the risk of transferring improper data to the buyer during post merger integration**
- ✓ **Reduce the cost of internal discovery and file organization, while increasing the value of the sale (for buyers and sellers). Corporations estimate the presence and use of a proven file analytics solution can add 1-3% to the value of the M&A.**

## Automation Is the Answer

Rare is the business that has organized, categorized, and filed every document of its transactional history—just waiting for the opportunity to present them in a merger or acquisition (M&A) scenario. Reality reveals hundreds, perhaps thousands, of documents in various file types across multiple locations and systems.

Human retrieval of the information—just acquiring the docs, not to mention then sorting, vetting, organizing—can consume personnel hours, drive up costs, and take months—maybe even years.

Automation offers a clear solution, but even automation can be complicated. What's needed is a solution that can quickly:

- ✓ **Identify which documents are needed—and which are not**
- ✓ **Identify documents that require privacy and protection**
- ✓ **Work across all systems**
- ✓ **Work across multiple file locations**

# A Solution Designed Especially for M&A Transactions

FileFacets offers the best available solution on the market: a transactional service backed by software using machine learning and matrixed algorithms to help find corporate files, manage organizational file needs, and protect the files via a process stored in a secure cloud environment. This software delivers results in quicker file searches, identification, and analysis; reduced man-hour intensity; and increased value.

FileFacets uses a feature matrix, employing big data algorithms to build predictive models that determine document types on a transactional basis. The solution can help differentiate among hundreds of file types: contracts, invoices, subpoenas, etc. And this is not a one-use solution. It can be applied to multiple transactions throughout a corporation's lifecycle.

This reusable feature sets FileFacets apart from competitors. The solution is not a big-box application used for 18 months and then dropped. It's an investment in your company that adds value the more it's applied. No other currently available solution offers this value-adding feature.

## Unique Challenges of Mergers & Acquisitions

**CHALLENGE:** Shorten data discovery and organization time to reduce risk of deal collapse

Each day that an M&A cycle draws on, the possibility of the deal collapsing rises. Markets fluctuate, players grapple for position, global economies and local politics change—time is indeed the enemy.

And speed is an asset. As organizations pull files from all business functions involved in the M&A transaction, there are multitudes of file types dealing with any number of M&A concerns: operations, accounting, governance, assets, and systems. These hundreds of files may exist within multiple and separate networks with different systems and applications.

The work can be done manually by staff, but the process requires trained people from several departments and long hours of searching, reading, and sorting.

**SOLUTION:** A discovery tool that automates the process

FileFacets uses artificial intelligence and algorithmic modeling to predict file types. It can distinguish between different file types based on content—contracts, invoices, meeting minutes, team rosters, accounting documentation and more. The algorithmic matrix resides in a secure cloud, and the algorithms are reusable by the organization.

The solution works with all file types and across multiple application and locations. FileFacets delivers faster file searches and saves hundreds of man-hours spent searching, organizing, analyzing, verifying, and approving. The software not only speeds the discovery process, but also frees personnel to continue doing their usual work to maintain daily operations.

# Unique Challenges of Mergers & Acquisitions

## **CHALLENGE:** Achieving total accuracy in discovery

A transaction is fraught with reasons for a deal to fall apart, as both buyers and sellers negotiate and navigate the complex process. Reducing discovery time helps, but the M&A process also demands accuracy and completeness. Many deals have failed because the buyer discovered the data was inaccurate or incomplete.

Additionally, the seller takes on great liabilities when signing any representations and warranties. If the data provided is incomplete and/or inaccurate, the buyer is in a position to sue for damages.

**SOLUTION:** A discovery tool that works across multiple systems and correctly identifies all file types.

More robust than any other solution on the market, the same automation, algorithms, and artificial intelligence that make FileFacets the fastest tool for discovery also make it the most accurate. The software actually becomes more intelligent, effective, and efficient with each use, and by setting specific parameters, FileFacets can filter out personal, sensitive, and competitive information as needed.

The software works regardless of file location, which makes it unique compared to other available solutions, whose matrices are isolated within resident networks.

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## **CHALLENGE:** Managing time and resources

M&A discovery and dissemination efforts tend to be extremely lengthy and manpower intensive. The M&A team may involve dozens of people with months of work to find, retrieve, review, approve, and disseminate documents. Increased time and human resources translate to increased risk to M&A agreements and overall value of the deal (for buyers and sellers).

**SOLUTION:** Cut labor hours with enterprise-wide, comprehensive, automated discovery.

By opting for automated discovery with FileFacets, organizations reduce labor hours used to find, organize, analyze, and verify documents—plus additional hours spent to review and edit incomplete or deficient materials. FileFacets not only shortens the M&A cycle, it also reduces cost and minimizes risk.

Additionally, FileFacets functions as a reusable model, applicable to future opportunities—or issues—that demand file analytics. Rather than a one-time expense, the software is an investment that pays off repeatedly.



# Unique Challenges of Mergers & Acquisitions

## **CHALLENGE:** Ensuring security

Companies need to maintain security and access over data in their files and may be reluctant to give access to a third-party during discovery. There remains incredible risk of exposing proprietary and personal information during daily operations as well as sensitive or critical periods.

## **SOLUTION:** Secure data transfer via encryption and cloud computing.

FileFacets is a hybrid cloud solution that scans file content in the seller's domain rather than pushing files to the cloud for processing. This ensures the seller's data never leaves their domain until it is

ready to be moved to a Virtual Data Room. Each file is converted to a features list (a list of Java-generated hash codes). These hash codes travel through a secure entry point and are encoded again prior to transfer into a secure Microsoft Azure<sup>®\*</sup> cloud environment before applying the FileFacets solution.

The algorithms are then developed and run on these encrypted hash codes for identification, modeling, and learning to help find similar documents. Data remains secure within the organization's networks and systems. Additionally, the algorithmic matrix resides in a secure cloud, and the algorithms stored in the cloud are reusable by the same company.

\*[Microsoft Azure](#)<sup>®</sup> is a cloud computing service created by Microsoft for building, testing, deploying, and managing applications and services through a global network of Microsoft-managed data centers.

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## **CHALLENGE:** Streamlining post merger integration (PMI)

The day after a successful transaction, the focus shifts to data integration and moving forward. Typically, the buyer and seller employ different data systems, and the newly acquired or merged information must be assimilated into one system. The vast range of file types and data can impact daily operations and long-term profitability, and fast and accurate integration can be paramount to ongoing success.

More critical, when a company sells individual assets—as compared to the entire entity—it must provide data about the sold asset while simultaneously protecting all other business intelligence from exposure. Conversely, the buyer must integrate data from the acquired asset into their systems.

## **SOLUTION:** A solution that converts file data from any system for analysis and learning.

In the same way that FileFacets finds, identifies, and secures files during pre-merger analysis, the software can speed post merger integration of an acquired asset's data. As before, the solution discovers all files—regardless of location or repository.

The functions can also apply to the acquisition of specific assets, like a mine from a mining company, a vessel from a shipping company, or a code from a software application company. The solution identifies and carves out all the requisite documents related to the asset. Relevant information is shared, and all data and intelligence that is not related to the sale or asset is secure. FileFacets eliminates the risk of transferring unnecessary or proprietary data between buyer and seller.

# Unique Challenges of Mergers & Acquisitions



*No matter your organization or industry, successful file management offers a superior approach to streamlined discovery, increased efficiency, targeted effectiveness, elevated security, and reduced risk, at all times—and especially during a merger or acquisition. Invest in FileFacets and leverage this solution in your M&A plan to provide short-term and long-term answers to corporate challenges.*

**At FileFacets, we believe in helping our clients maintain and optimize their file management solution. We provide organizations with a state-of-the-art, automated, and intelligent, cloud-based solution for file discovery during M&A. Learn more about how we can help at [www.filefacets.com](http://www.filefacets.com).**