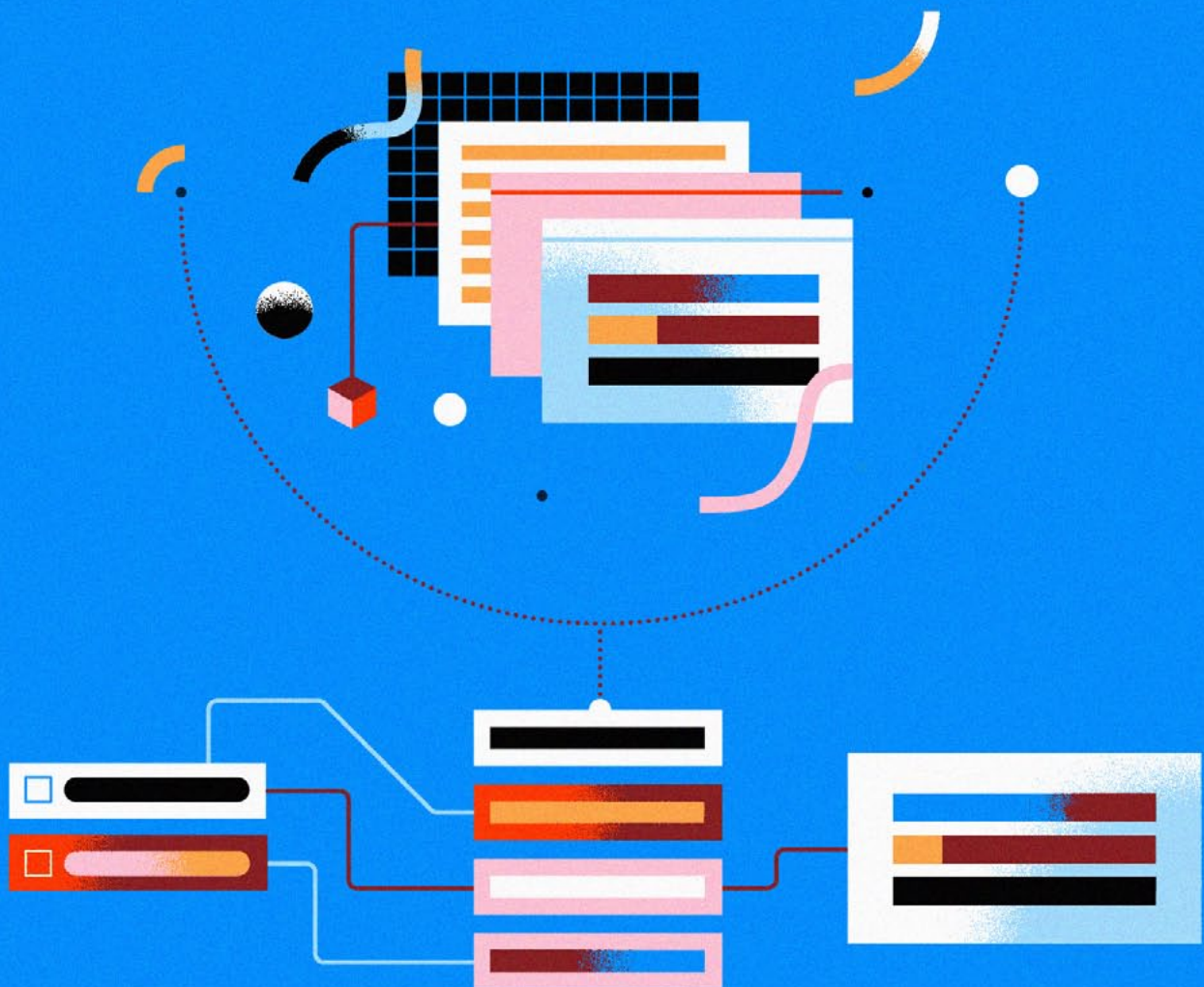




WHITEPAPER

Activate M&A Data Quickly with the Power of Data Lineage



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Abstract

This whitepaper will teach you how to harness the power of data lineage to activate your IT infrastructure after a merger or acquisition. We'll discuss what data lineage is and share how it's used in the context of mergers and acquisitions (M&A).

We'll also share insights directly from a data scientist at a Fortune 500 financial institution. We'll spell out several dos and don'ts based on the scientist's experience with three mergers and acquisitions.

Finally, we'll break down the key components of data lineage, explain how they work, and apply them in an M&A context.

Introduction

Mergers and acquisitions happen for many reasons, and the context is always changing. In some deals, the merger or acquisition is perceived as a hostile takeover. IT teams may be going into their new data environment completely blind, unsure of what applications, processes, and data they have inherited. Even in cases of the friendliest agreements, the acquiring company may still be blindsided by the sheer quantity of scripts in the new environment. In most M&A situations, manual data lineage (manually creating a visual representation of data origins, what happens to it, and where it moves over time) is overwhelmingly expensive.

PwC has found that mergers and acquisitions have increased almost [50%](#) this year, with many new investors jumping into the market. If you're with the majority, then it's likely that your organization has recently acquired or merged with another company. Although M&A transactions haven't slowed down, data activation has. Most organizations struggle to activate new data received as a result of a merger or acquisition.

If you've completed a merger or acquisition in the last two years, you're likely drowning in data. The C-suite is impatiently waiting to move on to the next step: marketing to your expanded client base or developing your new product line. That's where data lineage can help.

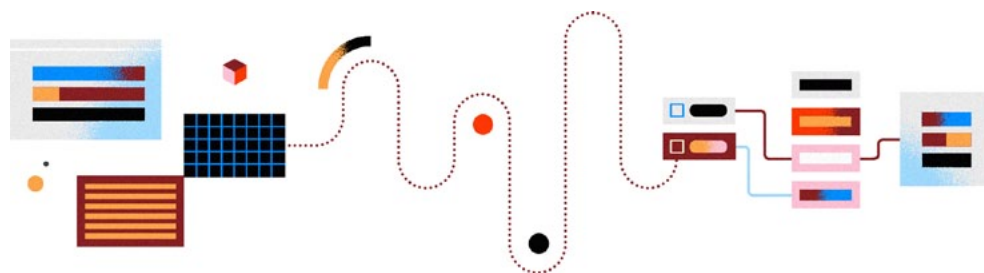
What is data lineage?

Data lineage platforms like MANTA use metadata to build a map of how data is transformed, used, and processed in your environment. Lineage can detect changes within data tables and show you how they affect downstream applications. Moreover, lineage provides visibility at multiple levels of granularization to provide understanding across all departments and job titles.

In an M&A context, data lineage can be used to view your new IT environment. It is an essential tool when planning a consolidation or understanding the level of compliance in inherited systems.

Common M&A Data Roadblocks

To get at the heart of why so many organizations struggle to integrate data during mergers and acquisitions, we interviewed a data scientist at a Fortune 500 financial organization. His insights were based on several years of working with M&A data. His organization has acquired three companies in total, including two in the last five years. The data management team had to overcome many roadblocks because of poor data quality inherited from the acquired company. Here's what the data scientist identified as the top three M&A challenges:



#1 Integration Strategy

During a merger or acquisition, many organizations struggle to efficiently integrate the new data into their processes, reports, or applications.

The data scientist explained his experience during the company's last acquisition. Post-acquisition, a small set of subject matter experts either moved to different roles within the company or moved on to other opportunities. Consequently, crucial institutional knowledge was missing. This made finding data even more difficult.

Without SMEs to provide historical knowledge, there is a risk of duplicate or obsolete applications being overlooked in the newly combined IT landscape, resulting in unnecessary spending and increased IT risks.

#2 IT Transparency

On average, most M&A deals are taking longer to close. According to [Gartner](#), the average time to finalize a merger or acquisition after it has been announced has risen 31% since 2010, reaching a total of 38 days. Furthermore, midsize deals (\$500 million to \$5 billion) take an average of 106 days to close, and large deals (more than \$25 billion) take an average of 279 days.

Even with all this time to prepare, most M&A transactions are blind—meaning IT teams do not get a chance to survey the lineage of the environment pre-transaction.

The data scientist we interviewed warned that this lack of preparation must be expected—and planned for—during any merger or acquisition. Although it would be ideal to have all the data at your fingertips the moment the papers are signed, the reality is there is very rarely a convenient list of applications, party information, or legal documents. The acquired company would have to have outstanding data governance—which is rarely the case in smaller organizations that are often the targets of M&A transactions.

#3 Compliance and Security

Once an organization has completed an M&A transaction, they're responsible for the new data they've required. Data privacy laws, including the General Data Protection Regulation (GDPR), California Consumer Privacy Act (CCPA), and California Privacy Rights Act (CPRA), require organizations to quickly identify sensitive data, where it is stored, and how it is transferred through applications.

The biggest concern after any M&A transaction is gaining control of the data, understanding it, and proving its accuracy. Generally, you will be acquiring smaller companies without mature oversight capabilities. More than likely, you'll inherit a host of data issues. Documenting those issues accurately as you explore the new IT environment will speed up the project later on.

“ We put it in MANTA and it spits out everything. We don't have to go to 14 different SMEs to filter through the 14 schemas in our database. We have it all in a one-stop shop.

A data scientist at a Fortune 500 financial organization.

How Data Lineage Breaks Down M&A Barriers

According to a McKinsey [database](#) of almost 200 companies, only [8%](#) of businesses have adopted advanced analytics tools for their mergers or acquisitions. The vast majority of organizations are losing out. McKinsey Global Institute estimates that companies could generate \$9.5 trillion to \$15.4 trillion in business value by investing in artificial intelligence tools like data lineage.

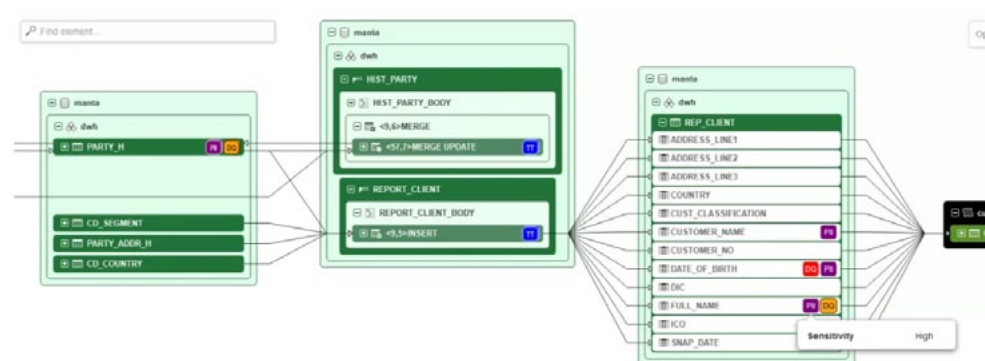
Data lineage helps you remain compliant, integrate quickly, and gain full visibility into your data and how it moves throughout your organization.

Why Choose MANTA for M&A Data Lineage?

Our clients choose MANTA over our competitors because of its powerful data lineage. We'll break down three key components of the MANTA platform, explain how they work, and help you understand how they can integrate your M&A data faster.

Active Tags

Active tags are color-coded attributes that are fully customizable and enable you to highlight information relevant to you in the context of the pipeline. With active tags, you can mark specific characteristics in the lineage diagram and repository tree (like data quality or data privacy issues).



How to Use Active Tags in Your Merger or Acquisition:

Deloitte found that manual tagging can cost [\\$2 to \\$5](#) per item, on average. Automation via active tags can reduce this amount by up to 10x, improving the overall quality of your metadata and data lineage.

Scanning

MANTA has an [ever-growing list](#) of supported scanners. With more than 40 scanners available, you can visualize the movement of data in almost any environment.

We support scanners for:

- Modeling
- Data integration
- Programming languages
- Databases
- Reporting and analytics

How to Use Scanners in Your Merger or Acquisition:

Scanners are the bread and butter of data lineage. Following an M&A transaction, they can help you quickly identify how data is flowing through your new environment, how it is transformed, and the sources of its origin. If you're planning to move inherited applications to the cloud, it can help you plan your migration and minimize downstream operational failures.

Revisions

When changes are made in your database, some relations within tables may be changed or deleted, and that can lead to spare tables suddenly getting “lost” in traffic or being modified, resulting in a change in the course of the data lineage itself.

How to Use Revisions in Your Merger or Acquisition:

MANTA connects to your acquired source systems and extracts both structure and transformation definitions. Then, it analyzes all extracted information and imports it to the MANTA flow repository, creating a new snapshot called a revision. When that happens again, a new revision is added so you can easily compare them. This will help you understand how changes to one application or data table affect other systems in your IT environment.

Discover How MANTA Can Help You

MANTA brings intelligence to metadata management by providing an automated solution that helps you drive productivity, gain trust in your data, and accelerate digital transformation. Our data lineage platform is uniquely positioned to help you quickly assess and activate your M&A data.

A Fortune 500 company chose MANTA to help them through their M&A transaction. Now that you've learned how MANTA works, schedule a demo to see it in action. We'll show you how MANTA can help you ingest your M&A data effectively.

[BOOK A DEMO](#)

