M&A Deal Diligence and its Open Source Benefits

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Session Takeaways

- M&A Diligence is part of your Open Source Program duties.
- Audits do more than abate risk. Seek to reap benefits too.
- Those who are prepared for an audit, automatically have better engineering practices.
No one talks about M&A

But we’re the open source program folks, so we do.

- 97% of companies use Open Source. *
- Compliance auditing is hardly an exciting topic in context of a big deal. But it matters.
- The speed of your exit is at risk of an auditing issue.

* https://www.blackducksoftware.com/2015-future-of-open-source

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The Open Source Program Office

- The center of open source expertise in your company.
- The person or people to call when there’s an open source question.
- The service, not the process.
Every deal is different

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<th>Deal Drivers</th>
<th>Deal Profile</th>
<th>Soft Factors</th>
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The Audit Process

1. Review the deal
2. Assess what needs to be looked at and how
3. Perform the review, identify findings
4. Prepare outcomes, e.g.
   a. pre-deal remediations
   b. post-deal activities
   c. open source potential

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Reaping *benefits* from the audit

- Discover open source experts at the target
- Create the tipping point to the deal
- Discover open source practices from the target
- Discover engineering practices via the report
Prepare and be Open
Prepare to be an acquirer

- Work with your M&A team to understand which deal you need to be included in
- Get a vendor you trust and review the process before meeting the target
- Define what you actually care about:
  - license, attribution, compliance
  - security & version management

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Prepare as a potential target

- Know what’s in your code
- Know what you distribute
- Know what it means to comply
- Know how you upgrade versions and how you mirror/sync with open source projects
Takeaway:

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A Community for Open Source Program Office Professionals

http://todogroup.org