



Evidence of the IT Budget for Tech DD

A critical problem with IT budgets is that are typically submitted late in a technology due diligence assessment yet can completely change the observations made.



1

Investment Thesis & Pitch Deck/IM

We need to understand these key investor and target documents to understand their perspective on how technology will either support or drive the growth plans.

Last 2+ Years Tech Spend

Ideally budgets & actuals. Outlining spend in headcount, product, IT, Cloud, R&D, product revenue.

2



3

Future 12 months tech budget

We're curious to match the spending with the resourcing plans and combined tech and product roadmap.



4

Forecast 3-5 year tech spend

We want to see how this longer-term forecast compares with the expectations of the tech team and if enough risk (e.g. vendor and wage inflation) has been factored in?



5

Agreements

Current contracts with vendors and suppliers. The importance of the small print here cannot be underestimated. When companies change hands, the novation terms can be particularly beneficial for software vendors with high fees – noting this is more a concern for bolt-ons or corporate M&A.



6

Financial model for the entire business

There's typically a master model that has all of the information stated above in so we can relate tech to revenue and see spending in the context of the entire business.

