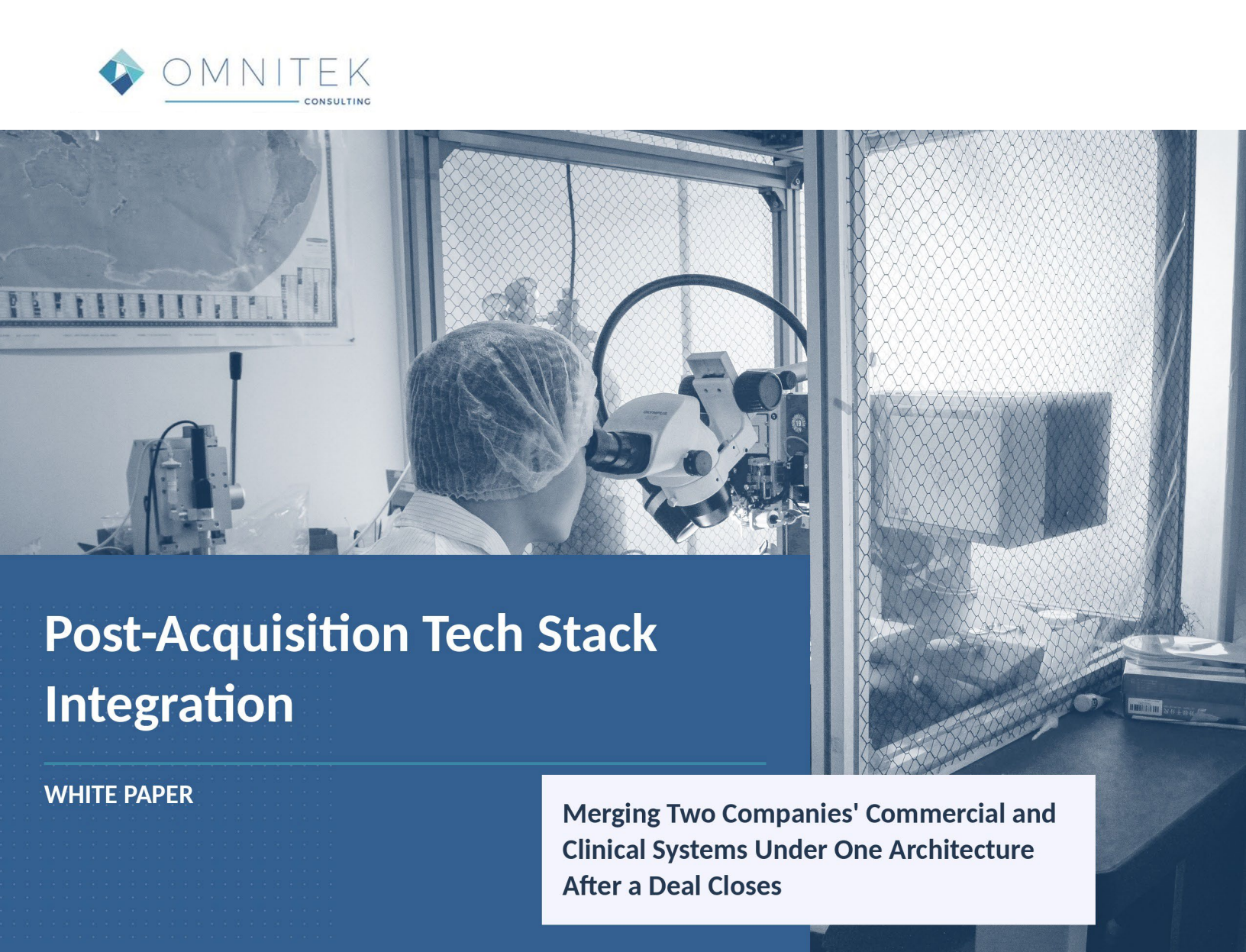




Post-Acquisition Tech Stack Integration

WHITE PAPER

Merging Two Companies' Commercial and Clinical Systems Under One Architecture After a Deal Closes

Abstract

Roughly 70% of acquisitions fail to meet the objectives their acquirers stated at signing, and in life sciences specifically, 50 to 70% of M&A transactions fail to realize the synergies that justified the deal's price. The gap between the deal thesis and the delivered result is rarely a negotiation problem. It is an integration problem, and technology sits at the center of it more often than deal teams expect: only about 25% of CEOs report conducting routine technology due diligence before a deal closes, even though a strong majority recognize technology as a genuine growth enabler. For life sciences specifically, the exposure is sharper than in most industries. A single compliance gap surfacing during the integration of two companies' quality systems can delay a BLA submission by six to twelve months, and equipment and systems validated under different standards at each company require a full re-evaluation that is consistently underestimated in deal timelines. This white paper applies established system-consolidation and change-management best practices to post-acquisition technology integration specifically, laying out how commercial and clinical systems get merged under one architecture without becoming the reason a deal fails to deliver what it promised.

Where Deal Value Actually Gets Lost

The math behind most acquisitions gets built well before close: synergy targets, cost savings, combined market reach, pipeline value. The math behind most acquisitions also, distressingly often, fails to materialize. Roughly 70% of acquisitions fail to meet the objectives their acquirers stated going in, and research on technology integration capability specifically shows that acquirers with strong IT integration capabilities meaningfully outperform those without it.¹

The core insight worth sitting with is simple: deal value is lost in the integration, not the negotiation. A well-negotiated deal with an underestimated technology integration effort produces the same disappointing outcome as a poorly negotiated one. And technology integration is systematically underestimated before close, not because it is unimportant but because it is unglamorous relative to the strategic narrative driving the deal.

Why Technology Due Diligence Keeps Getting Skipped

Despite technology's clear importance to deal outcomes, execution consistently lags recognition. Only about 25% of CEOs report conducting routine technology due diligence before a deal closes, even though a strong majority acknowledge technology as a genuine growth enabler. That gap between recognized importance and actual practice correlates directly with deal underperformance.

The costs that surface after close, when technology due diligence was skipped or superficial, follow familiar patterns: inherited cloud infrastructure that was never architected for the scale the combined company now needs, generating unexpected bills; enterprise software licenses, SAP and Oracle among the most common, that carry change-of-control clauses triggering sudden renewal costs or outright transfer restrictions the minute ownership changes; and outdated systems representing a meaningful share of the combined company's technology capital that nobody budgeted to modernize as part of the deal.

For life sciences specifically, the stakes go beyond cost. Quality system harmonization, merging two companies' divergent standard operating procedures and CAPA frameworks, creates fragmented compliance exposure if not handled deliberately. Equipment and systems validated under different standards at each company require full re-evaluation, a process routinely underestimated in integration timelines. And for programs in rare disease or oncology specifically, a single compliance gap surfacing during integration can delay a BLA submission by six to twelve months, turning a technology integration misstep into a direct hit on the financial model that justified the acquisition price in the first place.²

Applying Best Practices: A Post-Acquisition Integration Practice

A foundational best practice in system consolidation and change management, understanding what each system was actually solving for before deciding how to consolidate it, applies directly to post-acquisition technology integration, where two full technology stacks, built independently with different architectural decisions and different validation histories, need to become one.

1. **Technology Due Diligence as a Standard Deal Workstream.** Build routine technology and systems assessment into the diligence process itself, not as an afterthought once the deal has closed, covering licensing change-of-control exposure, validation status, and architectural scalability.



2. **A Quality System Harmonization Plan Before Integration Begins.** Map both companies' standard operating procedures and CAPA frameworks against each other early, identifying genuine conflicts requiring resolution rather than discovering them mid-integration.
3. **A Validation Re-Evaluation Timeline Built Into the Integration Schedule.** Treat re-validating equipment and systems combined under new ownership as a defined, budgeted workstream with realistic timelines, rather than an assumed formality.
4. **Regulatory Submission Risk as an Integration Priority.** For programs with active or upcoming regulatory submissions, sequence integration work to protect submission timelines explicitly, recognizing that a compliance gap here carries outsized financial consequences.

None of this requires slowing deal timelines to a crawl. It requires treating technology integration as a genuine workstream with its own budget, timeline, and executive attention, rather than an implementation detail assumed to sort itself out once the deal closes.

What Structured Integration Buys, and Where It Gets Hard

Advantages

- **Protected regulatory submission timelines:** explicit sequencing around active submissions avoids the six-to-twelve month BLA delays a compliance gap can trigger.
- **Fewer post-close cost surprises:** technology due diligence performed before close surfaces licensing change-of-control exposure and infrastructure gaps while there is still room to negotiate around them.
- **Faster realization of stated synergies:** strong technology integration capability correlates directly with better post-merger performance against the deal's original objectives.
- **A defensible compliance posture through the transition:** a deliberate quality system harmonization plan reduces the fragmented compliance exposure that an unmanaged SOP and CAPA merger creates.

Risks and Barriers

- **Deal timelines rarely accommodate thorough technology diligence:** the pressure to close quickly often crowds out the kind of systems assessment that would surface real integration risk before signing.
 - **Validation re-evaluation is genuinely time-consuming:** equipment and systems validated under different standards cannot be reconciled quickly regardless of integration urgency.
 - **SOP and CAPA conflicts often reflect real operational differences:** harmonizing quality systems is not just an administrative exercise, and forcing a fast resolution can create new operational risk.
 - **Executive attention gravitates toward strategic narrative over technical execution:** the deal thesis captures leadership focus more readily than the unglamorous work of merging two technology stacks correctly.
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Case in Point: The Licensing Clause Nobody Read Until It Was Too Late

A mid-size specialty pharmaceutical company completed an acquisition of a smaller biotech with a promising late-stage pipeline asset. The deal's technology due diligence had focused primarily on the target's clinical data systems,



reasonably enough given the acquisition's strategic rationale, and had given comparatively little attention to the target's enterprise resource planning and quality management software licenses.

Several months after close, as the combined IT organization began consolidating systems, a routine license audit surfaced a change-of-control clause in the target company's enterprise software agreement that had been triggered automatically at deal close. The clause required a substantial one-time renewal fee to maintain licensed access, a cost that had not been modeled anywhere in the deal's financial projections because nobody on the diligence team had reviewed the underlying license agreements in detail.

The cost itself, while significant, was manageable. What concerned leadership more was what the discovery revealed: if a licensing clause of this magnitude had gone unnoticed through diligence, the same gap in review rigor could plausibly extend to validation documentation and quality system compatibility questions with far larger consequences than a licensing fee. The company's response was to formalize technology and systems due diligence as a standing requirement for future acquisitions, with explicit coverage of licensing terms, validation status, and quality system compatibility, rather than leaving the scope of technology review to whatever the deal team happened to prioritize.

Recommendations for Corporate Development and IT Leaders

1. **Build routine technology due diligence into every deal process.** covering licensing terms, validation status, infrastructure scalability, and quality system compatibility as standard diligence scope, not optional depth.
 2. **Map quality system harmonization risk before signing where possible.** identifying genuine SOP and CAPA conflicts early enough to inform deal timeline and budget expectations.
 3. **Budget realistic time for validation re-evaluation.** treating it as a defined workstream with its own timeline rather than an assumed formality that will not affect the integration schedule.
 4. **Protect active regulatory submission timelines explicitly.** sequencing integration work around any program with a near-term BLA, NDA, or similar submission at stake.
 5. **Review licensing change-of-control clauses before close.** for every major enterprise system inherited in the deal, not just the systems most visible to the deal's strategic rationale.
 6. **Track integration progress against the original synergy model.** so technology integration gaps that threaten stated deal objectives surface early enough to address rather than being discovered at the next earnings cycle.
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Measuring Success: KPIs for Post-Acquisition Technology Integration

- **Technology due diligence coverage:** the percentage of major inherited systems formally assessed for licensing, validation, and compliance risk before or shortly after close.
- **Quality system harmonization completion rate:** the percentage of identified SOP and CAPA conflicts resolved against the integration timeline.
- **Regulatory submission timeline protection:** whether active submission deadlines were maintained through the integration period without compliance-related delay.



- **Stated synergy realization rate:** actual realized synergies measured against the deal's original financial model, tracked as the ultimate measure of integration success.

Conclusion

The gap between a deal's stated objectives and its actual outcome is rarely a negotiation failure. With 50 to 70% of life sciences M&A transactions failing to realize projected synergies, and technology due diligence still skipped by a large majority of acquirers before close, the pattern points squarely at integration execution, and technology sits close to the center of it.

Applying disciplined best practices to build a genuine post-acquisition technology integration practice, routine technology diligence, quality system harmonization planned before it becomes a crisis, validation timelines built into the schedule, regulatory submissions explicitly protected, turns technology integration from the place deal value quietly disappears into the discipline that actually delivers what the deal promised.

About OmniTek & Contact Information

OmniTek Consulting is a trusted partner for organizations seeking to enhance governance, operational agility, and decision-making. We specialize in modernizing business processes with a blend of human-centered design, technology expertise, and hands-on change management.

For corporate development and IT leaders navigating post-acquisition integration, OmniTek applies proven best practices to build a practical technology integration practice: routine technology due diligence, quality system harmonization planning, and validation timelines built into the integration schedule from day one. Whether you are integrating a recently closed deal or building diligence rigor ahead of your next acquisition, OmniTek can help you protect the deal value technology integration puts at risk.

Contact us today to explore how OmniTek can support your transformation journey and drive lasting results.



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Endnotes

ⁱ IntuitionLabs, "Pharma M&A Due Diligence: A Guide to IT System Assessment," citing KPMG acquisition performance research and CEO technology due diligence survey data, available at <https://intuitionlabs.ai/articles/pharma-ma-it-due-diligence>

ⁱⁱ AVS Life Sciences, "Bridging the M&A Integration & Execution Gap in Life Sciences," on quality system harmonization, validation re-evaluation, and regulatory submission risk during post-merger integration, available at <https://www.avslifesciences.com/blog-post/bridging-the-m-a-integration-execution-gap-in-life-sciences>

