7 Steps
for M&A Due Diligence and Open Source Compliance

FOSSA

1 Confidentiality
Sign a mutual non-disclosure agreement (NDA) with the parent company. By starting here, you are keeping sensitive information discreet.

2 Technology Review
A technology stack questionnaire is sent to the target company to understand which programming languages, build tools and package managers, continuous integration processes, and version control systems are being used.

3 Open Source Audit
Perform an automated scan of every line of the target company's code to discover all the direct and transitive dependencies for license information that may not be uncovered by package file parsing alone.

12%
of M&A strategies include seeking deals that would help the parent company acquire new technology.[1]

75%
of corporate respondents expect to pursue divestitures in 2020, the second-highest level in the past four years.[2]

4 Documentation and Implementation
Documentation on how to implement scanning and licensing in a continuous state enables the target company to streamline the onboarding process to the parent company. This stage is crucial and helps avoid legal issues down the road.

51%
of dealmakers indicate that digital tools & accelerators are minimizing risks and uncertainties through more analysis in the diligence phase.[3]

5 Behind the Scenes
The parent company conducts a policy and gap analysis definition to streamline feedback to the target company. Once definitions are complete, perform an initial review of scans and help the target company organize projects based on various contexts, including releases and product lines.

20%
of respondents believe "effective integration is one of the most important factors in achieving a successful M&A transaction." [4]

6 Reporting
Generate industry-standard reports for both the parent and target companies to review. These include licensing, security, and more. For any gaps found, remediation work is confidential to the parent and target companies.

7 Roadshow
At the completion of the due diligence process, having an inventory report in the format most relevant to your legal, engineering, and security teams will streamline the mitigation process of the target company into the parent company's governance post-acquisition.

Whether you are acquiring or being acquired, **FOSSA**'s due diligence audits and ongoing automated license management deliver the most comprehensive and accurate picture of your open source compliance, security, and quality risks.

To learn more about how FOSSA's solution stacks up, visit fossa.com or contact sales@fossa.com.

FOSSA Due Diligence Core Benefits
- ✓ Complete your due diligence in a matter of days
- ✓ Streamline onboarding to the parent company's governance
- ✓ Integrate directly into existing CI/CD processes
- ✓ Get gap remediation workflows done in minutes
- ✓ Reduce the overhead and ongoing compliance risk for the public entity

1] "2020 M&A Trends Report," Deloitte United States, April 28, 2020, https://www2.deloitte.com/us/en/pages/merg-ers-and-acquisitions/articles/m-a-trends-report.html.
2], 3], 4], 5] ibid.