



5 Questions to Assess IT's Impact on Valuation

The following 5 questions are designed to help you determine major red flags in IT's impact on valuation. Though these questions won't give you the compressive numbers to assess actual value impact, they can be predictive of a situation where further analysis is warranted.

IT stakeholder perception assessment

1 How would major IT stakeholders (CEO, CFO, CMO, sales) grade IT on a scale of 1 to 5 (5 = Outstanding/Always; 1 = severely underperforming or never)?

A. IT agrees to deliver	1	2	3	4	5
B. IT delivers on time	1	2	3	4	5
C. IT delivers on budget	1	2	3	4	5
D. IT is strategic to company growth	1	2	3	4	5
E. IT is tracked by KPIs	1	2	3	4	5

Cybersecurity

2 Have there been any major cybersecurity events that have risen to the board (outages, breaches, ransomware, lost data, etc.)?

Compliance

3a Is IT management presenting large investments that seem excessive in order to upgrade security for the purpose of compliance?

3b For B2B companies, are you losing deals because you can't fulfill client RFP requirements, or are there capital requests around technology (the driver for question 3A) as a result of customer requests?

Cost Optimization

4a Do you host IT at your own location, or is it hosted in the cloud?

4b If IT is hosted at your own location, has a cloud business case been completed?

IT Staffing Assessment

5 Does IT have continuous turnover, both at the engineering and management levels, and pay contractors because they can't find replacements?