

# Transaction Due Diligence - Privacy and Security Review

Driven by strict global privacy regulations and increased severity of data breaches, many businesses today are prioritising privacy and security of their data. As more transactions involve valuable data assets, privacy and security are now critical components in due diligence. But unaddressed data risks can significantly impact valuations, deal value and risk allocation profiles.

Combining industry-leading global privacy and security specialists with transaction and valuation experts, FTI Consulting can help protect your transaction by assessing and documenting key data assets and addressing privacy risks during your transaction due diligence.

## DATA ASSETS: VALUABLE CORPORATE IP

**76%** of major Australian businesses cite data privacy as impacting M&A decisions

FTI Consulting Resilience Barometer™, Sept 2021

**52%** of large global organisations proactively manage data privacy risk

FTI Consulting Resilience Barometer™, Sept 2021

**90%** of value of S&P 500 comprised of intangible assets such as data

Ocean Tomo

## BUILDING PRIVACY AND SECURITY INTO YOUR DUE DILIGENCE

The modern data environment poses significant difficulties in due diligence:



**Data assets are a source of value**, and must be identified and assessed as such.



**Rapidly evolving and increasingly active regulatory environment** means that lawfulness of data acquisition and proposed data uses cases may be difficult to assess. Target companies could be carrying unidentified or unmitigated privacy and security compliance risks.



**An increasingly damaging trend of malicious cyber attacks and data breaches** mean that acquisition targets will increase the risk for the acquirer and could introduce security risks. Unreported or undiscovered security breaches, or unmitigated security risks may have a significant effect on transaction value.

*“Data-driven innovation forms a key pillar in 21st century sources of growth.”*

OECD

## UNDERSTAND THE DATA RISKS IN A TRANSACTION

FTI Consulting's multidisciplinary Information Governance, Privacy and Security team can help you quickly and defensibly identify and document data risks in transaction due diligence by:

- addressing the compliance landscape, and assessing applicability of data protection laws around the globe
- reviewing and assessing adequacy of privacy and data governance frameworks, policies and procedures
- mapping data flows, and identifying critical IP and key risk areas
- valuing information assets to support negotiations
- assessing key third-party arrangements and third-party risk
- researching and draft due diligence memoranda
- planning and implementing post-acquisition integration work.

## PROTECT YOUR DEAL WITH FTI CONSULTING



**Proactively identify privacy, data protection and security red flags** – assess the privacy compliance of the target and prior security breaches, and understand the impacts on valuation and the transaction.



**Understand global privacy requirements** – our global privacy experts can help you navigate the rapidly evolving and overlapping global privacy laws, and meet and manage regulator expectations.



**Enable smoother integration** – by identifying appropriate privacy and data risk mitigations to inform post-transaction workstreams, and accessing our expertise to support implementation.



**Leverage our in-house cyber security expertise** – to identify cyber risks and improve cybersecurity of target businesses and assets post-transaction.



**Control the narrative with stakeholders** – our strategic communications experts can advise you on what to say, how and when to say it and to whom, including customers and regulators.



**Access multidisciplinary expertise across the transaction lifecycle** – FTI Consulting offers end-to-end support, addressing the strategic, financial and operational aspects of a transaction.

To see how your transaction due diligence could benefit from our privacy and security review, speak to our team:



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