Next-Gen M&A with Zscaler

How Zscaler can help your M&A integration strategy evolve, balancing program speed, cost, and risk, with user experience and transformation objectives

M&A transactions are becoming increasingly complex as deal value gets invariably tied to transformational objectives geared toward organizational evolution.[1] In recent years, nearly half of all M&A deals were transformational in nature.[2] In such a demanding environment, deal value is driven by factors far beyond baseline cost and timeline reduction opportunities—factors like the holistic transformation of the enterprise through foundational technology modernization. Additionally, despite the growing complexity of deals, serial acquirers (organizations leveraging a programmatic M&A–based growth strategy) are consistently outperforming their peers (2.3% higher TSR annually).[3]

To maintain your competitive edge through multiple nuanced acquisitions every year, unencumbered by integration inefficiencies, cost overruns, and missed milestones, you need to make technology modernization the cornerstone of your integration strategy. Especially if you wish to target the "impossible trinity"—low program costs, timely execution, and minimized cyber risk—while driving transformation and better user experience, you cannot rely only on playbooks that mostly focus on process optimization. Such a lofty objective requires you to throw the metaphorical playbook out and fundamentally reimagine the very backbone of your technology infrastructure. Additionally, no modern transformation strategy is complete without viewing the organization's desired future state through an AI–tinted lens. Today, 72% of CIOs have a GenAI solution in pilot or production phase, and 75% see AI technologies enhancing the post–merger integration process.[4]

This is where Zscaler M&A Integration comes in.[5] With a track record of helping hundreds of clients across every major industry speed up, de–risk,

and simplify their M&A–driven integration and transformation programs, our AI–backed M&A Integration solution can bring you as close as realistically possible to optimizing all three key metrics of an M&A integration program—cost, duration, and risk—while materially improving user experience.

These four metrics coalesce to drive the top priorities of any IMO Program Manager or Executive Sponsor.

1 Value Capture from Reduced Integration Cost

With traditional post–merger integration (PMI) programs, cost reduction tends to have negative implications for program timelines and risk management. A typical guiding principle for traditional programs is to prioritize cost– and time–optimizing initiatives over greenfield transformation projects. On the other hand, leveraging Zscaler's cloud–delivered solution instantly removes or significantly reduces multiple program cost line items, such as new connectivity and security infrastructure setup costs and TSA support costs.

In addition to creating room in the program budget for transformation initiatives, Zscaler's zero trust architecture provides a natural launchpad for migration to next–generation capabilities across the enterprise. Careem, the Middle East's first billion–dollar technology company and a Zscaler client, realized considerable resource savings (~55% cost reduction), which it reinvested into transformation initiatives. Using a Zscaler–enabled modernized architecture also allowed Careem to manage geopolitical and compliance complexities, simplifying M&A transactions.

2 Rapid Value Creation from Accelerated Integration Timelines

A key benefit of leveraging Zscaler for integration is the relative ease and speed with which the two merging entities can establish cross-organizational connectivity. This is typically the first major hurdle in any integration program. It forces program teams to push out the start of operational consolidation initiatives by months (for larger organizations). Expediting the initial connectivity, in turn, accelerates operational consolidation and allows for rapid value creation through the pursuit of synergistic revenue streams by the combined organization.

No amount of process optimization found in traditional PMI playbooks will accelerate integration timelines by more than 50%, like Zscaler does. Amplifon, a Zscaler client, saw acquisition-driven integrations sped up by 90%; specifically, the cross-organization connectivity process reduced from months to a mere three days.[6] This speed allows Zscaler clients to rapidly unlock new growth opportunities post-merger by leveraging the combined strengths and capabilities of the merged entities.

3 Brand and Reputation Protection Through Advanced Risk Mitigation

Organizations are at greater risk of breaches and compromise when in the midst of M&A transactions, an especially significant fact for serial acquirers. Zscaler can help maintain and enhance brand equity during and after the integration process, ensuring stakeholder trust and customer loyalty.

This is enabled through the Zscaler AI Fabric, a cloud service that powers risk management in addition to other next-gen M&A capabilities on the Zscaler platform. Key capabilities include AI-generated risk reports, organizational risk scores supporting target due diligence, risk-to-financial-exposure mapping, breach prediction, and even a Copilot app.

What sets Zscaler's AI capabilities ahead of its peers is the dataset that powers this AI competency. It is the most comprehensive dataset in the industry, sustained by data from over 400 billion daily transactions passing through the Zscaler cloud.

A good example of security posture enhancement to secure organizations during M&A is Sandvik AB,[7] a multinational engineering company with 127 billion SEK in revenue. Sandvik safeguards dozens of subsidiary brands acquired through multiple acquisitions by centralizing its security infrastructure through Zscaler. Despite 20,000 employees working from anywhere across the globe, Sandvik minimized its attack surface and continued to power its growth through M&A transactions.

4 Improved User Experience

Zscaler alleviates some of the most persistent challenges employees face during M&A transactions, significantly reducing employee turnover during transactions. A 2024 article by EY on how culture can impact M&A outcomes shows that 47% of employees of the acquired organization tend to leave within a year of the acquisition, up to 75% over three years.

Zscaler establishes cross-organization connectivity in days, instead of weeks or months, and provides an accurate picture of who needs access to which capabilities across both organizations. This eliminates one of the biggest inhibitors of user experience during PMI programs.

Additional advantages include dramatically improved enterprise access and issue resolution times. With a global workforce and senior executives needing access to critical information and timely issue resolution support while on the move, these capabilities provide crucial support for the PMI program's change management initiatives. Guaranteed Rate, the second largest retail mortgage lender in the US, reported 2–3x improvement in user experience after moving to the Zscaler platform.[8]

Experience Next–Gen M&A

Zscaler can provide actionable insights and tools for business leaders and M&A professionals to navigate the complexities of post–merger integration successfully. The AI–backed Zscaler platform significantly improves all four essential PMI metrics that directly impact deal value, making Zscaler a key strategic investment for modernizing your organization's M&A–driven future state. Case in point is the MOL Group, a $20B international petrochemical company that leverages Zscaler for rapid expansion through acquisition–driven integration.[9]

Reach out to the Zscaler M&A/D team to learn how you can create sustainable value and achieve long–term success in your M&A endeavors.

Bibliography

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