



From Technology Due Diligence Through to Exit:

Using Technology to Drive Value
Creation.

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Executive summary

Technology is no longer a back-office function...

It's a strategic lever for value creation. At Abstract Group's recent panel event, industry leaders explored how investors and portfolio companies can **harness digital transformation** to drive growth, improve margins, and prepare for premium exits.

This whitepaper captures the most impactful insights from the discussion. Whether you're a PE investor, CTO, or transformation lead, this paper offers **actionable guidance** to navigate the complexities of post-investment technology strategy and unlock long-term value.

Minan Majid | Group CEO



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Introduction

Whether part of the tech sector or not, technology proved to be integral to building and sustaining successful businesses. The growth of technologies such as cloud computing and artificial intelligence (AI) has fundamentally **reshaped the business landscape** and transformed how organisations deliver value to their customers.

A central theme of the discussion was the **transformational role of AI** in reshaping business models and enhancing EBITDA. Investors received practical advice on assessing AI readiness, prioritising digital initiatives, and driving measurable outcomes across their portfolios. Business leaders gained insight from **seasoned executives** on the benefits and challenges of implementing AI at scale.

Abstract Group was proud to welcome a distinguished panel of industry leaders, each of whom brought deep expertise and unique perspectives across technology, investment, and transformation.

Read on for our panellists expert insights.



Panellists

Our panel host



Emily Wells

Head of Talent

Abstract Group

Emily has a background in executive search, operating across various industries within the private sector, having gained significant experience in the private equity space. As a divisional head within Abstract Group, she is responsible for leading on Abstract Talent's service offering, go to market proposition, and service delivery to clients in the private equity market and beyond.

Ben is Chief Technology Officer at Abstract Group with over twenty years of experience in delivering Cloud and AI transformations. He has led technology teams at IRIS Software Group, UBS Bank, and Microsoft, specialising in scalable cloud architectures, agentic AI solutions, and technical due diligence. Ben is a recipient of the BCS IT Award for Cloud Transformation Project of the Year.



Ben Houghton

Group CTO

Abstract Group



Rebecca Fox

CIO & Transformation Leader

Relentica

Rebecca is an experienced CIO, specialising in digital transformation, AI, and cybersecurity, helping businesses align technology with strategic goals. With experience leading global change programmes and scaling operations, she brings a sharp focus on innovation, risk, and regulatory compliance.

Panellists



Chelsea Wiilkinson

Co-founder & CEO

DataDiligence

Chelsea is a Senior Executive and Advisor with over twenty-five years of experience across private equity, M&A, and consulting. As Co-founder and CEO of DataDiligence, she helps investors and leadership teams unlock value through data and AI, bringing a global perspective to transformation, risk, and growth.

Andy is a serial entrepreneur and Non-Executive Director having overseen multiple exits. During his executive career Andy has operated as a CTO and CEO, delivering outstanding value to customers and investors alike. His key strengths lie in preparing businesses for investment, scaling and exit, overseeing the intersection of technical and commercial operations, and developing digital strategy.



Andy Dancer

Entrepreneur &

Non-Executive Director



Will Scales

Investment Director

LDC

Will is Investment Director at LDC, the UK's leading mid-market private equity firm. Based in Leeds, he works with management teams to unlock growth through strategic investment. He is experienced in delivering value for technology businesses and brings over a decade of experience in corporate finance, including roles at Rothschild & Co and EY.

Most common technological challenges during the initial post-investment period

Post-investment, even the most rigorous due diligence processes can leave **blind spots**. Investors often uncover unexpected issues, such as open-source frameworks lacking proper licensing or infrastructure that struggles to scale under pressure. These discoveries aren't failures; they're opportunities to recalibrate. Rather than viewing them as setbacks, they should be seen as the **starting point for building a fit-**

for-purpose technology foundation that supports the next phase of growth. The key is recognising that **technology must evolve with the business**, and that perfection is rarely achievable, or even desirable, at this stage. Equally important is the human dimension of technology. The effectiveness of a tech stack depends not just on its architecture, but on the people who build, maintain, and scale it.

Different stacks require different skill sets.



And cultural fit plays a critical role in retention and performance. Investors and acquirers must be mindful not to impose their own corporate identity too quickly. Often, the acquired business was successful precisely because it operated differently. Taking time to observe, learn, and understand the team's dynamics before initiating change can lead to more sustainable transformation.

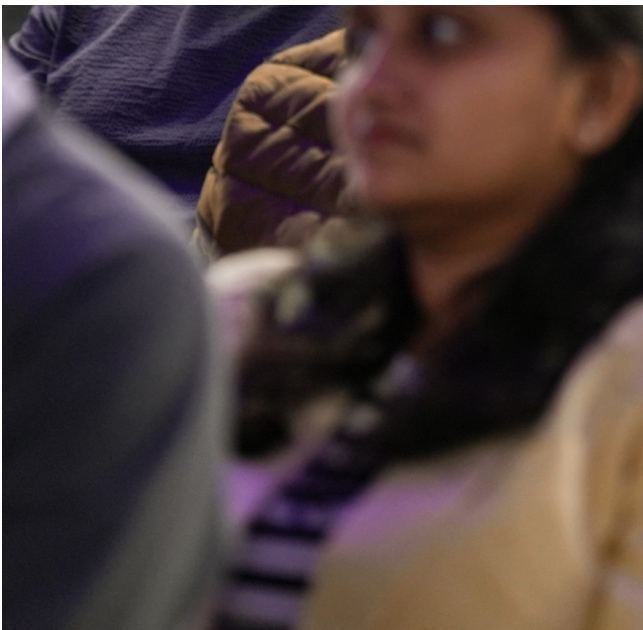
Most common technological challenges during the initial post-investment period

Data presents its own set of challenges. Legacy systems, fragmented ERP platforms, and unclear ownership of AI models can create complexity that hinders decision-making.

“ A single source of truth

Chelsea Wilkinson
Co-founder & CEO

A ‘single source’ of truth remains elusive for many organisations, it’s a vital aspiration, especially for CFOs planning future growth. **Investors must look beyond surface-level indicators** like headcount and instead assess the depth of technical leadership, the clarity of the **product roadmap**, and the commercial relevance of the tech proposition. These insights help distinguish between well-positioned companies and those with hidden technical debt.



Tone & approach to technical due diligence

TDD should be positioned as a collaborative exercise, not a fault-finding mission. Avoid language that creates fear or defensiveness. Instead, set the tone by saying, *“I don’t expect this to be perfect, but I want to understand what’s really here.”* This encourages transparency and builds trust.

Lead with partnership,
not policing.



Frame the Purpose Clearly

Make it clear that the goal of TDD is not to block investment, but to inform the post-deal business plan. When CTOs understand that the **findings will guide future strategy**, not jeopardise the deal, they’re more likely to share openly.

Ask Open-Ended, Strategic Questions

Avoid trying to catch people out. Instead, ask questions like, “What would you have done differently with more resources?” This **invites reflection and surfaces valuable insights** that may not be visible in documentation.

Engage the Builders, Not Just the Leaders

Include team members below the CTO, especially those who built the product or AI models. Ask to see **live code via screenshare** rather than screenshots or demo tapes. This provides authentic visibility into the system’s architecture and scalability.

Review Documentation with Healthy Skepticism

Assume the documents provided are the best examples. Use them as a starting point, but **dig deeper**. The real value lies in understanding what’s not written down, and that requires conversation, curiosity, and context.

How technical due diligence helps assess scalability and AI readiness

TDD as a Strategic Kickstart

Beyond legal and financial checks, TDD acts as the foundation for the first 100 days post-investment. It helps shape the transformation roadmap by identifying where technology can support scale, efficiency, and innovation, turning insight into action **from day one**.

Unlocking the Value of Data

TDD reveals how effectively a company is leveraging its data within products and platforms. This is essential for assessing AI readiness, as **strong data foundations are critical** for building scalable, intelligent systems that deliver measurable outcomes.

Bridging Product Vision and Client Needs

Many companies have ambitious internal product roadmaps, but these don't always align with customer expectations. TDD helps evaluate whether the tech **strategy supports real-world use cases** and commercial growth, ensuring scalability is built with the end-user in mind.



Aligning technology roadmaps with growth and exit strategy

Aligning a company's technology roadmap with its growth and exit strategy begins with **understanding the budget and the outcomes** it's meant to achieve. Technology should be viewed as a strategic enabler of value creation, not just a cost centre.

Business Goals

Every investment in systems, platforms, or talent must be tied to the broader business objectives, whether that's driving revenue, improving margins, or reducing risk. **If an initiative doesn't support one of these outcomes, it's likely a distraction.**

Technology Investments

From a data perspective, alignment starts with the investment thesis. Rather than beginning with the data itself, businesses should first ask: what needs to be true for this investment to succeed? **Data then becomes a horizontal enabler** across all functions, feeding into the value creation plan.

Strong governance is essential, not just for compliance, but to ensure data flows seamlessly across the organisation and **supports strategic decision-making**.

Clarity of purpose must cascade from the top down. Everyone in the business should understand the investment thesis and how their work contributes to it. Metrics like Net Recurring Revenue (**NRR**) should be visible and actionable at every level. Whether the goal is customer acquisition or operational efficiency, **employees need to see how their objectives align** with the company's growth trajectory. This alignment fosters accountability and accelerates performance.

The investors role in shaping digital transformation

Investors play a pivotal role in shaping a portfolio company's digital transformation. In private equity, approaches range from **passive oversight** to **aggressive intervention**.

An Investors role must be strategic, not operational.

The most effective investors strike a balance: they invest in teams they trust, overlay their vision onto existing plans, and support transformation without micromanaging the tech stack. **Their influence is felt not in the day-to-day**, but in the clarity of purpose, structure, and alignment they help instil across the organisation.

One of the most valuable contributions investors can make is helping leadership teams build structure around their transformation efforts. This includes **aligning the organisation to a shared purpose**, vision, and mission, and ensuring that everyone, from the boardroom to the front line, understands why certain initiatives are being pursued. Key metrics like Net Recurring Revenue (**NRR**) become anchors for decision-making, helping teams focus on what truly drives scalability and enterprise value.



The investors role in shaping digital transformation

Ultimately, the investor's role is to **empower the management team** to operate independently while providing a clear end vision. The stage of investment will influence how technology impacts value, early-stage tech may be valued on IP alone, while later-stage businesses

are judged on revenue multiples. This shift requires a **mindset change**: building technology not for its own sake, but for its ability to drive measurable business outcomes. The best investors understand this nuance and **guide their portfolio companies** accordingly.

Finally, technology strategy must be tailored to the type of business. In tech-led companies, TDD focuses on **intellectual property and product scalability**. In non-tech businesses, the emphasis shifts to ensuring systems are cost-effective and enable scale. Regardless of the model, the roadmap must **reflect real market needs, not internal ambitions**. Solving unsold customer problems and identifying gaps in the market alongside a capability that fills that gap ensures that technology investments are commercially relevant and exit-ready.



How investors and leaders decide on AI initiatives

Start with Strategy, Not

Hype. AI should **never** be adopted just because it's trending. Leaders must begin with clear business objectives and assess whether AI can directly support those goals. If there's no proof it will deliver value, don't do it.

Link Every Initiative to KPIs.

AI isn't a team to hire or a tool to buy. It's a **strategic capability that must be tied to measurable outcomes**. If an AI use case can't be linked to a core KPI, it's likely a vanity project and should be cut.

Measure Outcomes, Not

Activity. Success should be defined by the impact AI has on business performance, not by how advanced or complex the technology is. **Always evaluate AI initiatives** against commercial metrics like revenue growth, margin improvement, or operational efficiency.



The most impactful use cases of AI driving EBITDA

Operational Impact in Regulated Sectors

In industries like insurance and healthcare, AI has reduced claim processing times and improved customer satisfaction, directly enhancing company valuation. However, it’s critical to distinguish between automation and augmentation, ensuring liability remains with individuals and that innovation solves real problems, rather than merely retrofitting outdated solutions.

Abstract Group’s Impact in the Insurance Sector

Abstract Group is playing a pivotal role in driving digital transformation across the insurance industry. We believe that the agentic AI automation we are delivering will dramatically reduce the time and effort needed for claims processing, from claim to payment.

Abstract AI Transformation



What makes a company tech-ready for a premium exit

Preparing for a premium exit begins long before the transaction itself. It requires deliberate effort to source the right documentation, build dashboards that bring performance to life, and ensure the technology narrative is clear and compelling. Companies that **invest time** in this preparation, rather than scrambling during due diligence, are better positioned to attract strategic buyers

and command higher valuations. A strong technology strategy also includes a **forward-looking view**. It's not just about what's been built, but what still needs to be invested in to reach the next stage of growth. The most exit-ready businesses **understand the intersection** between what's valuable to them operationally and what will be valuable to a future acquirer.

By focusing on the fundamentals and avoiding unnecessary complexity, investors can see the potential clearly.



Data plays a central role in this readiness. **A single source of truth**, while difficult to achieve, is essential for both running the business and demonstrating its value. Data foundations must be **robust, well-governed, and integrated** across the organisation. This goes beyond tech infrastructure; it's about how data flows through go-to-market strategies, product development, and performance measurement.

Finally, tech readiness must be embedded throughout the organisation. It's not enough to have surface-level systems or isolated innovation. The most compelling companies have technology that lives and breathes across the stack, from people and product to metrics and market alignment. When product builders are in tune with the rest of the organisation and the needs of the market, it shows up in the numbers, and that's what drives premium exits.

Conclusion & next steps

Whether you're an investor, a portfolio company, or a business preparing for transformation, the journey from technology due diligence to scalable growth and premium exit requires clarity, alignment, and execution.

Abstract Group brings deep expertise across strategy, talent, and delivery, helping organisations unlock value through intelligent automation, AI readiness, and robust digital infrastructure.

If you're looking to explore how Abstract Group can support your next transformation initiative, investment strategy, or technology roadmap...

Please reach out.

Ben Houghton

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**Every Interaction
Matters.**

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