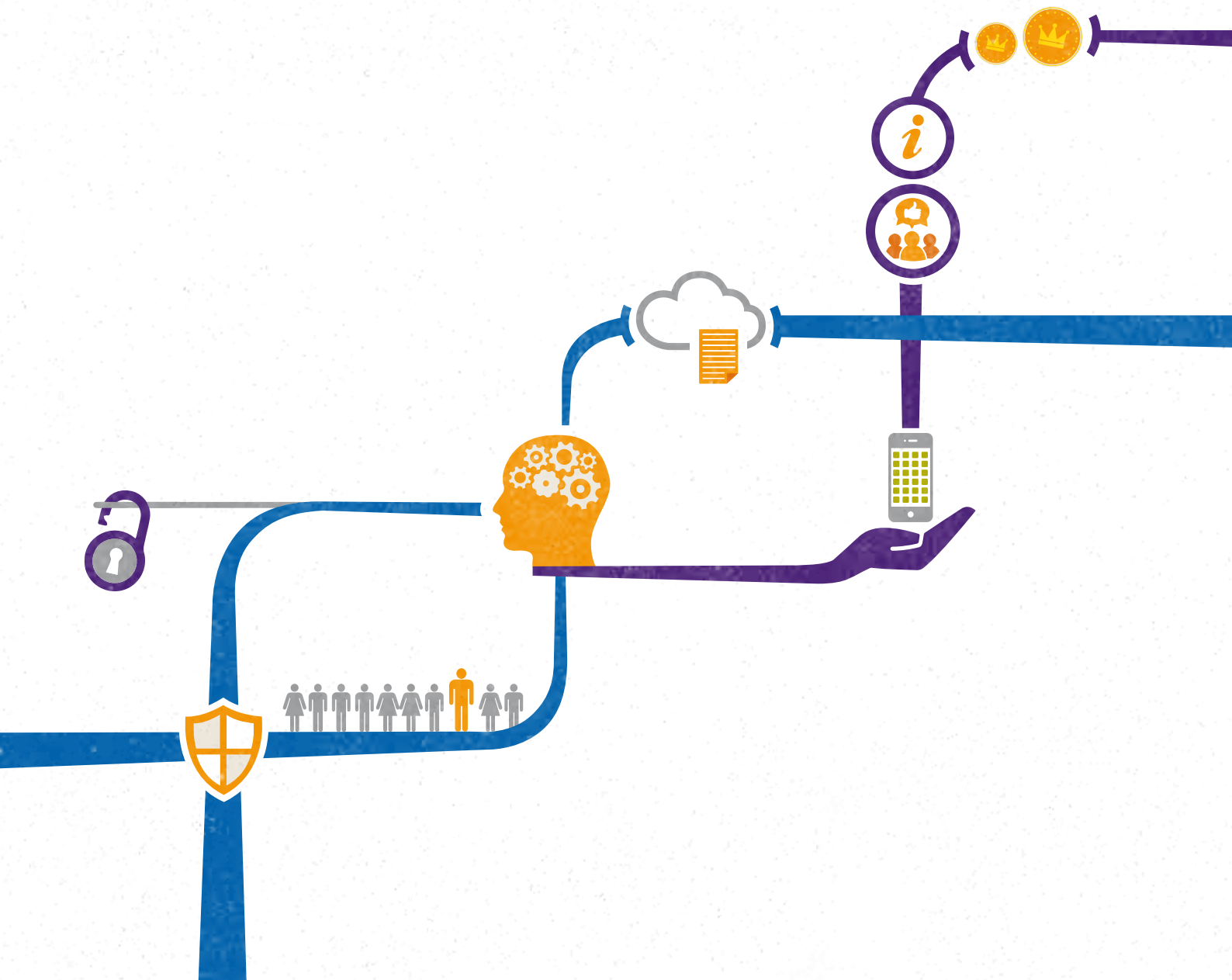


*Our global capabilities:*  
**Technology**




# Technology: the architecture revolution

**Amidst a fundamental architecture change driven by cloud, mobility, social networking and exponentially growing data volumes, the technology industry is rapidly transforming. Innovation and relatively low barriers to entry are enabling new companies to emerge and challenge established technology category leaders.**

Established hardware, software, communications and information technology organisations are responding in a range of ways: building new capabilities; acquiring new businesses; and transforming their services and business models at a rapid pace. Businesses that innovate and capitalise on the change will grow, while those who fail to keep up with technological change and stay current with competitive offerings will be left behind. The next architectural revolution is never far away – with the 'internet of things' promising to be the next development to change the face of the industry.

Grant Thornton's technology specialists across the globe can work with you to turn these industry trends to your advantage, helping you to plan for growth; adapt your processes and

controls for a changing business model; improve productivity and efficiency; manage risk; meet regulatory requirements; and develop growth strategies.



“Underlying business models, and the ways revenue is recognised are evolving as we move away from an 'owned' to 'pay as you go' mode for technology usage.”

**Raja Lahiri**  
Grant Thornton India



“The accelerating pace of digital convergence will have a profound impact on business models, as information technology, communications, media, internet and consumer electronics merge.”

**Steven Perkins**  
Global leader - Technology  
Grant Thornton

## Global industry trends

### Creating trust and managing risk in the cloud, mobile and internet world

This model for computing (virtual, shared, on-the go), provides huge opportunities to reach large markets easily and cost efficiently. While the benefits are significant, there are also inherent risks that need to be managed to maintain trust in this distributed environment. Building trust relies on providing security, privacy, transparency, performance, scalability and portability.

It is equally crucial for technology companies to comply with the evolving and sometimes conflicting local and international regulatory and legal requirements. Assessing and managing risk on behalf of management, shareholders and customers is paramount.

Virtual architectures also present complexities in tax compliance. As jurisdictions determine how to classify and tax cloud-based companies, technology companies must carefully navigate their tax exposure and compliance. Internal and external audits, risk assurance, tax planning and fraud investigation are all tools that companies can use to ensure compliance with regulations and to increase client confidence in cloud-based services as momentum continues to grow.

Finally, the underlying business models, and the ways revenue is recognised are evolving as we move away from an 'owned' to 'pay as you go' model for technology usage. Revenue recognition, valuations, and other fundamental concepts are evolving at pace.

### Scaling operations as you grow

With limited fixed overheads, financing options and relatively low barriers to entry in a cloud environment, many technology companies are able to grow quickly. Fast growth is exciting for young and mature companies alike. A rapid growth trajectory poses a unique set of challenges with regard to building the capabilities and scaling processes internally to manage a rapidly growing business (or a service line within a larger organisation). As businesses grow across borders, they should also consider the optimum deployment and location of various business functions such as research and development, financial back office or sales.

Creating efficient operational systems and processes can assist technology businesses in saving money and delivering greater value for shareholders and investors. Outsourcing can free up resources, provide access to local expertise or improve the efficiency of operations as technology companies scale. The development of international operations centres may also be of interest to larger technology firms, as countries like China and India continue to develop their technology industries.

### Securing capital for growth

After more than a decade of depressed financing, and limited IPO and M&A activity, the financing markets for technology companies have rebounded. Funders such as private equity firms and venture capitalists are key financing options for technology firms. However, return on investment may be difficult to demonstrate in this highly competitive market. Mergers and acquisitions are prevalent within the industry as many companies seek to accelerate growth beyond their existing organic capabilities.

Exploring various financing options, with specialists who understand the sector, can help find the right business solution. Our relationships with venture capitalists, private equity houses and strategic acquirers means we can support with creative deal making. If a business has ambitions to go public, our specialists can advise on the process across principle stock exchanges and other smaller investment markets to plot the right path.



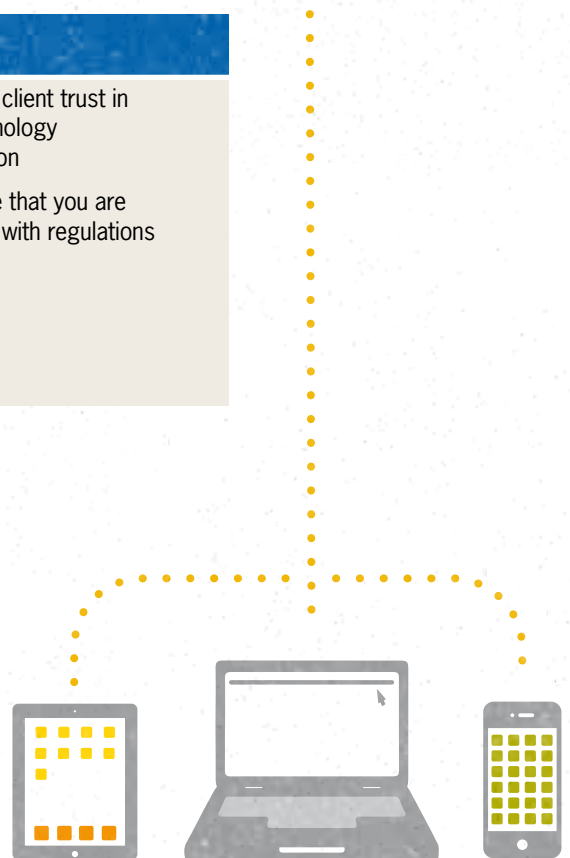
# Our solutions

Whether expanding in existing or new markets, scaling your operation, or addressing regulations, Grant Thornton's technology specialists can provide pragmatic advice to help you unlock your potential. We focus on dynamic, high-growth companies. More than any other industry, our strategy directly aligns with the technology industry's critical measure of success - growth.

Grant Thornton operates in a diverse global market, which gives us an early opportunity to see upcoming intellectual capital and innovative companies. With our knowledge of industry trends, gained through first-hand professional experience, we are able to draw on diverse insights from across our global organisation.



| Issue                       | Solution  | Benefit   |
|-----------------------------|---|---|
| Creating trust in the cloud | Internal and external audits<br>Risk assurance – independent certifications, governance, risk identification & assessment, control design & assurance<br>Special attestation reports<br>Tax strategy and planning<br>Anti-corruption services | Increased client trust in your technology organisation<br>Assurance that you are compliant with regulations |



| Issue                          | Solution  | Benefit   |
|--------------------------------|---|---|
| Scaling operations as you grow | Operational performance reviews and benchmarking  | Your business scales with your growth ambitions |
|                                | Organisational change including service integration, business process improvement and service cost modelling                                | Improved resource management and cash-flow      |
|                                | Enterprise risk management  |   |
|                                | Commercialisation of intellectual property  |   |
|                                | Cross-jurisdictional tax planning   |   |
|                                | Outsourcing across financial accounting, tax compliance, payroll and personnel administration, and business processes to improve operations |   |

| Issue                       | Solution  | Benefit                             |
|-----------------------------|---|-------------------------------------|
| Securing capital for growth | Fund raising including stock exchange listings  | Substantial and sustainable funding |
|                             | Corporate finance including M&A                 |                                     |
|                             | Specialist tax advisory services, including R&D |                                     |

In addition, Grant Thornton member firms provide a full range of assurance, tax and advisory services tailored to technology companies around the world. As well as working with technology businesses worldwide, Grant Thornton also assists corporate clients on the best use of technology. We apply the insights gained to improve our services to technology businesses.



**Clients we serve**

Grant Thornton firms serve a diverse range of technology clients across ownership structures, from the world's largest multinational companies to medium and small-sized growth-oriented businesses. Unlike our larger competitors, who work almost exclusively with large companies and our smaller competitors, who rarely work with big organisations, the breadth of our client base has allowed us to gain valuable insight into the complexity of how different businesses operate and the variety of issues and risks they face.

Our experience has given us the understanding to help clients at every stage of their development, whether they are emerging, growing, maturing or in transition. Grant Thornton can provide the right advice to take your business forward.



**Selected Technology clients**

- Actuate**
- Atos**
- Avnet**
- Endava**
- HCL technologies**
- Intercall**
- Microsoft**
- Novell**
- Oclaro inc.**
- Yahoo!**

# A global team

**Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms. These firms help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice.**

Proactive teams, led by approachable partners in these firms, use insights, experience and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions. More than 38,500 Grant Thornton people, across over 130 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work.

US



## Steven Perkins, Global leader

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Steven is global leader of Grant Thornton's technology industry group and managing director of the technology industry practice for Grant Thornton US. In this role he supports technology companies as they grow their profitability and manage risk. He also advises clients on the most effective use of information technologies and building investment in the technology sector. Steven developed his skills while working in senior leadership roles within fortune 100 technology companies and global strategy consultancies, where he managed profit and loss, as well as led teams for both the US and international markets.

Australia



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Simon leads Grant Thornton Australia's technology and media industry team, which has helped clients realise their growth ambitions through their understanding of the relevant industry and business issues. Delivering services such as strategic M&A, sell side advisory, IPOs, tax strategy, business restructuring, integration & performance improvement, and various assurance and compliance services, this team provides insight and proactive advice to businesses in the technology and media sector.

India



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Raja is an advisory partner and regional markets leader at Grant Thornton India. He brings 16 years of technology industry experience to his role leading the firm's IT and ITES sectors. Raja also works in private equity, where he has led and advised more than 200 deals for Indian and international clients. Across these roles Raja specialises in transaction advisory including due diligence, valuation and deal advisory. Raja is a leader in India's technology industry, which is why he was selected to lead the financial investigation into one of India's biggest corporate frauds in the IT sector.

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Fergus leads the technology sector for Grant Thornton Ireland. Fergus established his reputation in the Financial Accounting and Advisory Services (FAAS) sector, where he provided accounting, advisory, and auditing services to the Boards and Audit Committees of a number of Ireland's most successful technology sector companies. His clients have ranged in size and maturity from start-ups to listed entities, and his areas of specialism include revenue recognition, share-based payments and business combination accounting.

UK



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Nick is head of the technology and communications sector for Grant Thornton UK. He currently focuses on supporting mid-market private and listed clients with their assurance agenda, including audit and reporting assignments as a business grows. Nick also oversees a team whose abilities include helping start-ups realise their ambitions and financing options; assisting mid-market companies with strategy, mastering risk and optimising operations; and supporting large multinationals on their growth agenda, optimising their operations and winning talent through bespoke solutions.



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