Transformative Post–Merger Integration (PMI) with Zscaler: Unlocking Sustainable Value

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Executive Summary

Global M&A deals are surging, with organizations striving for faster integration, reduced costs, and enhanced security to achieve deal value. Traditional integration strategies and playbooks often struggle to meet growing demands for technological modernization and agility, leading to extended timelines, increased budgets, and heightened cyber risk during the critical PMI phase.

Zscaler's Next–Gen M&A Integration approach offers a transformative solution. Leveraging Zscaler`s cloud–delivered platform solutions, enterprises can reduce integration costs by more than 50%,[1] accelerate timelines by 50% or more,[2] and safeguard against cyber risks while enhancing user experience and operational readiness. This white paper explores how Zscaler empowers enterprises to modernize PMI, delivering measurable gains in agility, security, and cost efficiency.

The Evolving M&A Landscape

As global economies recover, nearly half of all recent deals have been transformational rather than transactional,[3] emphasizing the need for technology modernization to deliver long-term value. Yet, achieving this vision is increasingly complex, with integration delays and cyber risk becoming common pain points.

Serial acquirers that consistently pursue M&A-driven growth outperform their peers by 2.3% total shareholder return (TSR) annually.[4] However, maintaining this competitive edge requires an agile integration playbook—one that addresses cost, speed, and risk without compromising operational continuity or employee satisfaction.

Technology integration, often the cornerstone of value capture, becomes the leading cause of extended timelines and higher costs, with delays jeopardizing deals. A robust digital transformation framework centered on a zero trust architecture is essential to overcome these challenges.

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[1] Zscaler M&A Case Studies, 2023.

[2] EY, Study on M&A Integration Timelines & Costs, 2022.

[3] BCG, M&A Report: Transformational Deals, Statistics, 2022.

[4] McKinsey, Serial Acquirer TSR Advantage, 2022.

Zscaler M&A Integration:
A Transformative Approach

Zscaler's approach rethinks how organizations address the four critical pillars of PMI success: cost reduction, accelerated timelines, risk mitigation, and user satisfaction. Our unique zero trust architecture is the key: it decouples integration and transformation from each other so that organizations can provide secure system access on Day 1 and accelerate Day 2 cutover while working on rationalizations in parallel.

Value Capture Through Cost Optimization

COST SAVINGS:

Zscaler eliminates the need for traditional VPN concentrators and firewalls, cutting

integration–related infrastructure costs by at least 50%.[5] For example, integrating a target company with 10,000 employees and $3 billion in revenue could save as much as $24.5 million in one–time costs.[6]

REDUCED PERSONNEL COSTS:

Organizations using Zscaler report a 30—50% reduction in personnel hours required for technology integration tasks, freeing up valuable resources for transformational initiatives.
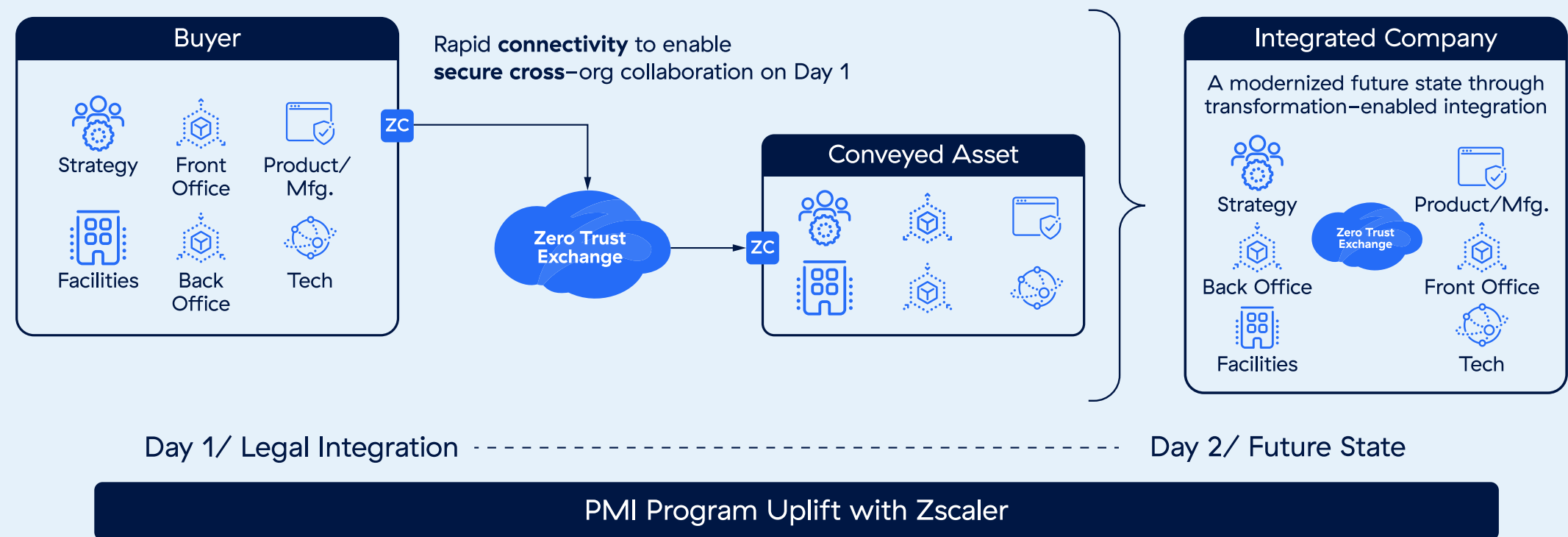
Accelerated Time–to–Value

FASTER INTEGRATION TIMELINES:

Cross–organization connectivity, a process that typically takes months, is reduced to a few weeks

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[5] Zscaler M&A Case Studies, 2023.

[6] EY, Industry Benchmarks for PMI Costs, 2023.

Buyer
Strategy · Front Office · Product/Mfg.
Facilities · Back Office · Tech

Rapid **connectivity** to enable **secure cross**–org collaboration on Day 1

ZC → Zero Trust Exchange → ZC

Conveyed Asset

Integrated Company
A modernized future state through transformation–enabled integration
Strategy · Zero Trust Exchange · Product/Mfg.
Back Office · Front Office
Facilities · Tech

Day 1/ Legal Integration - - - - - - - - - - - Day 2/ Future State

PMI Program Uplift with Zscaler

with Zscaler,[7] achieving at least a 50% timeline reduction compared to traditional infrastructure approaches. Amplifon, a Zscaler customer, reported a 90% acceleration in integration speed, enabling cross–company connectivity in just three days.[8]

REVENUE SYNERGIES:

Fast–tracked connectivity accelerates operational readiness and allows organizations to unlock revenue synergies earlier.

Enhanced Risk Mitigation

CYBER RESILIENCE:

PMI phases are prone to data breaches, with potential to reduce deal value significantly. Yahoo lost $350 million on its acquisition price by Verizon after a data breach exposed 3 billion user accounts before the deal's closing.[9] Zscaler takes a comprehensive approach to mitigate such risks:

- **Zero trust access and cybersecurity** enhances protection by limiting the attack surface and securing remote/hybrid workforces.

- **Data protection and data loss prevention** provides effective measures to protect intellectual property via inspection and encryption of traffic.

- **Real–time monitoring and AI–powered risk detection**, powered by the world's largest

security cloud, find and neutralize anomalies before they escalate.

- **Regulatory adherence** provides assurance to compliance efforts with global and local data standards, avoiding penalties.

Improved Workforce Productivity and Retention

Research shows that 47% of employees leave within the first year post–merger, and up to 75% within three years,[10] with delayed system access as a major pain point, contributing to high attrition rates during M&A.

By granting secure system access in days rather than months, Zscaler reduces integration friction, stabilizing morale and productivity. Guaranteed Rate, a Zscaler customer, noticed their users accessed applications two to three times faster after switching to Zscaler.

Quantified Value Across Dimensions

Zscaler delivers measurable results that directly impact deal success and long–term value realization:

- **Cost savings,** delivering up to $24.5 million in one–time cost savings for a company acquiring a workforce of 10,000 employees.[11]

- **Timeline acceleration,** reducing integration timelines by 50% or more to start value capture sooner.[12]

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[7] EY, Study on M&A Integration Timelines & Costs, 2022.

[8] Zscaler, Amplifon Case Study, 2023.

[9] Reuters, Yahoo/Verizon Case Analysis, 2018.

[10] EY, Report: Employee Retention Post–M&A, 2024.

- **Risk avoidance,** mitigating breach-related losses and reputational damages from incidents like Yahoo's $350 million pre-merger breach.

- **Productivity gains,** reducing technology integration workstream hours up to 50%, enabling reallocation of resources to high-value initiatives.[13]

Industry Success Stories

Zscaler's trusted technology has driven tangible success for enterprises worldwide:

- **Cost reduction:** A Middle Eastern tech firm saw annual infrastructure costs drop 55%.[14]

- **Faster integration:** Amplifon integrated acquisitions across geographies in just three days, unlocking revenue synergies within weeks.[15]

- **Enhanced resilience:** Organizations like MOL Group use Zscaler to mitigate geopolitical risk and maintain high security standards.[16]

The Bottom Line

Traditional perimeter security-based architectures lag behind when integrating complex global organizations, leading to increased budgets, prolonged timelines, and elevated cybersecurity risks. Zscaler's zero trust approach fundamentally redefines how organizations execute PMI, delivering faster, more cost-effective, and more secure integrations.

Next Steps

Prepare your organization for sustainable growth and resilience. Partner with Zscaler to achieve modernization-driven integrations that save millions in infrastructure costs, drive risk-free transactions, and enhance employee productivity. Reach out to the Zscaler team to start transforming how your organization executes on its M&A strategy.

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[11] EY, Industry Benchmarks for PMI Costs, 2023.

[12] EY, Study on M&A Integration Timelines & Costs, 2022.

[13] EY, Study on M&A Integration Timelines & Costs, 2022.

[14] Zscaler M&A Case Studies, 2023.

[15] Zscaler, Amplifon Case Study, 2023.

[16] Zscaler, MOL Group Case Study, 2023.

⚡ zscaler™

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