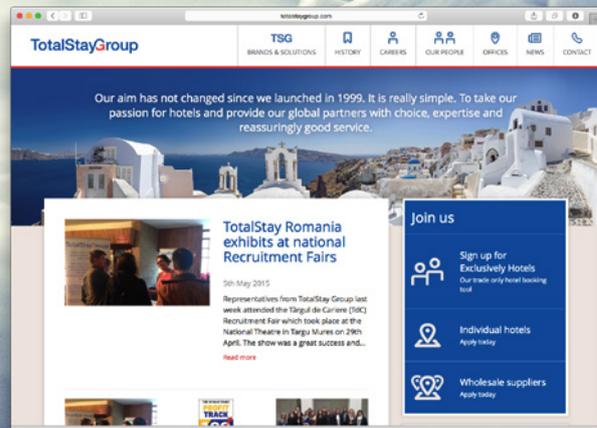


# CG Consultancy engaged by Vitruvian Partners for technology due diligence

Before JacTravel's takeover of TotalStay Group, CG Consultancy carried out a full technology due diligence review and provided advisory services.



## The Companies

JacTravel's 240 staff provides online bookings for over 12,500 hotels and inbound travel services. Founded in 1975, with turnover of £165m in the financial year to October 2014.

Accommodation provider TotalStay Group launched in the UK in 1999 and its rapid growth saw it quickly reach a 2014 turnover of over £160m from its 240 staff.

Vitruvian Partners is an independent private equity firm which specialises in middle-market buyouts, growth buyouts and growth capital investments in the United Kingdom and Northern Europe. Its second fundraising fund reached its self-imposed £1bn cap in 2013.

## The Requirement

TotalStay was an acquisition target of JacTravel, a portfolio client of Vitruvian, but part of the acquisition process for such a large deal (two companies with nearly 500 staff and £320m+ turnovers between them) required thorough technology due diligence.

# The Solutions

CG Consultancy carried out a complete technology due diligence review to cover the following areas:-

- What technology tools, architecture, infrastructure and hosting options are in place? How effective are they, what costs are involved and what scope is there for improvement?
- Software development: what is done in-house, what is outsourced? Which methodologies are followed, along with observations and best practice recommendations.
- Outsourcing quality and capability: can it be done more effectively?
- IT Service Management: what policies, process and plans are in place? How will they synergise with existing JacTravel systems? Assessment of information security, backup and disaster recovery.
- IT Expenditure and investment: what are the costs (capex and opex) of the current platform and associated systems? Are the potential savings or is further investment required? Future projections of 1, 3 and 5 yr platform costs following consolidation.
- IT Organisation: who does what in each office location? Are there key man dependencies? Summary of staff skills and costs.
- Reporting: evidence of what is carried out already, and what is lacking? What do we need to know that we can't easily find out?
- Overview of business systems, processes, 3rd party systems and integrations
- Review of internal roadmap, product development, backlog: are there projects behind schedule? What are the potential implications of missed deadlines?
- Summary of risks, weaknesses and recommendations from CG Consultancy
  - Supporting "reliance letters" for buy- and sell-side lawyers and financiers.

CG Consultancy also assessed the synergies between JacTravel and TotalStay Group to identify the IT fit and the possibilities for consolidation of the platforms, considering the short-, medium- and long-term costs and potential ROIs.



"Vitruvian Partners have used the services of CG Consultancy to assess the technology capability of several of our investment opportunities. Most recently they carried out full technology due diligence of TotalStay Group, prior to their acquisition by JacTravel in March 2015. The insight of their assessment and subsequent due diligence report was a key component of the deal process and helped us conclude the transaction swiftly and effectively. We felt they offered robust and dependable advice, working as an intrinsic part of the larger deal team we put together - and we wouldn't hesitate in using their services again."

Ben Johnson, Partner – Vitruvian Partners LLP

“Chris and his team at CG Consultancy have supported JacTravel’s technology strategy since 2014, providing consultancy along with development and technology resource to assist with internal IT projects. We engaged CG Consultancy to carry out thorough due diligence of the tech platform ahead of our recent successful acquisition of TotalStay Group, a £160m online hotel accommodation provider to wholesale, retail and consumer markets. I look forward to working with them in the near future as we define the overall tech strategy for the new enlarged group of companies, looking for efficiencies and synergies as the technology platforms are consolidated.”

Terry Williamson, Group CEO - JacTravel and TotalStay Group

## The Results

CG Consultancy joined the deal team in January 2015, consisting of Livingstone Partners, BDO, Reed Smith LLP, SJackson Consultancy and Elman Wall Bennett, and worked directly with the deal team advisors as well as JacTravel CEO Terry Williamson, IT Director John Ames and TotalStay IT Director Richard Davis and associated technology suppliers.

JacTravel successfully acquired TotalStay Group following the advisory reports of its partners, including CG Consultancy’s technology due diligence, in March 2015.

CG Consultancy continue to offer advisory and due diligence services to both Vitruvian and JacTravel, with new acquisition prospects being assessed in Europe. Additionally we are assisting with in-house technology projects in the software development and infrastructure / hosting space.