

NeuEon's Comprehensive Due Diligence Findings Ensure DirectPath's Investment Pays Off

NeuEon tapped to gauge the technical strength and core capabilities of a target acquisition in the healthcare space

DirectPath is an industry leader in employee engagement, health care transparency and compliance for Fortune 1000 employers.



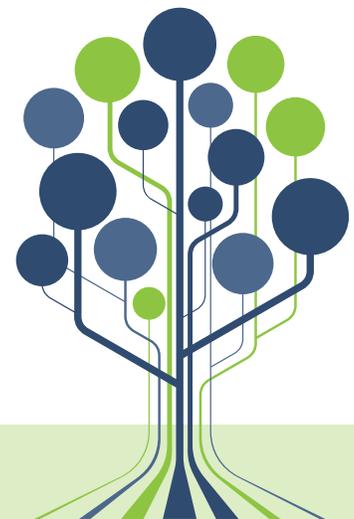
The Need for a Technical Perspective

DirectPath, a portfolio company of private equity firm Century Equity Partners, was considering an acquisition of Patient Care, a top health care advocacy and transparency company based in Milwaukee. DirectPath was intrigued by Patient Care's offering, which was used to manage more than 1.6 million members across the country. After identifying Patient Care as a promising company with tangible value propositions, DirectPath sought to learn more about its underlying technology, including the company's technical strength and core capabilities. They realized the need for a deep dive into the Patient Care technology strategy and tapped NeuEon to provide an in-depth technical review.

"We were impressed with NeuEon's due diligence process from the start," said Michael Byers, Executive Chairman of DirectPath who worked closely with the NeuEon team. "We also appreciated their approach from a software development perspective and not simply from an IT perspective."

NeuEon leveraged its extensive software and product development background to provide a thorough and systematic view of the Patient Care technology and infrastructure. Relying on its senior team of CTOs and CIOs, NeuEon was able to identify specific weaknesses in the current platform, formulate a strategy and help DirectPath better prepare for its growth and profitability goals.

"NeuEon knows software," added Byers. "They know the space, so they were able to identify critical items and problem areas that could be fixed immediately, and ones that we could prepare for down the road."



The People, The Process and The Platform

NeuEon began the engagement by performing a rapid technology assessment which involved a detailed evaluation of the people, the process and the technology platform associated with the potential acquisition. NeuEon looked at the background and experience of team members, their skill and how they performed together. They also looked at the development, quality assurance and production deployment processes, as well as the platform architecture.

“Our job is to help our PE partners uncover opportunity, avoid risk and maximize the ROI across their portfolio,” said Peter Karlson, Founder and CEO of NeuEon. “Knowing what you’re getting into from day one helps you make smarter decisions about a deal, and what you can expect when operating a company after the deal closes.”

NeuEon was able to uncover specific red flags and risk, and provided prescriptive advisement to address the issues identified. NeuEon’s technology due diligence is based on a proprietary, repeatable and scalable methodology, which allows private equity firms to employ a systematic approach to the technology portion of diligence. The four-week project culminated with NeuEon presenting a scorecard to outline important areas of strength and weaknesses that were identified during the evaluation.

“It’s absolutely critical to ensure the quality and compatibility of a potential acquisition,” added Karlson. “Our goal was to provide the recommendations and analysis from a tech perspective to assist DirectPath in their overall decision making.”

After the evaluation, DirectPath moved forward with the acquisition of Patient Care, finding the company’s suite of services a natural complement to its existing services. Through the acquisition, DirectCare has been able to scale Patient Care’s services to benefit far more companies and employees. Today Patient Care ranks as the nation’s leading health care advocacy company working to help individuals across the country better understand the health care system.

KEY TAKEAWAYS

NeuEon’s comprehensive due diligence assessment, coupled with real-world experience, enabled DirectPath to gain complete insight into the Patient Care technology. By providing an objective, strategic and systematic approach based on best practices, NeuEon has created a repeatable model for DirectPath technical audits moving forward.

“We work regularly with NeuEon,” added Byers. “We keep them on speed dial.”

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About NeuEon

NeuEon is a boutique consulting company focused on combining strategic technology transformation with practical implementation. For over a decade, the company has delivered measurable results for a wide roster of clients from start-ups to enterprise, with specialized services for the investor community. NeuEon’s team of senior-level leaders with deep business and technology expertise apply proven methodologies and processes to enable clients to reach their objectives.