

# How technology has become a growth driver

Transcript

**SPEAKERS:**

Wade Kruse, National Managing Partner, Advisory Services

Sonny Origitano, Managing Director, Strategy and Transactions

Derek Han, Principal, Cybersecurity

**WADE KRUSE:** Hello, I'm Wade Kruse, National Managing Partner of Advisory Services at Grant Thornton. I'm excited to continue our growth series, and with me today are a couple of gentlemen who will be talking about technology and cyber considerations impacting growth for our clients. With us today, Sonny Origitano, Managing Director in Strategy and Transactions, and Derek Han, Principal, Cybersecurity. Thanks for coming, guys.

So I want to talk a little bit about technology, a little bit about cyber. How have views on technology and cyber changed over the last decade in terms of considerations for growth?

**SONNY ORIGITANO:** I'd say traditionally we would have seen IT [mostly] as a back-office function, pretty much looking at nothing but applications and organization structure. What we see today now is a lot with cybersecurity and tech platforms. IT isn't just a back-office function but it's starting to become more of a growth driver for businesses. Companies are now contemplating looking at buying organizations and businesses that have tech already enabled so they can reach out to customers, suppliers, vendors, and so the technology aspect becomes more important than just the back office. And with all of that technology, cybersecurity plays a large role because you now have data and you now have the potential for cyberattacks, ransomware, etc. So all these things are starting to change what we look at from an IT perspective when we do diligence in a transaction. So as you think about the cybersecurity aspect, we work a lot with Derek's group when we're doing diligence to look at all the cybersecurity aspects of a deal.

**DEREK HAN:** Yes, Sonny, similar to the technology, looking back to 10 years ago I would think that cyber at the time was a more optional item from a diligence perspective. But today, it's core to what we do. In transactions, in due diligence studies and so on and so forth, cyber is essential as a part of a technology transaction and as part of a business transaction.

**WADE KRUSE:** Would you say technology, including cyber, is a driver of growth or an enabler of growth?

**SONNY ORIGITANO:** I would say technology is an enabler of growth. Again, you have to pair the business with the right folks from the technology side to drive the business and drive the growth, so it enables it, but you also have the business side which is helping to drive that market consideration.

**DEREK HAN:** I would think, Sonny, that there'd be a little more debate about that. I think for certain industries, certain deals, technology is a driver of business. We have a lot of clients buying technology and buying platforms that are really the core that is driving the growth. It's not only an enabler, but it's also driving the future revenue channels.

**WADE KRUSE:** In what types of industries do you see that as a driver?

**DEREK HAN:** It's really cut across industries. If you look at the financial sector with cryptocurrency, at the healthcare sector, a lot of companies are buying those technology platforms and applications to enable the customer acquisition and business acquisition, so it's really cut across industry sectors.

**SONNY ORIGITANO:** You do raise an interesting point, Derek, in that the speed to market if you look at a tech platform company versus the build, there is definitely speed to market when they do that.

**DEREK HAN:** You can even look at the manufacturing sector. There is a lot of manufacturing in the cloud, by cloud and designed by cloud. All these are enabled in support of technology, so I think it's really essential for all the industry sectors that we're talking about today.