

The Questions You Need To Ask During Due Diligence

PDC Energy Spotlight



Mergers, acquisitions or divestitures often leave records managers challenged with the monumental task of integrating new records collections into an existing RIM program. Knowing the right questions to ask during the due diligence process is key to having a records collection integration go smoothly and avoiding the potential arrival of hundreds, if not thousands, of boxes of records that must then be reviewed, organized and incorporated into your existing office space.

Jill Cypher of Denver-based **PDC Energy** is a seasoned professional with a strong track record of experience in mergers, acquisitions and divestitures. She recently shared her tips with TAB for managing a records collection through due diligence.



“Get involved in the deal early,” says Jill. “Liaise with your business development team, whether you are selling or acquiring assets, and ask to be connected to your counterpart in the other company involved in the deal.”

Next, get to work asking questions so you can prepare for the incoming collection if acquiring, or ensure that your collection is complete and properly organized, if divesting. Jill highly recommends a start-up meeting between the records teams. Refer to the following list of questions to help create the roadmap for integration.

 **Take inventory of the current collection so you understand the volume and type of files you are receiving and can make the necessary preparations.**

- What type of files are part of this collection? Are there physical records, digital files or a combination of both?
- Is there an accurate document checklist for the physical and/or digital files?
- Can you clarify the types of files in the collection such as well, production and land files?
- What is the actual volume of files by Banker's box or linear inches?

 **Understand how a company organizes their documents, both physically and digitally. Ask for a filing guide that outlines how each document is categorized/indexed within each file set, including physical and digital leases, contracts and titles files.**

- How are files named?
- Are there files in this collection that are from previous acquisitions?
- What is the timeframe for newly acquired leases and contracts to be converted to your filing nomenclature?
- Are there specific time frames where one methodology was used verses another?

 **Get specific about digital files and assets.**

- What is the age of the digital assets?
- What processing system (or tool) was used to convert physical to digital?
- How are images formatted, named, stored and tied back to files? Will they need to be re-imaged for integration?
- Has there has been parity kept between the company's digital/physical collections? How was this managed?
- How will we organize and receive any new files that are created or come in during the due diligence period?

Open communication throughout due diligence will make the transition much easier for all stakeholders involved, and will help to minimize risk for companies on the both sides the deal.

Adds Jill, "If you can demonstrate the value you add by being involved early, you can become part of the process early on and this will make the integration much easier."

For more information on records management support during a merger, acquisition or divestiture, visit energy.tab.com.