

TREXIN CASE STUDY

HELPING INVESTORS MAKE BETTER DEAL DECISIONS

Trexin helped a private equity firm complete due diligence by quickly conducting a technology / IT assessment.

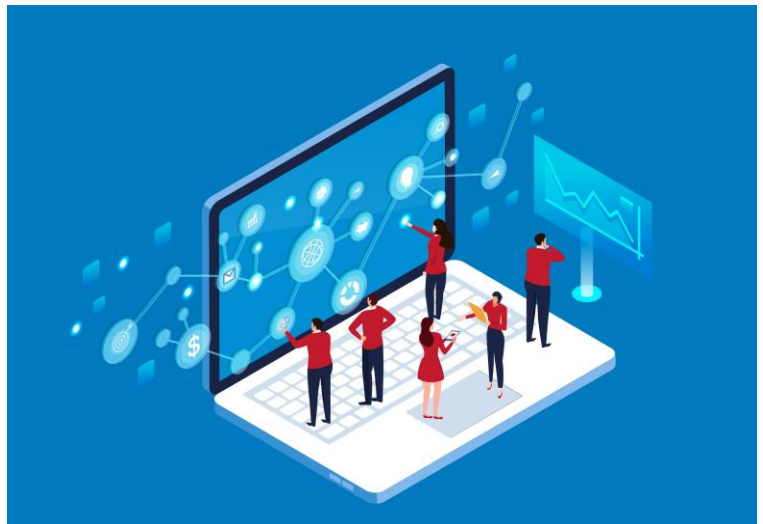
BUSINESS DRIVER

Successful venture capital and private equity placements are driven by rigorous deal discipline that guides the decision about when it makes sense to proceed with an investment. Our Client, a venture capitalist firm specializing in financial technology (FinTech) companies, was completing due diligence on a pioneering FinTech startup that created one of the first fully digital businesses for professionals to buy business insurance online. Projecting significant revenue growth potential, our Client sensed a strong investment opportunity and was inclined to move quickly, so they asked Trexin to provide an unbiased, 3rd-party assessment of the digital technology itself to fully vet the opportunity, determine the target's full potential, and provide a clear post-investment agenda.

APPROACH

Adhering to the adage “be quick, but don’t hurry”, Trexin applied a 4-step approach to this project, completed over a 2-week period:

1. Review company background and technology information from provided documentation
2. Conduct a 2-day onsite assessment of information technology systems and personnel
3. Analyze all information and seek clarification with key company personnel, as needed
4. Create a detailed findings report



This approach was facilitated by applying Trexin’s Technology Evaluation Framework, which guides assessment across 12 areas of measurement: scalability, flexibility, risk, maintainability, complexity, interoperability, localizability, security, performance, multi-tenancy, infrastructure footprint, and cost. A full code review was not in scope, but sample code reviews, application demonstrations, and technical discussions allowed assessment of system architecture, objects/components, database, interfaces, messaging, application design, and coding practices.

RESULTS

In addition to a concise scoring summary across the 12 assessment areas supported by technical component analysis details, Trexin provided 7 specific recommendations if an investment were to be made. This assessment completed the due diligence process by providing a deeper understanding of digital platform costs, risks, and likely next steps. Our Client decided to proceed with the deal, the sole Series A investor. 5 years later they drove a \$30M Series B round, and 10 years after their initial investment the company had grown to the largest online insurance marketplace for small businesses in the US, licensed in all 50 states, managing over \$400M in annual premium, with expanded service for retail clients and support for banks, brokerages, and insurance companies through a wholesale offering.

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