



# Zscaler for Private Equity: Buy Side Carve-out Stand-ups

Carve-outs, where companies choose to spin out non-core business segments, are increasing in popularity among Private Equity led buy-side transactions. These transactions are inherently complex on both sell-side and buy-side but provide superior value creation opportunities for buyers and sellers. The unique challenges to separate and stand-up the business including people, processes & technology also offer opportunities to streamline newly created business functions, take a “cloud first” approach and define a “fit for purpose” organization. IT plays a critical role – shapes the new company, sets a foundation to “future proof” technology needs, makes employees productive and propels the business growth with effectiveness & efficiency. Zscaler offers a unique solution that optimizes the IT infrastructure, network and security carve-out stand-up requirements. It provides a cost effective, scalable & reliable platform for modern applications, work from anywhere needs and superior user experience that continues to grow with the business.

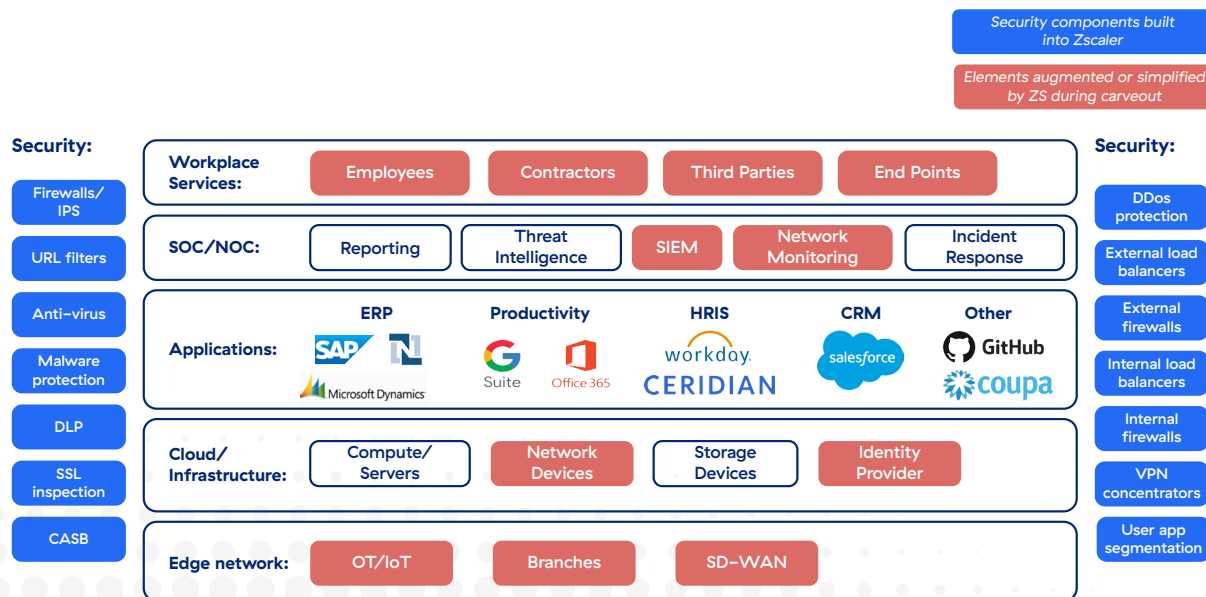
## Challenges

- Significant entanglements across applications, data, IT infrastructure, network and security
- TSA scope, coverage, & SLAs may impact NewCo business operations
- Prolonged TSA duration & inability to disentangle quickly drives higher operating costs for buyer
- NewCo infrastructure procurement could be delayed & incur high one time costs

## Traditional Approach

- Lengthy TSA negotiation process typically with higher costs & recommended “clone & go” approach
- Procure, “rack and stack,” configure & set-up the components (e.g. MPLS, firewalls, routers, switches)
- Elongated time & IT resources required to integrate disparate infrastructure, network and security components
- Dismal user experience during user migration off of RemainCo into NewCo environment

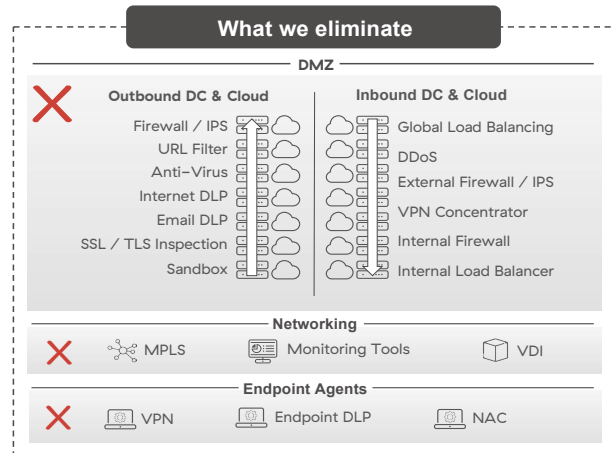
## Zscaler Carve-out Stand-up – A Platform Approach



## 1 Simplify solution & optimize IT infrastructure, network and security

With Zscaler, the NewCo can secure users, applications, data, and workloads quickly by leveraging a cloud native platform approach. This eliminates the need for procurement of appliances and point solutions while providing security on day one.

- **Outbound DC & Cloud** – Protect users going out of the internet and SaaS Applications with SWG and full SSL inspection, while leveraging DLP solutions to protect data
- **Inbound DC & Cloud** – Secure internal applications and reduce the complexity of setting and managing multiple VPNs
- **Networking** – Eliminate MPLS, monitoring tools, and VDI for newly created company
- **Endpoint Agents** – Eliminate multiple agents e.g., VPN, NAC, EndPoint DLP



**40%** Reduction in one-time stand up costs and ongoing run rate costs

## 2 Reduce one-time & run-rate costs while accelerating TSA exit

Reduce skill demand – administer and operate vs. engineer the separation

- Reduce duration and cost of transition services agreements (**TSAs**) with lower IT overhead
- Stand up branch offices quickly and securely through **ZTNA branch connectors** without MPLS
- The Zscaler **application discovery process** provides the buyer with a more clearly defined application catalogue for NewCo and reduces TSA scope

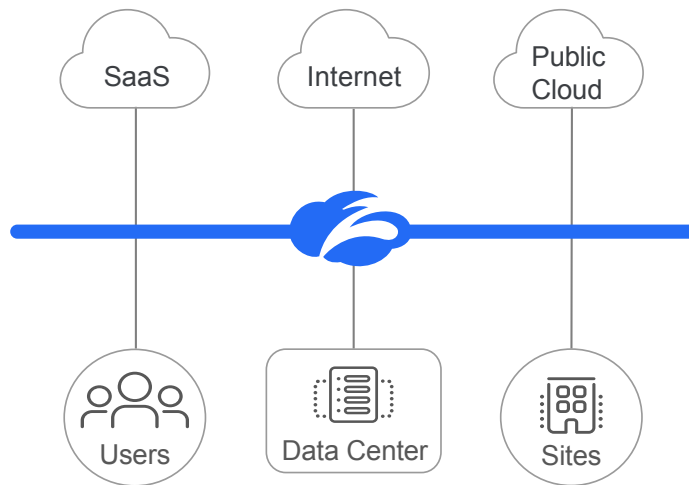
**50%** Acceleration of TSA exits and simplification of TSA scope

### 3 Future-proof the NewCo while mitigating & controlling risks during transition period

Raise security levels and posture with a common security policy

- Align commercial terms with **exit strategy** to keep costs flat with stable run rates
- Control **cybersecurity threats** and avoid connecting undisclosed device and network resources
- Reduce risk of NewCo users from traversing RemainCo network **beyond required application access**.

An innovative approach to securing and accessing data, apps and systems



>100

Broad spectrum of technology partners to integrate & accelerate standup

### 4 Improve user experience & drive business agility

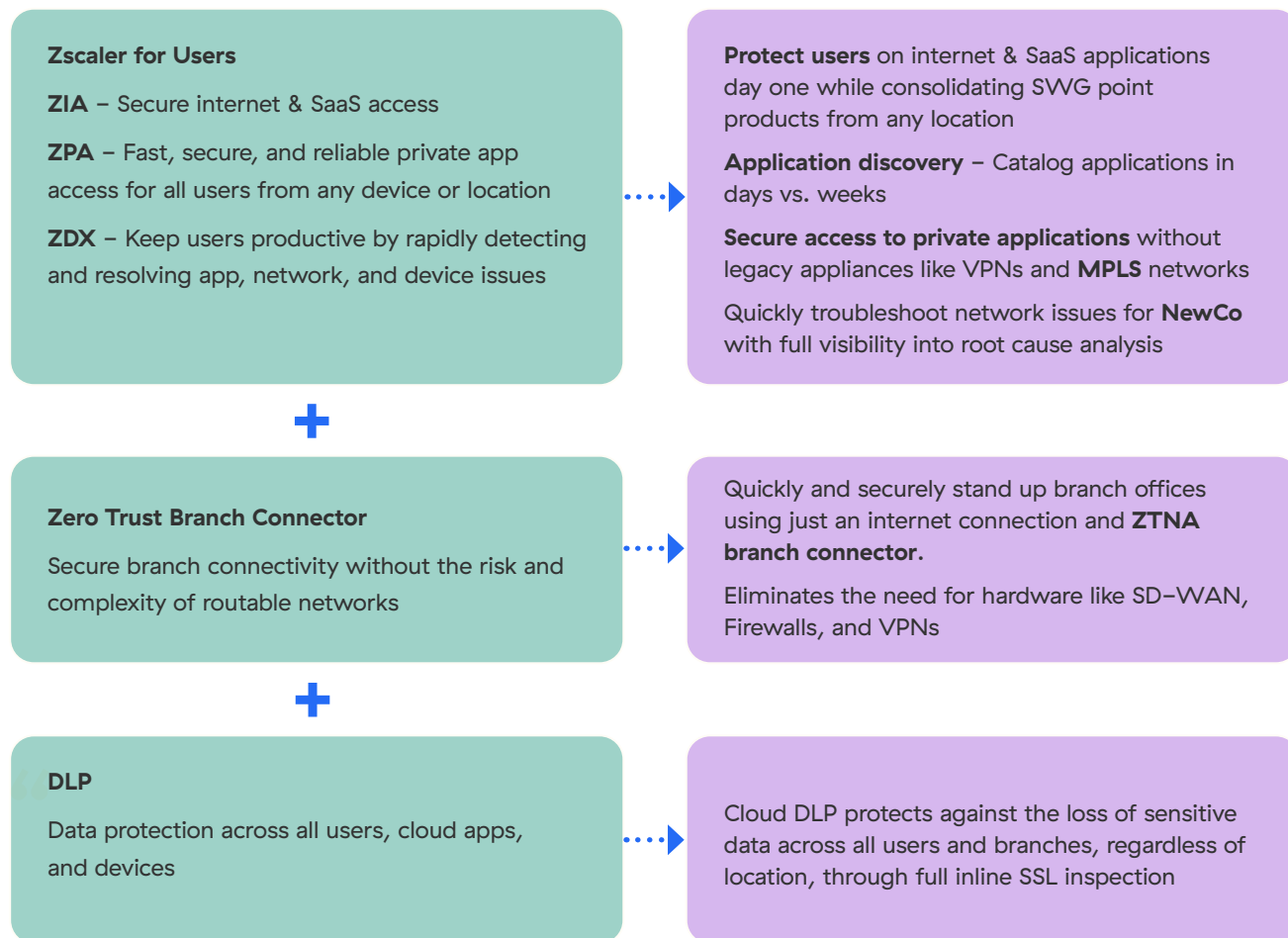
Enable higher M&A transaction volume & velocity with superior user experience

- Leverage a cloud-first **security stack that scales** as the company grows
- Disentangle business and technology dependencies more rapidly to improve **end user experience**

30%

Reduction in operational complexity due to automation and dedicated professional services & SI partner team

## Zscaler Solution Alignment



## Summary

Carve-out stand-ups are time sensitive and require inherent focus to balance the dependency on the parent company while creating self-sufficiency in NewCo business operations. It is crucial to identify approaches to minimize TSA, one-time and run-rate costs, enable rapid and secure stand-up while maximizing limited resources and optimizing NewCo business operations.

It may seem daunting to drive the separation and stand-up concurrently but with the modern technology landscape including cloud native applications, cloud infrastructure, optimized network solutions and cloud native zero trust security, the choice of the right technology tools future proofs the new company ensuring its ready to scale and adapt to changing circumstances. Zscaler offers unique capabilities to not only support the enterprise security needs but also enhances application, network, and infrastructure transformation.



### About Zscaler

Zscaler (NASDAQ: ZS) accelerates digital transformation so that customers can be more agile, efficient, resilient, and secure. The Zscaler Zero Trust Exchange protects thousands of customers from cyberattacks and data loss by securely connecting users, devices, and applications in any location. Distributed across more than 150 data centers globally, the SASE-based Zero Trust Exchange is the world's largest inline cloud security platform. Learn more at [zscaler.com](https://zscaler.com) or follow us on Twitter @zscaler.

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