SIG M&A Software Analysis Reveals Concerning Trends In Software Quality

NEW YORK, NY, USA, June 10, 2024 /EINPresswire.com/ -- The Software Improvement Group (SIG), the leading independent institute specializing in software health analysis, has significant concerns about the quality of software involved in mergers and acquisitions (M&A). Out of 531 M&A-related software projects analyzed, SIG found that the average software quality scores were significantly below the market average. This implies that companies face two times lower development efficiency and a considerably higher risk of defects and vulnerabilities.

Key Findings:

- Quality Scores Below Market Average: The study revealed that software involved in these transactions often lags behind industry standards, presenting substantial risks for acquirers.

- High Technical Debt: On average, technical debt constitutes 31% of the total code volume, indicating severe underlying issues in software maintainability and scalability.

- Informed Investment Decisions: Companies that utilized SIG's software economics methodology were able to make strategic investments to mitigate these technical debt challenges effectively.

SIG possesses unparalleled expertise and resources to assess the build quality, scalability, and security of software assets. With the world's largest software metrics database, encompassing an impressive 200 billion lines of code and 18,000 system inspections spanning over 300 technologies, SIG provides comprehensive evaluations that stand as a testament to our unwavering dedication to creating a healthier digital world.

Luc Brands, CEO of Software Improvement Group: "At SIG, we believe private equity firms are not as in control as they could and should be. Through software economics, we ensure thorough code analysis, benchmarking, architecture investigation, and cost modeling. This approach guarantees clarity regarding the true scalability of acquired assets."

To further facilitate this conversation, Software Improvement Group and Carnegie Mellon University (CMU) will be hosting a webinar titled "Software Economics for Private Equity: How to Evaluate the Quality and Value of Software Assets" on June 27th. The webinar will provide private equity companies with insights into the importance of software asset valuation. Private equity

firms are invited to join the webinar to gain valuable knowledge and insights from industry experts.

In conclusion, software assets represent a significant opportunity for private equity firms to drive value creation. By embracing advanced software economics and leveraging SIG's expertise, private equity firms can make informed decisions that maximize returns and mitigate risks in their software investments.

For more information about SIG and to register for the upcoming webinar, please visit Software Improvement Group's webinar page.

For the full report, visit: https://www.softwareimprovementgroup.com/wp-content/uploads/2023-SIG-Benchmark-Report.pdf

About SIG
Software Improvement Group (SIG) leads in traditional and AI software quality assurance, empowering businesses and governments worldwide to drive success with reliable and robust IT systems. Sigrid® - its software excellence platform - analyzes the world's largest benchmark database of over 200 billion lines of code across more than 18,000 systems in 300+ technologies, and intelligently recommends the most crucial initiatives for organizations. SIG complies with multiple ISO/IEC standards, including ISO/IEC 27001 and 17025, and has co-developed ISO/IEC 5338, the new global standard for AI lifecycle management.
SIG was founded in 2000 and has offices in New York, Copenhagen, Brussels, and Frankfurt, and is headquartered in Amsterdam.

Sigrid®, together with expert consultants, and nearly 25 years of industry-leading research, position Software Improvement Group as the foremost authority on software excellence.

For more information, please visit Software Improvement Group's website or social media channels.

Ciara Appelbaum
Software Improvement Group
ciara.appelbaum@softwareimprovementgroup.com
+1 917-498-3276
Visit us on social media:
Facebook
X
LinkedIn
YouTube

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