



INTRALINKS

I need a what?

How to help your client select a virtual data room

The outcome of an M&A transaction can be life-changing, often marking an entirely new chapter for a company, its leaders and employees. As a trusted advisor to your client, you play a multi-faceted role — counselor, analyst, guide, educator and advocate. While you may have conducted tens or even hundreds of deals in your career, you recognize that this may be the most significant business transaction of your client's life.

And as much as your client likely has strong opinions regarding certain aspects of the deal — valuation, potential buyers, company positioning — it's unlikely they've given much thought to the mechanics of the deal process. They know they need to provide volumes of material for due diligence but have never been involved in evaluating the alternatives to securely store and share confidential deal data. So it often falls to you, their advisor, to help them pick a virtual data room (VDR) provider.

Before you delve into the VDR landscape with your client, you may need to explain the product category, and how a VDR differs from a more general cloud storage solution. It may seem convenient to your client to leverage their enterprise storage platform, but these tools lack the security, granular permissioning, Information Rights Management (IRM) capabilities and analytics of a VDR, as well as features built to facilitate transaction-specific needs, like redaction and Q&A.

Once you understand your client's goals with their VDR, you can review the core considerations in selecting the right VDR provider.



SECURITY

There is nothing more critical than data security. Look for core certifications to ensure data privacy, like ISO 27701, as well as a willingness to undergo a 3rd-party security audit and provide transparency regarding performance on past audits.



FUNCTIONALITY

Look for features that can assist in the more arduous due diligence tasks, like integrated redaction to protect confidential data and Q&A to manage the deluge of questions from various counterparties.



SERVICE

The client service experience can be the key difference in an engagement, so look for a dedicated Customer Success contact with deep experience who is accessible 24/7. Also check for ancillary services like translation to simplify your vendor panel.



ONBOARDING

Getting started can be overwhelming for your client, so make sure that the provider allows contract-free deal preparation, has the ability to accommodate bulk document uploads and is willing to assist you if you lack the capacity to get it done yourself.



EASE OF USE

Your client will likely interact with the data room, so ease of use with minimal training is a non-negotiable. Your own familiarity with a platform is important here as well.



STABILITY

You want a provider that exhibits financial stability and longevity, as well as a platform with guaranteed uptime.



COST

While the VDR is a very small component of overall transaction costs, of course your client wants to understand the differences among VDR providers. When presenting costs, make sure you include the impact of unanticipated time extensions and content growth, as well as the approach for special media pricing, which can often drive big differences between the initial estimate and final bill.



EXPERIENCE

While the VDR industry has existed for over two decades, there are providers who have very limited experience, often focused only on a particular industry or geography. Look for a VDR provider with depth of experience across diverse industries and involvement in large, complex transactions with multiple advisors.

Finally, to facilitate the comparison, you can provide a client with some content on their alternatives, highlighting feature and pricing differences. To assist in your efforts, we've prepared an editable PowerPoint template you can download [here](#).

Keep in mind, VDR providers are an extension of your deal team. As the person guiding your client to a decision, you want to ensure that the chosen provider reflects positively on you and contributes to deal success.