

INTEGRATING HEALTHCARE IT PLATFORMS INTO HARDWARE-CENTRIC MEDICAL DEVICE ORGANIZATIONS



Executive Summary

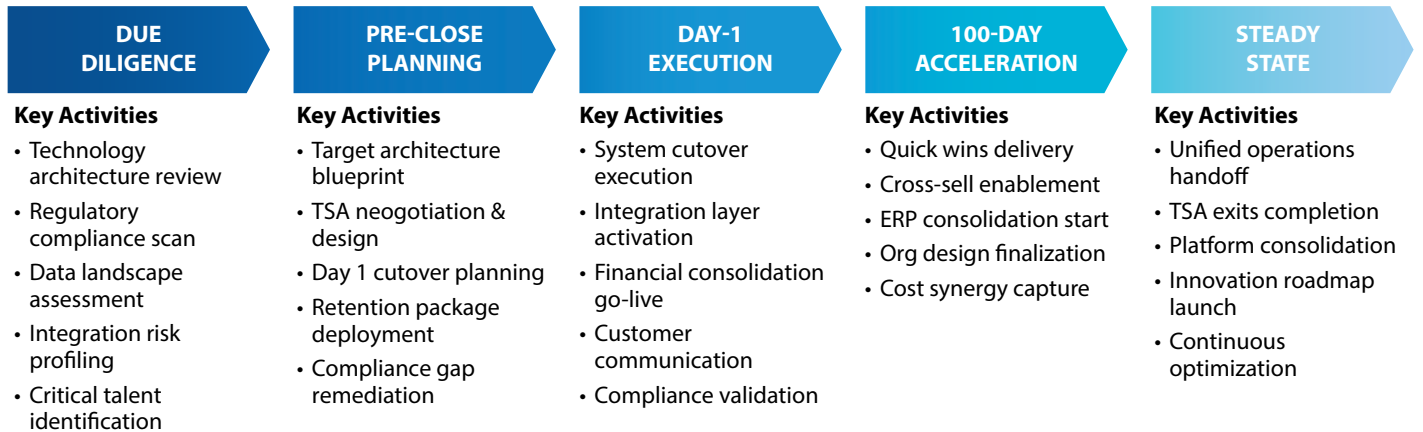
Device companies are buying software companies at a pace that would have been hard to imagine five years ago. Clinical communication platforms, AI-assisted surgical planning tools, sensor-based workflow systems. The acquisition thesis is sound: the future of medical devices is connected, data-rich, and software-defined. The integration execution, however, is where most of these deals fall apart. Only 14% of healthcare M&A transactions reach what anyone would call successful integration.

Here's how we approach integrating software-first acquisitions into hardware-centric MedTech organizations: what Day 1 actually requires, how to shorten the path from close to value capture, and where AI changes the integration math.

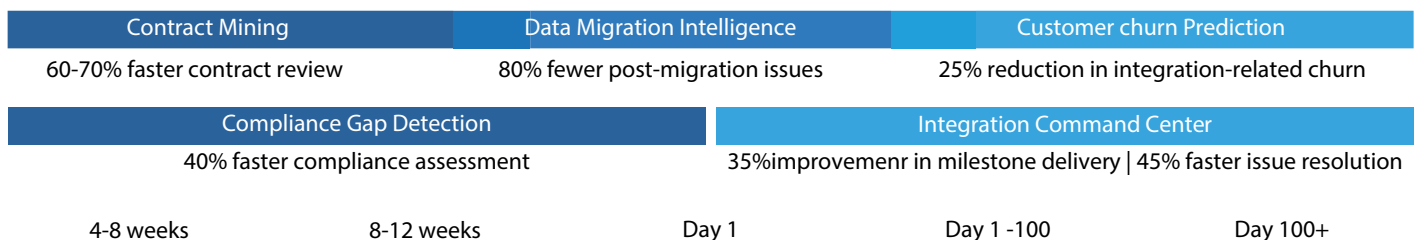


Integration Lifecycle

Five-phase chevron flow with AI accelerator activation timeline



AI ACCELERATORS



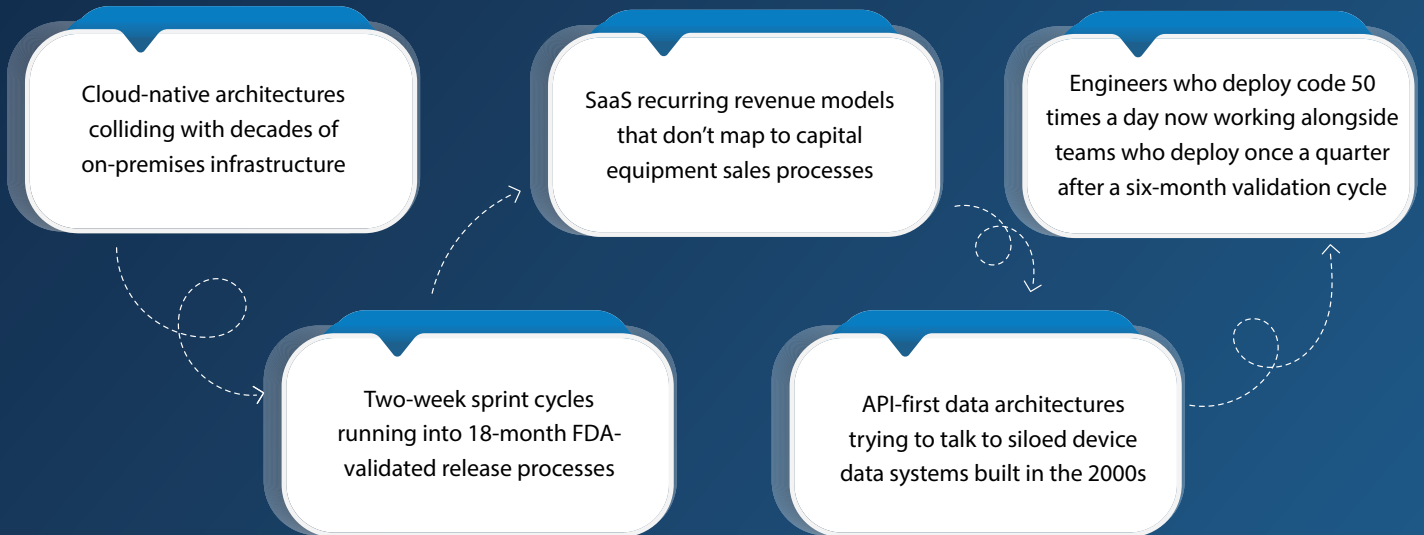
What Changed: Hardware Companies Buying Software

MedTech M&A used to be straightforward. An orthopedics company buys another orthopedics company. The products are similar, the sales channels overlap, and the quality systems speak the same regulatory language. Integration was hard, but it was familiar.

That playbook doesn't work anymore. The deals that matter now are cross-domain: a \$15 billion implant manufacturer acquires a \$3 billion clinical communication platform.

A surgical instruments company buys an AI-powered ambient monitoring startup. These deals are driven by a real strategic logic—standalone medical devices are becoming commoditized, and the differentiation is moving to software, data, and connected workflows.

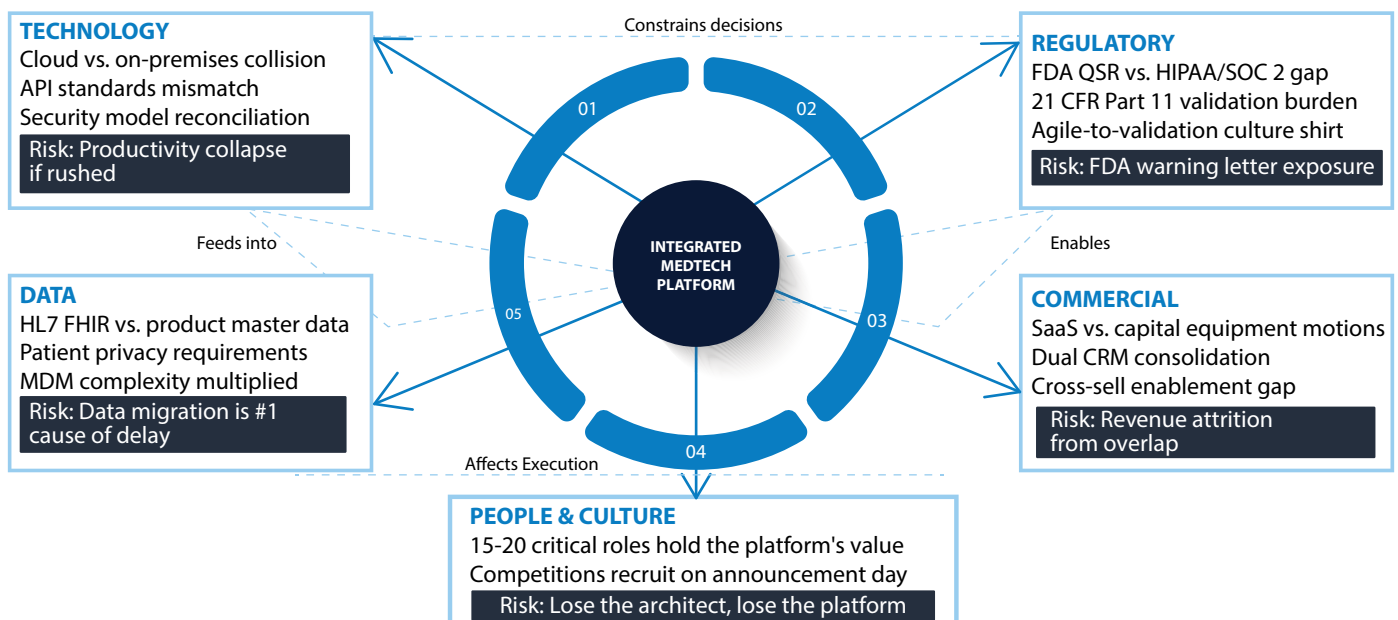
But when a device manufacturer acquires a software company, it inherits a set of problems that most integration teams aren't built to handle:



Get the integration wrong and the consequences go well beyond missed financial targets. You disrupt clinical workflows in hospitals that depend on your platform. You create compliance gaps that show up in your next FDA inspection. In the worst case, you're forced to divest what you just spent billions to acquire.

Five-Domain Integration Map

Hub-spoke diagram showing interdependent domains with risk callouts



Five Things You Have to Get Right

There are five domains you have to get right when integrating healthcare IT into a hardware-centric organization. None of them are optional. They interact with each other in ways that make sequencing decisions genuinely difficult, and getting one wrong can set back the other four.



Technology Infrastructure: Two Different Worlds

The problem: The acquired company runs on AWS or Azure. Everything is containerized, auto-scaled, and deployed through CI/CD pipelines. The acquiring company has SAP instances running on-premises, manufacturing execution systems that predate the iPhone, and a quality management system that took three years to validate.

Neither side is wrong. They built what their business needed. But now they need to work together, and the architectural gap causes problems everywhere. API standards are different. Data formats are different. Security models are different. Even the way teams think about uptime and deployment risk is different.

What we do: We build a target-state technology blueprint in the first 30 days. Not a PowerPoint. An actual architecture with defined integration points, data flows, and migration sequences. We stand up an integration layer that lets both environments coexist on Day 1 while the team works toward consolidation. This sounds obvious, but most integration teams skip the blueprint and go straight to firefighting.

Integration Layer: Day 1 vs. Target State

Layer	Day 1 (Keep It Running)	Target State (12-18 Months)
API Gateway	Middleware for the 5-10 critical data flows	Unified API management platform
Identity	Federated auth with SSO bridge	Single identity provider
Data	Point-to-point for must-have integrations	Enterprise integration bus
Infrastructure	VPN/Direct Connect between environments	Hybrid cloud on target architecture
Security	Extend perimeter to include acquired systems	Consolidated security operations center



Regulatory Compliance: The Part Everyone Underestimates

The problem: Device manufacturers operate under FDA QSR (21 CFR Part 820) and ISO 13485. Software companies, even healthcare-focused ones, usually operate under HIPAA, SOC 2, and ISO 27001. These frameworks don't map to each other. At all.

When the acquired software becomes part of a device ecosystem, it may need validation under 21 CFR Part 11 for electronic records and signatures. That means fundamental changes to how the software team develops, tests, documents, and releases code. The agile team that shipped daily now faces validation cycles that take months. Handle this wrong and you'll either kill the team's productivity or create a compliance gap that an FDA inspector finds.

What we do: We start with a gap assessment that maps the acquired company's actual practices against what the parent company's quality system requires. Then we sort everything into three buckets: what has to be fixed before Day 1, what can run on a TSA for 6-12 months, and what's a longer-term harmonization project. The critical distinction is between regulatory requirements and process preferences. Most integration teams conflate the two and end up over-engineering the compliance transition.



Data Architecture: The Hidden Integration Tax

The problem: Healthcare IT platforms move data constantly. HL7 FHIR messages to and from EHR systems. Real-time integrations with nurse call systems, patient monitors, and bed management platforms. The device company's data architecture was built for product master data, manufacturing batch records, and customer invoices. It was never designed for fast-moving clinical data.

Add patient data privacy requirements, clinical workflow data, and device telemetry into the mix, and master data management gets a lot harder, fast. You can't just merge two Salesforce instances and call it done.

What we do: We implement a federated data architecture. Each domain owns its data. We define clear contracts for how data moves between domains, build integration middleware that translates between standards, and set clear ownership so people know who's responsible for what. On Day 1, the critical data flows work. Post-Day 1, we expand the connections between systems step by step rather than trying to boil the ocean.



Commercial Integration: Two Sales Models, One Customer

The problem: The software company sells \$200K annual subscriptions through a 9-month enterprise SaaS cycle with customer success managers focused on adoption and renewal. The device company sells \$500K capital equipment through clinical specialists who spend half their time in operating rooms building surgeon relationships. These are completely different commercial motions with different CRM configurations, quoting tools, contract structures, and comp plans.

Without careful coordination, sales teams compete for the same accounts. Pricing strategies conflict. Customer data fragments across two CRMs. The cross-sell opportunity that justified the acquisition premium never materializes.

What we do: We work on three things at once. First, customer data consolidation so both teams see the same account. Second, coordinated handoff rules so the device rep knows how to pass a software opportunity and vice versa. Third, system integration across CRM, CPQ, and contract management. We get the single account view working by Day 1. The rest follows a sequence that prioritizes cross-sell enablement because that's where the revenue synergy lives.



People and Culture: Where Deals Actually Die

The problem: Software engineers expect modern tooling, continuous learning budgets, and equity compensation. Device company engineers are accustomed to structured project management, regulatory documentation, and traditional benefits. These aren't better or worse, but they're different enough to cause real friction.

The bigger risk: the acquired platform's value often lives in 15-20 people who built it. Lose the lead architect, the principal product manager, and two senior engineers and you've functionally destroyed what you bought. Competitors know this. They start recruiting aggressively the day the deal is announced.

What we do: We identify the 15-20 critical roles in the first week. Not a generic org-chart exercise, but a specific analysis of who holds the knowledge that makes the platform work. We build retention packages for those individuals before competitors have their first conversation. We also help the acquiring company understand which parts of the acquired culture are worth preserving and which need to change. The goal is to keep the people who built the platform productive while adding the governance and compliance discipline the combined organization needs.

What Day 1 Actually Requires

Day 1 is when the legal close happens. Customers expect everything to keep working. Employees need to know who they report to. The finance team has to book transactions across both entities. Regulators expect zero compliance gaps. This is not the day for ambiguity.

What Has to Work on Day 1

Critical Systems and What Can Go Wrong

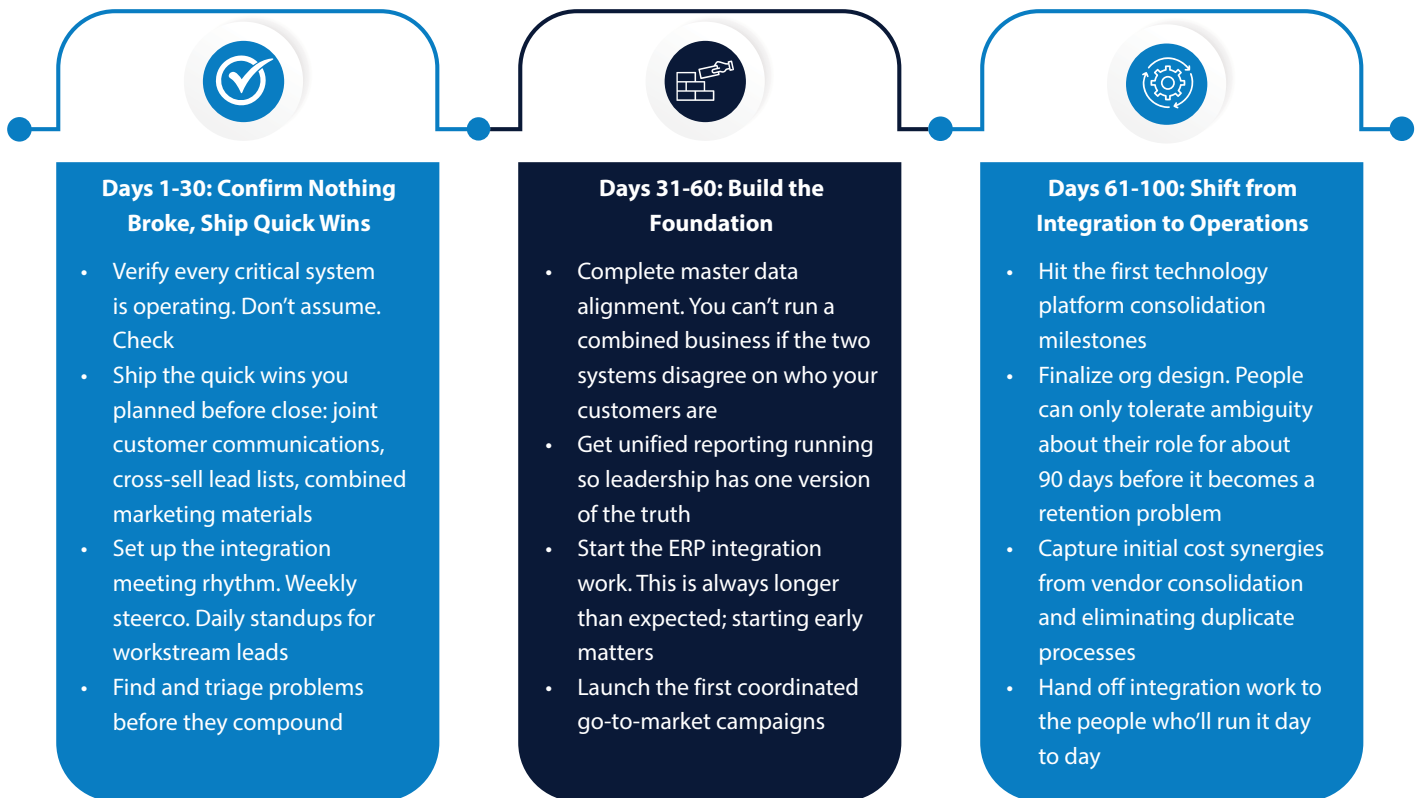
System	Day 1 Non-Negotiable	What Goes Wrong If You Miss It
Finance	Intercompany accounting works, consolidated reporting ready	Restatements, audit findings, SEC disclosure issues
HR/Payroll	Every employee gets paid correctly, benefits continue uninterrupted	Retention crisis within days, potential labor law violations
Customer Systems	Customers can place orders and reach support without disruption	Revenue loss, account defections to competitors
IT Infrastructure	Email works, networks connected, collaboration tools live	Productivity collapse, shadow IT takes root
Quality/Regulatory	CAPA system active, complaint handling uninterrupted	FDA compliance gap, potential warning letter

TSAs: Useful Tool, Common Trap

Transition Service Agreements are necessary. But poorly written TSAs become dependencies that are expensive to maintain and harder to exit than anyone expected at signing. We structure TSAs with specific exit criteria, milestone gates, and pricing that pushes both sides to transition efficiently. We also start exit planning on Day 1, not six months before expiration. That's the difference between a smooth handoff and a panicked scramble.

After Day 1: The 100-Day Value Capture

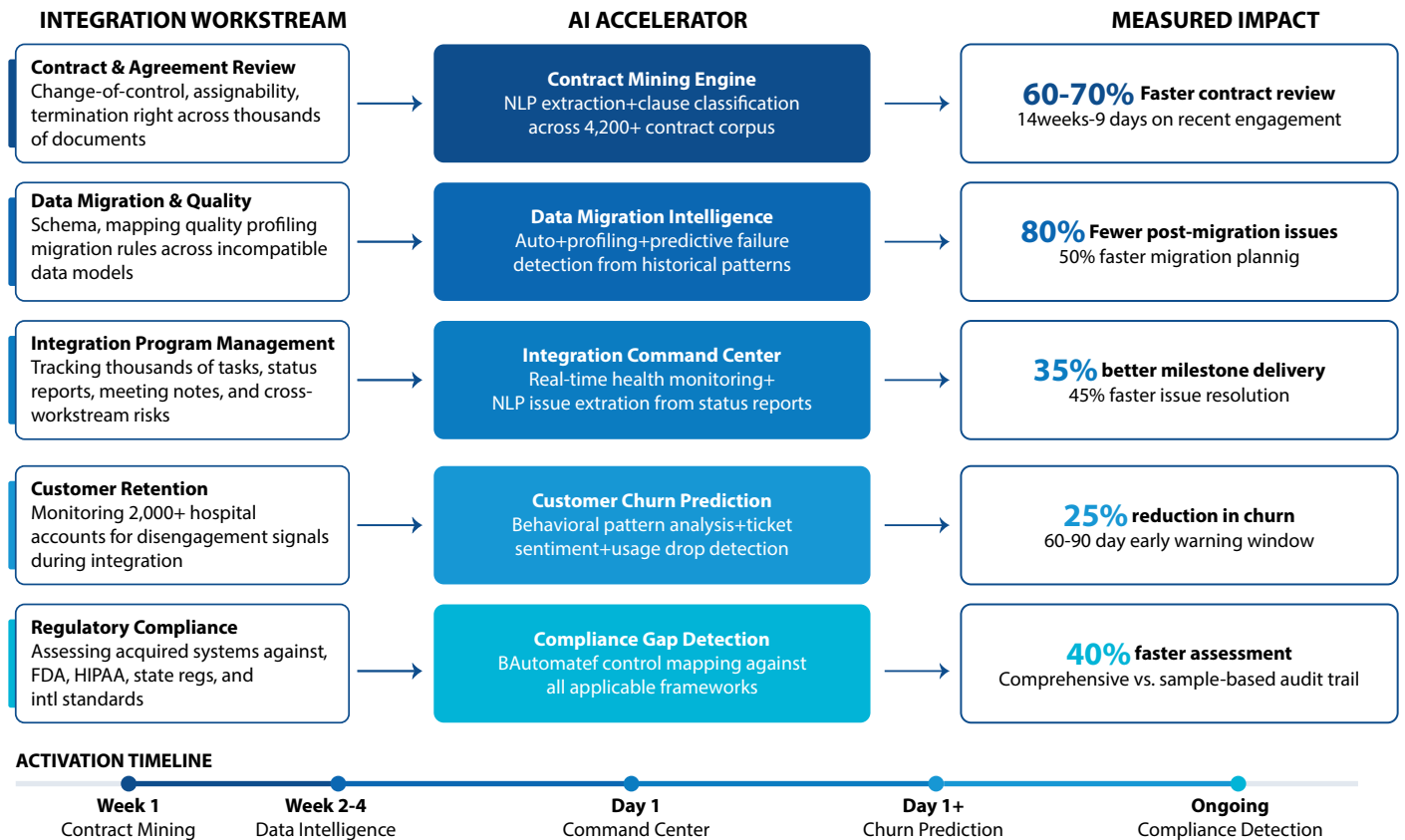
Surviving Day 1 is the floor, not the ceiling. The real test is how fast the combined organization captures the value that justified the deal. Here's how we structure the first 100 days.



Where AI Changes the Integration Math

We've been using AI tools in integration work for over two years now. Not as a sales pitch. As actual workstream accelerators that shorten schedules and catch things human teams miss. Here's where the impact is real and measurable.

AI Accelerator Architecture



- 1. Contract Mining.** Integration teams spend weeks reviewing contracts manually, looking for change-of-control provisions, assignability restrictions, and termination rights. The contract mining tools read thousands of contracts in hours, extract the clauses that matter, and flag the ones that affect integration planning. A recent engagement involved 4,200 customer and vendor contracts. Manual review was estimated at 14 weeks. We completed it in 9 days.
- 2. Data Migration Intelligence.** Data migration is consistently the most underestimated integration risk. These tools profile source data automatically, identify quality issues, map fields across schemas, and generate migration rules. They also predict which migrations are likely to fail based on patterns from previous integrations. On a recent deal, this cut migration planning time in half and reduced post-migration data quality tickets by 80%.
- 3. Integration Command Center.** Large integrations generate thousands of tasks across dozens of workstreams. The Command Center tracks program health in real time, flags risks based on early warning patterns, and spots staffing and capacity problems before they cause delays. It reads status reports and meeting notes to catch problems that people mention in passing but nobody formally escalates.
- 4. Customer Churn Prediction.** The churn models watch customer behavior patterns, support ticket tone, usage frequency, and how often people are actually logging in. They flag accounts showing early signs of disengagement, usually 60-90 days before the customer actually calls to cancel. That window is the difference between saving the account and reading the cancellation notice.
- 5. Compliance Gap Detection.** On the compliance side, the tools map the acquired company's actual controls against each applicable framework, generate a prioritized gap list, and estimate remediation effort. This replaces the typical approach of hiring five consultants to spend eight weeks producing a 200-page gap assessment that tells you what you already suspected.

Why Work With Us

There are four reasons companies bring us into healthcare IT integration work, and they're worth stating plainly.

We know MedTech

Our consultants have run integration programs at the largest device companies. They understand FDA regulatory requirements, hospital purchasing cycles, clinical workflow dependencies, and what happens when hardware and software cultures collide. This isn't something you can fake or learn on the job.



We've done this before

Our integration playbooks come from hundreds of engagements. We know where the problems hide, what takes longer than expected, and which shortcuts aren't actually shortcuts.



We don't just advise. We build

Strategy consultancies hand you a deck and leave. We execute the technology integration: ERP consolidation, data migration, system integration, application rationalization. We're accountable for results, not recommendations.



Our AI tools are production-tested

We're not selling a vision of what AI might do for integration someday. These tools are running on live engagements today, delivering measured results on actual deals.



Authors



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He has led Fortune 100 engagements across manufacturing, financial services, pharmaceuticals, communications, utilities, retail, energy, and media, with a consistent focus on AI-driven transformation, M&A separation, and operating model design.



Deepak Pajankar

27 years leading acquisition integrations and global business transformations across multiple industries. Deepak brings in comprehensive experience to improve all aspects of integrations including developing process models for synergy realization. He has extensively worked in supporting acquisition and divesture strategy and execution; development of new business models and management of diverse strategy implementation initiatives. Deepak has also led critical engagements across Americas, Europe and Asia.



Ade Adewumi

20+ years of technical and operations strategy experience and leader of the CIO Advisory practice. Experienced Technology Strategy and Operations consultant with a proven track record leading diverse teams of professionals on large engagements across multiple industries. Specializes in IT Infrastructure and Operations strategy with extensive experience developing and delivering enterprise technology infrastructure assessments, recommendations and implementation support.

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For more information, contact consulting@infosys.com

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