



For Fast-Moving Startups, It Pays to Be Prepared

Honey Successfully Navigates Complex M&A

About Honey

Honey Science Corporation provides tools to help people save time and money when they shop online. The company was so successful that PayPal, the global leader in online payments, acquired it for \$4 billion in 2019. Today, Honey is working to extend its tools to hundreds of millions of PayPal users.

Being Ready When Opportunity Knocks

Running a profitable startup with millions of users, Honey's management team consistently fielded inbound investor interest. When the right deal presented itself, they wanted to be prepared.

Dave Hsu, Senior Vice President, Finance, had learned the lesson well pursuing an earlier financing process under a tight timeline. His team had been forced to use their law firm's data room—going without important features, as well as paying hourly attorney fees. When Honey began later stage financing rounds, Hsu was determined to have a full-featured virtual data room (VDR) in place.



Number of Employees 209
Headquarters Los Angeles, CA
Website joinhoney.com
Industry e-commerce



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Dave HSU
Senior Vice President, Finance
Honey Science Corporation



“Even before a deal comes across, you can never be prepared enough,” says Hsu. “You don’t want to find yourself in a financing or M&A process, scrambling to make sure everything is in order.”

As Honey moved from fundraising rounds to an M&A process, Hsu also anticipated that due diligence would become exponentially more complex. “It’s a much more exhaustive process,” he says. “From a human resources standpoint, a legal standpoint, there are just much bigger issues.”

Choosing the Right Platform

Honey’s management team knows firsthand the value of well-designed software. “We’re a very product-driven company,” says Hsu. “If we can provide the best possible experience to our users, then we’re doing our job. We’re not willing to compromise that value.”

They applied the same exacting standards in choosing a VDR. Hsu wanted a platform that supported a highly organized approach to gathering and sequencing documents without being needlessly complex.

“I’ve been a banker and corporate development executive in a previous life, and I’ve used several other data rooms,” he says. “I found navigating Datasite to be much more intuitive. I didn’t need to read a long guide to figure out how to use it. You can just log in and find your way around.”

At the same time, Datasite provided comprehensive capabilities to streamline the due diligence process. “Features like being able to monitor logins, track document activity, and manage redactions made the process much easier,” says Hsu.



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Among the most useful features: the ability to host multiple parties in the same VDR, while tightly controlling what each can see and do.

“With a quick click of a button, you can change access levels to make certain things unavailable to different levels of buyers,” says Hsu. “You can also easily see which parties have which access to make sure you’re not granting access to someone who shouldn’t have it.”

Growing with PayPal

Honey’s deal proceeded smoothly, culminating in the largest acquisition in PayPal’s history and one of the biggest startup deals of 2019. Today, the team is working with PayPal to transform shopping experiences for consumers and help merchants build stronger customer relationships.

“PayPal is the winner in the checkout stage,” says Hsu. “We help them to move up the shopping funnel, to meet users when they’re starting their shopping journey or just exploring. Providing that value to PayPal made a perfect match. We were able to bring our expertise and value to exactly where they’re looking to grow the business.”

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DS-1.62-01

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