



## Metis Partners

### Mergers and Acquisitions Overview

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#### **MERGERS AND ACQUISITIONS:**

In the world of M&A, one and one does not necessarily add up to two. Understanding how the potential value of a transaction can be diminished in both the short and long term is the key to developing a successful acquisition and integration strategy.

Only by analysing the strategic objectives and outcomes of a planned acquisition can companies attempt to overcome the ‘clash of cultures’ which is often cited as a key element in the organisational problems experienced following transaction completion.

At Metis Partners, we can assess the intangible assets (or ‘goodwill’) in the target company which will help us identify the full range of limiting factors in the acquisition process. Our methodology has helped private companies and Plcs successfully complete transactions - supporting them in a rigorous analysis of the culture and internal operations of the target company.

Only by analysing business structures, the key business processes (including the main sales and customer account management processes), the dynamics of critical customer and partner relationships, strategic business and operational know-how, brand/ reputation, intellectual property and the skills of key people, can a business begin to maximise the value growth opportunity for shareholders in an M&A transaction.

#### **APPROACH:**

- Undertake a strategic alignment process to consider the acquirer’s business model, strategy and non-balance sheet assets profile. The key aim is to find out whether the acquirer’s existing operations fits with the target company’s strategy and to better understand where the valuable intangible assets are in the business
- To design an acquisition target template – an internal document which will assist the acquirer in gathering required information on potential acquisition targets. If managers and key employees can see the thinking behind an acquisition, and even potentially influence the process, the integration of a target company is likely to be smoother with improved buy-in
- Work with management and existing advisers to help develop an acquisition strategy which will define appropriate business outcomes and identify the key characteristics of the target company, the proposed timing and resources available both operationally and financially. Forward planning in all areas, from acquisition to integration, is a crucial factor in the transaction success
- Undertake detailed due diligence assessing the intangible assets (‘goodwill’) value in the target company, as well as its future potential
- Work with the acquirer’s management team to identify the potential acquisition impact issues to be managed both pre and post-acquisition. Preparation is the key to any successful acquisition. Trying to identify problems only once they occur is a recipe for organisational disruption and value destruction

#### **OUTCOMES:**

To define and deliver a pragmatic M&A strategy, as well as a successful transaction process. Our ultimate aim is to maximise the overall worth of a client’s business by working with the management team and advisers, supporting the entire acquisition process from pre-deal evaluation through to completion. Crucially, our assessment can also help to inform negotiations on a reduction in the price of an acquisition.