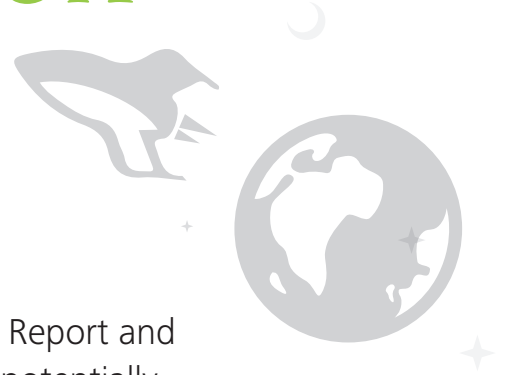


Corporate Development 2013

Pushing Boundaries in M&A



Explore the findings of Deloitte's Corporate Development 2013 Report and learn more about how M&A is undergoing exciting changes as potentially disruptive technologies reshape the deal-making process.

Deloitte's fourth annual Corporate Development Survey Report covers four hot topics in M&A:



Business case forecasting



Data analytics and social media



Decision-making and approvals




Corporate venture funds

Our 435 survey respondents told us about aspects of deal-making with room for improvement — the forecasting and approval processes — and some of the ways they're currently pursuing innovation through the use of analytics and corporate venture funds.



Business case forecasting

Business case forecasting requires the right team and laser focus on quality

41%


of respondents listed the **corporate development** team as being primarily responsible for the M&A business case forecast

26%


named the **CFO** or **Finance** as being primarily responsible

21%


named **Business Unit Management** as being primarily responsible

43%

of respondents stated there was no discernible pattern in the accuracy of M&A forecasts

11%

indicated cash flow is typically under-stated

20%

of respondents said cash flow was consistently accurate

26%

thought cash flow is typically over-stated



Data analytics and social media

Using advanced data analytics and social media in M&A may soon be table stakes



Although analytics and social media can't replace human judgment, those who fail to embrace them may find themselves at a competitive disadvantage.

As advanced analytical tools become more readily accessible, what is now an edge may soon become a competitive necessity...

41%

of respondents use data analytics to analyze deals

34%

of respondents are using social media for activities across the M&A lifecycle, from target identification through to integration. A decade ago, this percentage was close to zero.



Decision-making and approvals

For a swift M&A decision process, Corporate Development teams should establish strategic clarity, executive access, and deal-making credibility

Many companies look to the Corporate Development team to influence decision-making up and down the organization.



40%

of respondents said the greatest value of the Corporate Development team was its role advising stakeholders

29%

cited influencing and aligning stakeholders as the greatest value of the Corporate Development team

Corporate Development teams play an important role in driving relationships.

60%

of respondents ranked the relationship with the **CEO** as the most important relationship for an efficient decision process



14%

ranked the relationship with the **Business Unit heads** as most important, although significantly higher in larger companies



13%

cited the **Board of Directors**



Corporate venture funds

Corporate venture funds are a potential source of inorganic innovation for a competitive edge; define your objectives in advance to position your company to reap the benefits

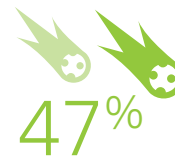


62%

of respondents believe that corporate venture funds provide a competitive advantage in a fast-paced world where innovation and first-to-market advantage can make all the difference.



Access to new technology and new product innovation were the top benefits of corporate venture funds, with financial return coming in third.



47%

of respondents expect the number of funds in their industry to increase over the next 2-3 years.

Many companies seek to leverage relatively small amounts of capital and resources into major benefits. For their corporate venture fund:



42%

of respondents stated they commit less than **\$50 million** to a corporate venture fund



20%

commit between **\$50 million and \$100 million**



6%

commit over **\$500 million**

About the survey

Deloitte surveyed executives involved in Corporate Development decisions at their organizations. The survey was conducted online in April 2013, with 435 respondents, which included Corporate Development executives, C-suite executives, directors, heads of business units or divisions, finance officers, and other deal professionals.

With them, we looked at how new technologies have already taken hold, and where they can (and indeed should) have a powerful effect on M&A in the years ahead.

For additional survey insights and a copy of the full Corporate Development survey report, contact Chris Ruggeri, M&A Services leader, Deloitte Financial Advisory Services LLP, at cruggeri@deloitte.com or +1 212 436 4626 or email corpdev@deloitte.com.

For more information, visit: www.deloitte.com/us/corpdev2013.

The statements in this report reflect our analysis of survey respondents' responses and are not intended to reflect facts or opinions of any other entities. All survey data, charts, and statistics referenced and presented, as well as the representations made and opinions expressed, unless specifically described otherwise, pertain only to the participating organizations and their responses to the Deloitte survey.

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