



From diligence and negotiations to post deal

M&A Analytics powered by iDeal

The Mergers & Acquisition (M&A) lifecycle is awash in data. It starts long before the diligence phase and picks up steam when companies share, solicit, and parse information for go or no-go decisions. But the entire M&A lifecycle – negotiations and post deal, in addition to diligence – is marked by the need to make smarter decisions at light speed with a high level of confidence in order to avoid doing a deal you might regret.

That's where Deloitte's M&A Analytics capabilities can make all the difference. We have developed iDeal, an M&A-centric approach to analytics that focuses on developing insights at every step of the M&A lifecycle – at the moments they're needed most. This is not a handful of disconnected point solutions. iDeal, is an integrated system of analytics, a set of tools and approaches for extracting insights from a target's M&A data and using that to inform decisions both large and small.

Drill down

Historically, M&A decisions have often been based on high-level trends – strong sales quarters or impressive margins, for example.

But what's the real story behind the numbers? What's really going on? Sometimes leaders find out only when it's too late, when the strong quarter was just an anomaly based on a one-time event or when seemingly high margins cloaked hidden weaknesses elsewhere. Time is often the culprit. *With more time, the thinking goes, we could have secured the information we needed, discovered these issues, and used them to our advantage in the deal.* In reality, you need the ability to go deep into the data to find subtle nuances and hidden nuggets of information that could change the course of the deal – in real time. That is the core of iDeal's capabilities.

How we can help

Deloitte's M&A Services group is recognised around the world for its leadership in M&A, from strategy and execution to integration and divestiture – a thorough range of experiences and capabilities. Similarly, Deloitte Analytics has emerged as one of the most important forces in analytics today, serving global clients across industry with a range of advanced services and capabilities. So it's natural that we combined our strengths in these two areas to create the most complete approach to deal-related analytics available today.



iDeal is not simply a technology tool – it is a combination of tools, processes, and techniques integrated to provide big-picture insights with a microscopic level of detail. We help clients put those capabilities to work through:

- Strategy
- Implementation
- Analysis and decision support
- Integration
- Synergy capture

Bottom-line benefits

iDeal and Deloitte's M&A Analytics capabilities can generate game-changing benefits for companies when it matters most. Here are a few of those most frequently cited benefits by clients.

- **Get there faster.** In M&A, insights are most useful when they are generated in time to affect decision making. With intuitive interfaces and near real-time insight delivery, M&A Analytics makes it easier to generate and leverage insights.
- **Enhance the value of data.** Today, many M&A-focused analytics insights are used for highly focused moments or decisions. But the value of the data used in these scenarios, combined with data from elsewhere, can have an equally important impact in other phases of the lifecycle, such as integration and post-integration.
- **Go deeper.** Too often, surface-level data tells a misleading tale. With the ability to analyse micro-level details and correlate them to macro-level decisions, M&A leaders are better equipped to uncover the real story behind the numbers.

• **Accelerate the sales and purchase agreement (SPA) process.** The process of nailing down a sales and purchase agreement (SPA) typically engages a wide range of time-strapped participants in a race to complete the agreement. It's a process that can be inefficient and time-consuming – when time is of the essence. M&A Analytics makes it easier to analyse more data and deploy it in a more intelligent manner. Not only is it faster, it's smarter.

Smarter questions, smarter answers

M&A Analytics is all about asking – and answering – smarter questions throughout the M&A lifecycle. Using iDeal, here are some of the types of questions you could be answering today:

Diligence

- *What is the true source of this company's growth? Specific customer segments? Products? Markets? Something else?*
- *How successful is this company in retaining its customer base?*
- *Where are margin trends negatively impacted by specific products, locations, or customers?*

Negotiations

- *What is the specific net impact of decisions reflected in our purchase agreement?*
- *Which risks are we likely to encounter in doing this deal? (Operational risks, critical employees, SKUs, product lines, geographies, etc.)*
- *Which employees and customers should be covered by non-compete agreements?*

Post deal

- *Where should we pursue renegotiations with customers or suppliers to quickly achieve cost savings or revenue improvements?*
- *How are customers responding to the change in ownership? How has our risk profile changed as a result?*
- *What are the results of changes made to the business after the closing of the deal?*

For more information on how Deloitte's M&A Services group is focused on helping clients with strategy, execution, integration, and divestitures please visit:
www.deloitte.co.uk/ideal

Contacts

Matt Henderson

Partner, Transaction Services
+44 113 292 1274
mahenderson@deloitte.co.uk

Maxine Saunders

Partner, Transaction Services
maxinesaunders@deloitte.co.uk
+44 20 7007 2937

Ross James

Partner, Transaction Services
rossjames@deloitte.co.uk
+44 20 7007 8192

Sarah Sturt

Partner, Transaction Services
ssturt@deloitte.co.uk
+44 117 984 2961

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte LLP is the United Kingdom member firm of DTTL.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte LLP would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte LLP accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2016 Deloitte LLP. All rights reserved.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Tel: +44 (0) 20 7936 3000 Fax: +44 (0) 20 7583 1198.

Designed and produced by The Creative Studio at Deloitte, London. J9228

iDeal