



SIX CUPS OF COFFEE

A Major Enterprise's M&A War Room Investigates the Background of a Target Entity – and a Key New Market in Southeast Asia

SERVICE: M&A Due Diligence and New Market Study
INDUSTRY: Food and Beverage
CLIENT: A Vertically Integrated Agricultural Conglomerate

UNPLUGGED

A FRANK OPINION The Project Manager's Post-Engagement Perspective

A Fast-Moving M&A Team Demands Actionable Business Intelligence

"This one has a tight turn." The head of strategic acquisitions spoke quickly and quietly. And it wasn't just the coffee he'd had that morning. Across the conference room, the Chief Security Officer nodded. "Our strategy this year has been to accelerate the growth of one of our lagging secondary product lines with a targeted purchase in a critical Southeast Asian market."

"Late last night," the head of the legal department said, "we identified an extremely time-critical opportunity to acquire a company that exceeds almost all our target objectives. First, we need you to conduct a fast but careful due diligence background investigation into the party – and please structure the scope to address in-country, international and U.S. sources, in that order. Second, please immediately initiate a study of the country's finished-product market for this item, including an examination of red-flag issues for Western companies like ours considering a long-term business investment in the sector."

A Complex Mission, Two In-House Teams - and the Pressure of Time

Within hours, two Hillard Heintze teams were in motion. Over two intense weeks, each tapped extensive resources – from top-drawer international, regional and in-country resources to open-source Internet sites that revealed windows of insights into an entity and a market with multiple dimensions of risk. In addition to the targeted entity's structure and ownership as well as its principals' relationships, assets and reputations, Hillard Heintze analyzed the local market's supply chain characteristics; sector-specific operational realities and (disease and ineffective farming practices); obstacles in the crop's sustainability; the impact of political change on Western firms in the sector; and human rights and corporate social responsibility (CSR) issues such as malnutrition, gender discrimination, legislation and unions.

Critical Information on the Eve of a Major Decision

On the eighth and tenth days, Hillard Heintze briefed the client on the findings emerging from both work streams – and the risks facing Western companies seeking market entry for the first time. Fourteen days later Hillard Heintze delivered its final report.

"It's tempting to champion this as a 'tight turn.' But it wasn't. Every M&A team is working against the clock. This is a competitive space. As their teams hunt for targets, they come across windows of opportunity that can close very quickly. Closing the deal – or determining that doing so is unwise – depends acutely, among other factors, on robust global due diligence and actionable business intelligence."

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