

The Black Box Institute

Sell-Side Mergers & Acquisitions

Phase 2: Marketing

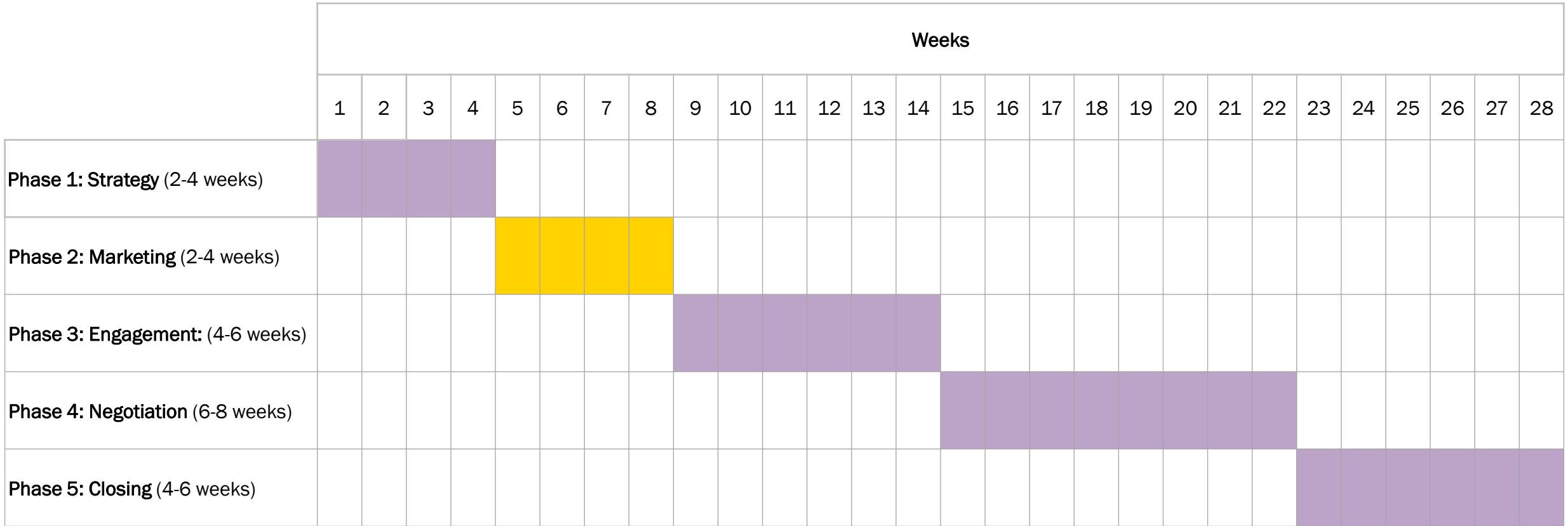
Introduction

Mergers and Acquisition (M&A) transactions describe the process of consolidating two separate entities. There are a variety of reasons why a company may decide to sell in an M&A transaction, ranging from strategic advantages to illiquidity and distress. The sell-side process describes the M&A transaction from the perspective of the seller. This five-part M&A series describes each of the distinct phases of the Sales Process: Strategy, Marketing, Engagement, Negotiation, and Closing. The overall timeframe for this process is 18-28 weeks.





2 - 4 Week Process

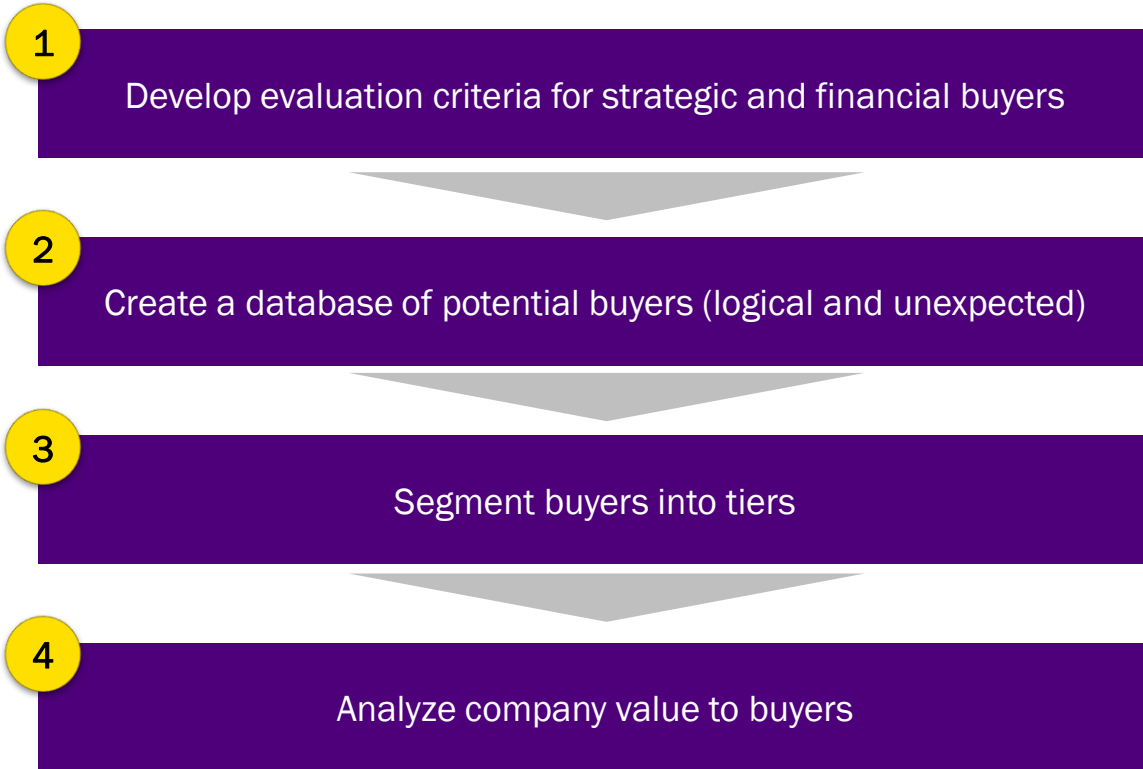


18 - 28 Week Process

1 Determine company marketing angle (leader, niche, rising star, etc.)

2 Craft a buyer engagement plan and timeline

A successful M&A transaction requires a marketing strategy that outlines the company's profile to potential buyers. Some marketing angles to consider are leader, niche, rising star, etc. The company must also develop a communication and engagement plan that outlines the contacts, the method of communication, and timelines.



To identify buyers, companies must consider the following steps. Firstly, the company must develop evaluation criteria for strategic and financial buyers. Secondly, the company must create a comprehensive database of potential buyers. This should include logical and unexpected purchasers. Thirdly, potential buyers should be segmented into tiers based on several strategic and financial factors. Lastly, the company must review their valuation from the perspective of the buyers identified.

1

Draft executive summary or “teaser”

2

Draft confidential information memorandum including historical and projected financials

To prepare the marketing package, the company should draft an executive summary or “teaser” that provides a high level overview of the company and the value the potential buyer can gain as a result of the M&A transaction. This executive summary should be framed as a opportunity for the buyer to achieve positive financial and operating results. A confidential information memo that includes historical and projected financial should also be prepared to provide a overview of the financial positioning of company and to support valuations.

1 Draft confidentiality agreement (non-disclosure agreement)

2 Draft a bid procedures letter

A non-disclosure agreement should be drafted in preparation for the M&A transaction. The company may want to keep the information shared to potential buyers confidential. With this agreement, the company can share key information about their value drivers as well as their strategic and financial position while mitigating the risk of this information being exposed to competitors or third parties.

The company should also draft a bid procedure letter in preparation for bidding amongst potential buyers. This letter should outline the bidding timeline, and key deadlines for bid submissions

Dear reader, we have created a survey intended to help your organization assess its M&A strategy.

Please fill out the survey and we will get back to you shortly with preliminary results!

**Assess my organization's
M&A readiness**

TBBI Transaction Services:

Selected Experience



Phase 1: Strategy

Phase 2: Marketing

Phase 3: Engagement

Phase 4: Negotiation

Phase 5: Closing

Financial Advisor



assessment of value



Strategy and Financial Advisor





Strategy and Financial Advisor





Financial Advisor





Financial Advisor



Commercial Due Diligence



Financial Advisor





Financial Advisor



has merged with





Full Transaction Pipeline

Financial Advisor

investeco
CAPITAL

has sold an equity interest in

LOTEK
WIRELESS
FISH & WILDLIFE MONITORING

 The Black Box Institute

Strategic Advisor to the Executive Management Team

COM DEV
INTERNATIONAL

has sold its equipment business to

Honeywell

for

CDN\$472,000,000

 The Black Box Institute

Financial Advisor

COM DEV
INTERNATIONAL

has acquired

MESL
microwave

for £12,100,000

 The Black Box Institute

Financial Advisor

COM DEV
INTERNATIONAL


has acquired

PWS

for USD\$23,000,000

 The Black Box Institute


Financial Advisor

 **SUSTAINALYTICS**

got partially acquired by

MORNINGSTAR

for EUR\$55,000,000

 The Black Box Institute

Selected Transaction Experience

Financial Advisor



has acquired
TCS Inc.

Financial Advisor

True Risk Incorporated
was sold to
SUNGARD[®]

Financial Advisor



share reorganization

Financial Advisor



has acquired
Gould Industrial
Automation Systems

Financial Advisor

Equitable Bag
Was sold to a
management of

Financial Advisor



has acquired



Financial Advisor



share reorganization

Financial Advisor

Transatlantic
Marketing Group Inc.

share reorganization

Financial Advisor

Maclean Hunter
European Publishing

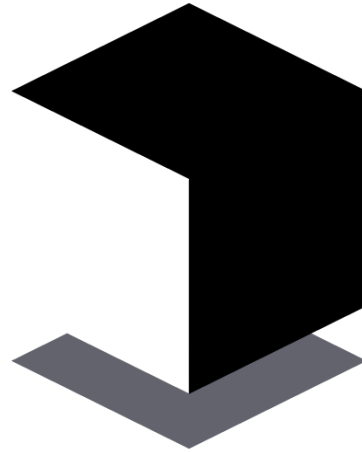
was divested to

(EMAP Plc at the time)

Financial Advisor

Data Business Forms

was divested to a
management-led
buyout group



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