

M&A Strategies to Enable Corporate Growth TCGen Inc.

Why and WHEN Acquisitions Make Sense

For many organizations, acquisitions don't make sense because of the limitations of finance, infrastructure, integration experience, or management bandwidth. However, for those companies that don't have these limitations, an acquisition can be transformative.

Acquisitions make sense when one or more of the following elements are true: need rapid access to market, increase distribution, acquire technology, add additional brands AND have the management bandwidth needed to manage them.

Deal Expertise

TCGen is a recognized expert in M&A. Their extensive knowledge has helped many fast paced technology companies drive growth from acquisitions. Projects include the following

- Aurora WW (Capital raise and subsequent roll up execution)
- Netviz (sale to Concord Communication, now CA)
- Neotonic (sale to Google)
- MusicNow (sale to Circuit City)
- API, Jamo, Jamo China (part of Klipsch Group rollup)

Essential Elements of a Successful Acquisition

Successful acquisition strategies start with the overall corporate vision of the organization and identification of the critical levers to unlock enterprise value. Identification of the growth areas that need to be strengthened are critical, and among them are geographic, category, distribution, technology, and infrastructure. Other elements include

- M&A done by those that know the business & players
- Alignment of targets with overall business and financial strategy
- Proper due diligence with emphasis on integration (financial systems, IT infrastructure)
- Budget and financing options to maximize deal flexibility

Process for Getting Started in M&A

The most challenging area is to define the needs of the overall business and then aligning it to the finite number of targets that are available at a given instant in time. Areas to get started include

- Corporate strategy refinement and clear exposition of needs
- Determination of execution strategy – banker, finder or in-house?
- Target identification process including hard and soft parameters
- Valuation strategy and methods to support paying the minimum price

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