

M&A Making the Deal Work

Conduit Consulting LLC

Jillian Alexander is Founder and Managing Director - Corporate Development & Strategy Practice for Conduit Consulting LLC, based in Santa Monica, USA. Here she tells us about her firm, what makes it stand out from the crowd and what the next 12 months holds in store.

Fact File



"Demand for our services continues to increase," she says. "The uptick began in 2009 as some company leaders realized, after a 14-year or longer profit-increasing run, they did not have the Midas-touch and shrewd others recognised others' paralysis due to fear provided an opportunity to get ahead."

Company: Conduit Consulting LLC
Name: Jillian Alexander, MBA, CM&AA
Email: info@conduitconsulting.com
Web: www.conduitconsulting.com
Address: 2530 Wilshire Blvd.
Second Floor,
Santa Monica, CA 90403,
USA
Telephone: +1 (310) 260-9765

Conduit Consulting LLC advises on and supports a wide variety of cross-border and domestic transactions - not only Mergers & Acquisitions, but also Joint Ventures, Licensing, Product Placement, Outsourcing and other strategic alliance deals. Additionally, the firm provides Strategy, General Management, and other Corporate Development advisory and support services.

The firm's clients are known as innovators, trend setters, market leaders, formidable competitors, and outstanding in their fields. Clients have included single entity, multi-domestic and multinational public corporations, government agencies, private enterprises, and non-profit organisations in the biopharmaceutical, consumer products, entertainment, financial services, healthcare, high technology, internet, media, paperboard, professional services, retail, telecommunications, travel and other diverse industries.

Frequently, Jillian has been recognised for quickly and effectively getting deals done that others could not close. Her expertise affords efficient collaboration with clients and their legal counsel, tax advisors, and investment bankers to ensure private placement, public offering, and commercial contract deals are not only technically complete, but also successfully structured to be financially accretive and meet clients' strategic goals.

Unlike most deal advisers, Conduit Consulting has extensive experience in successfully advising on and managing buy-side and sell-side transactions as well as hands-on operations, divisional and executive management experience. Jillian explains, "Conduit Consulting's client-specific confidential transaction-related advice and efforts, from acquisition strategy conception through merger integration or operational separation, have resulted in clients realising more than US\$3.4 billion in value via completing acquisitions, private placements, IPOs, joint ventures, and divestiture transactions."

"Each transaction on which we advised has been accretive. This includes instances where we have advised a client to unwind or walk away from a deal, devised the strategy to do so, and fostered agreement amongst

all parties. We attribute consistent success to our focus being on our clients' long-term value creation and post-transaction performance, rather than simply closing the current deal."

Despite the recent challenging economic climate, Conduit Consulting, unlike many other firms, has not been forced to drastically adapt its approach. "As Conduit Consulting was founded in 2002," says Jillian, "we anticipated a significant change and positioned for it."

"The firm was conceived and designed from the beginning to effectively and efficiently deliver high-quality advice as well as provide strategy development, deal sourcing, due diligence, integration planning, organisation design, forecasting, valuation, transformation management, as well as other strategic planning and deal-making services for companies which do not have a fully-staffed Corporate Development team."

But that's not to say the firm was completely unaffected by the financial downturn. "While the actual number of transactions closed decreased in 2013, and we observed more deals being shopped, we at Conduit Consulting were productively engaged developing expansion and acquisition strategies, identifying worthy targets and performing internal due diligence to businesses for success sale," explains Jillian.

"The US middle market offerings were predominantly due to founder/owner or private equity firm's desire for a liquidity event, while corporate and small business offerings were attempts to divest of distressed assets. Much of this increase was due to board and PE firms feeling pressure to put cash assets to work combined with the perception that developed economies are improving."

"We anticipate further consolidation in the retailing and software-as-a-service (SaaS) sectors, as well as in the remote digital data storage sector during 2014."

Considering recent trends, Jillian advises: "Whether you are a buyer or seller, do not use a do-it-yourself approach. Most recently, there have been several strategic deals



in the internet/social networking sector at unjustifiable valuations. It demonstrates there is a great deal of money looking for a home and available. Repercussions of this may impact 2014 valuations favorably for certain sellers, but not all. Engage experts who can advise you of the value of completing the deal NOW versus in the FUTURE, and the elements which affect that value."

So, what, for Jillian, is the key behind reaching the initially stated growth and value generation targets in an M&A deal and what key steps should a company take to ensure a successful international integration, while mitigating associated legal and cultural hurdles?

"Conducting operational due diligence and relatively accurately forecasting demand BEFORE determining valuation," she says.

"If you want to have reasonably accurate growth and value generation targets, it is imperative to include business function strategists who have considerable operating and business transformation experience on the deal team. These individuals have the expertise to evaluate the target, determine what is necessary to achieve synergistic gains from deal, and provide timeline as well as cost.

"In terms of successful international integration, clearly understanding the constraints within which the company must operate comes first. Yet, remember, nearly everything is negotiable. And, for the items that are not, there are often alternative options.

"Having said that, it is important to ensure your team avoids actions that violate anti-corrupt practices laws.

"Next, get a sound understanding of assets and liabilities, including the human assets and determine how they can be best organised to maximise profit. Then determine how to transform the company from its current state to the desired future state. Finally, implement the plan."

Finally, Jillian explains what the next 12 months hold for Conduit: "Demand for our services continues to increase," she says. "The uptick began in 2009 as some company leaders realized, after a 14-year or longer profit-increasing run, they did not have the Midas-touch and shrewd others recognised others' paralysis due to fear provided an opportunity to get ahead."

