

Case Study Overview:

BUILDING THE CAPABILITIES FOR GROWTH AND VALUE CAPTURE

CLIENT BACKGROUND

Our client is a \$300 million public industrial technologies company specializing in advanced materials, medical devices, and emerging energy technologies. These segments represented a successful set of businesses serving a diverse set of commercial and government markets. The company had a history of strong cash flow and aggressive objectives to grow earnings by 10 to 15 percent per year. The management team recognized the need to supplement its organic growth with strategic acquisitions. Several previous acquisitions had proven very difficult to integrate successfully, leading management to develop a more robust acquisition and integration strategy and approach.

PROJECT OBJECTIVES AND APPROACH

The CEO engaged Axia to help develop and implement an acquisition and integration strategy.

Specific objectives were to:

- Identify a corporate development and acquisition strategy and approach
- Develop screening filters, and identify and profile targeted companies

- Build the organizational capability necessary to acquire and successfully integrate businesses

The first phase of the project included formulating the company strategy and its corporate development objectives, screening and profiling potential acquisition targets based on key value drivers and criteria, and establishing an approach to pursuing high-potential targets.

In the second phase of the project, Axia helped design a custom integration process for the client. This included the development of technology-specific due diligence checklists, overall and SWAT team structures, culture assessments, value creation metrics, communication schedules, and tracking and accountability systems. In order to jump start activation, Axia helped train the teams, specify the value drivers, and plan the details. Every item had an owner and a due date: From due diligence fact gathering and personnel evaluation to scripting communications and designing the new organization.

Axia's involvement in this effort led to two successful acquisitions and the addition of \$400 million in market capitalization.

Results and Value Delivered

- Axia involvement led to two successful acquisitions and the addition of \$400 million in market capitalization
- Formulated overall acquisition strategy to grow the most attractive business segments
- Developed target company criteria and profiled over 100 companies
- Created custom acquisition integration process and manual
- Trained acquisition "SWAT" teams