

Introducing

RIGOUR

FOR BUSINESS TRANSFER AGENTS

M&A RESEARCH SERVICE

You are a small, probably self-employed business broker who knows your clients business inside out.

What you don't necessarily have is the in-house resource, time or expertise to undertake pre-due diligence research in order to identify a robust list of potential purchasers for a client.

If that strikes a chord, then why not let FWD Research, an independent specialist research consultancy, support you in an economical time saving package that will demonstrate added value to your clients.

We understand how you work. You probably are paid an up-front retainer for research, vendor and purchaser meetings, preparing the sale particulars along with a contingent success fee.

With our RIGOUR approach, you maximise the chance of concluding a deal. The 5 stage research process is as follows, and summarised in the acronym

R

RESEARCH

I

IDENTIFY

G

GRADE

O

OBSERVE

U

UNDERTAKE / RECOMMED / RESERVE / REJECT

R

R I G O U R

1 RESEARCH

Conduct a desktop investigation of the client's business and industry sector including, for example:

A review of the client's website, products and services offered and their customer base

A review of the industry in which the client operates including significant customer and supply trends, forecasts within the industry, potential purchasers upstream or downstream?

Ascertain the potential purchaser profile including:

What would a potential purchaser look like?

Why would they be interested in the client's business?

What size would they need to be in order to complete this transaction?

Who are the largest players in the client's market?

Who are the competition/new market entrants?

2 IDENTIFY

Conduct desktop research and having first agreed the key profile criteria of any potential purchaser with you, in conjunction with our preferred list brokers, identify and gather a comprehensive list of potential purchasers.

GRADE

3 Filter out and automatically reject businesses that are too small or otherwise fail to meet potential purchaser profile.

4 OBSERVE

Conduct in depth acquisition criteria interviews with the decision makers at all of the remaining businesses. These are in-depth telephone interviews conducted in the UK by a sector specialist with a master's degree in compliance and corporate finance.

5 UNDERTAKE RECOMMEND/RESERVE/REJECT

Categorise all potential purchasers into either Recommend, Reserve or Reject:

RECOMMEND

A recommend is a business that:

- is of adequate size
- the decision maker has not only confirmed that they are acquisitive but also has explained the criteria that an acquisition target would have to meet
- the potential purchaser's acquisition criteria would match the client's business precisely

RESERVE

A reserve is as 'a recommend' above but:

- the potential purchaser's acquisition criteria would match the client's business as much as possible
- reserve is also used for those potential purchasers that were unable to be contacted or where client input is required

REJECT

A reject is a business that:

- has confirmed that they are not acquisitive
- has stated that they are however the criteria do not match the client's business in anyway.

The RIGOUR model is surprisingly affordable. To include the desk research report, list acquisition, interviewing up to 30 companies and the final report of recommendations would be from £5,000+vat, for each new commission.

A typical project evaluating say 60–75 potential purchasers would take around six weeks to complete all five steps of the RIGOUR programme for any one client. Sounds of interest? For a confidential discussion of your and your clients' requirements then please contact Ian Winters.

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www.fwdresearch.co.uk