
**Acquisition Search Corporate
Corporate Clients**

Phase 1: Establish Acquisition Criteria

- Understand the client's business drivers, competition, markets, strengths, weaknesses, opportunities and threats
- What are the client's goals and objectives
- Where does the client fit in the market: size, concentration. What is the growth potential in the market?
- What avenues for growth can client expect: horizontal integration (related markets and distribution channels, complimentary products, or different products), vertical integrations (vendors/suppliers)
- Given the size of the client and financial capabilities, what is the size of the prospective target?
- What dilution does the client expect if outside financial equity partners are needed?

Phase 2: Target(s) Identification

- Understand market segmentation, margins, and competition in the industry
- Develop a data base of industry segment players of interest to client....utilize trade association members and trade show exhibitors, industry directories, research studies and proprietary data bases
- Obtain industry-specific consulting reports if available, examine public competitor data for profitability and valuation metrics
- Rank-order target list for match with client criteria and capabilities....narrow the list of prospects

Phase 3: Candidate Marketing

- Based on narrowed target list, develop marketing campaign to approach candidates.
- Approach targets simultaneously discussing Grand Avenue’s client specifically
- Broadly discuss the state of the industry as learned by client and Grand Avenue Capital, discussing strategic issues and collective knowledge of the industry
- Propose obtaining information on confidential basis and establish rapport with target...there will be no cost to the target for this preliminary assessment if there is a possible opportunity in matching target with Grand Avenue’s client.

Phase 4: Candidate Introduction to Client

- The client is introduced to the acquisition candidate
- Further relevant financial, operational and other necessary materials are gathered
- Grand Avenue assesses valuation of the candidate, performing preliminary analysis to determine that target meets client’s profile, past performance is examined, financial modeling with sensitivity analyses prepared.
- Valuation and possible deal structures are vetted
- Major terms and conditions are negotiated with candidate

Phase 5: Oversee/Manage Client's Due Diligence, continued
Negotiation

- Oversee due diligence of the candidate
- Assist with accounting, legal, tax and other matters
- Continue negotiation with respect to issues found in due diligence, if necessary

Closing the transaction

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