

M&A SCIENCE

ASK THE EXPERTS: M&A SCIENCE ROUNDTABLE

Two main topics were brought to a roundtable discussion with nine corporate development professionals. Discover the approaches these top practitioners are taking to increase their top-of-funnel M&A pipeline and execute transactions faster and with a greater cadence.

1. How to Increase Your Top-of-Funnel M&A Pipeline

In this continued virtual work world, it’s important to remember the impact of facetime. If possible, attend conferences, participate in trade shows, do video calls instead of just email, etc.

When working with banks, stay in touch about what you are looking for and make sure they understand your strategy. Don’t be afraid to express color into why you passed. Too many just say ‘pass’ which doesn’t allow the intermediary to understand what might fit better and, more importantly, build a strong rapport in a two-way street.

Engage with larger players with subs/units that could be of interest and look potentially ‘divestable’. You can also go after VC funds focused on targeted sectors. Remember to have conversations and establish relationships in the space long before you intend to execute on deals. The key is to avoid ‘fly bys’ and build longer-term relationships with targets, including potentially investing in them. This can help ensure you get the ‘first look’ and by building ecosystem relationships, it allows you to validate potential acquisition thesis. What’s important is the quality of the deals in your funnel, not the quantity.

“Have conversations/establish relationships in the space LONG before you intend to execute on deals.”



Kevin Barnes
Senior Vice President Corporate Development at Premier Inc.

“We do proactive market mapping to make sure we know about all the relevant players – notably earlier stage companies.”



Michael Frankel
Founder and Managing Director of Trajectory Capital
Check out Michael Frankel’s [content](#) on M&A Science.

“For areas we are not as well known, we develop grassroots marketing campaigns that start with scrubbing databases to create a company list, then execute an email campaign, followed by phone calls. We utilized a cloud-based CRM system to track progress.”



Pete Bitter
Vice President, Corporate Development and Treasurer at Altium Packaging

“Staff it correctly. I’d rather have someone with a fat Rolodex from the target-industry who has never closed a deal than someone who has closed 100 deals in a different industry. Deal mechanics are easier to develop than a network.”



Aaron Whiting
M&A and Strategic Programs at ContinuumCloud
Check out Aaron Whiting’s [content](#) on M&A Science

“Empower junior team members to take distinct investment areas, become a subject matter expert, and lead the proactive origination efforts in that area.”



Blake Clifton

VP, Corporate Development at Marqeta

“In industries that are changing rapidly (and most are these days), getting an outside perspective from a market study can help you see which segments are growing and discover the ‘up-and-coming’ players.”



Sean Goldstein

M&A Integration Program Leader at Precisely

“Consulting agreements are very helpful in identifying the universe along with a high priority target list based on your strategic rationale. However, it is expensive. Another method is dedicated sourcing resources via seasoned industry veterans that cold call for you and set up introductory meetings. They can be paid like sales professionals with BPS on the transaction value.”



Ken Bond

Head of Corporate Development at Cetera Financial Group

Check out Ken Bond's [content](#) on M&A Science.

What are some things you have implemented to execute on M&A transactions faster and at a greater cadence?

Establishing a standardized deal process is the first step towards enabling a faster transaction. One key way to help establish a process is by developing a clear strategy and building out your teams, which helps targets be evaluated faster. While rotating and contract-based roles are nice for professional development, experienced professionals who iterate and grow out processes are more valuable. Having these dedicated diligence and integration teams informed of the pipeline and strategy also ensures speed and alignment around achieving objectives. A smooth handoff from pipeline to diligence to integration happens through cohesive and collaborative knowledge transfer. Immediately set key milestones for the final due diligence readout and integration plan review to prevent diligence efforts from weakening.

“I do this through a combination of diligence agenda refinement and DRL efficiency. Over the course of a dozen deals or so, I documented the core questions and themes that came up during diligence, the key discovery questions that came up during integration, and the problematic areas that no one thought to ask questions about that either had an impact on value creation or a more tactical aspect of integration. I did this either through direct interview processes, watching recorded post-close discovery calls, or conducting retrospectives. I boiled those themes and questions down to a core set that I pushed into either my DRL or my business diligence list. In my DRL, I split true “data requests” out from “narrative requests” and advise targets to build management decks out of the narrative pieces. When I build my diligence calendar, I schedule all the meetings ahead and populate the invites with the agendas that reflect the narrative asks from the DRL (with a nod to “other topics as requested” though not many pop up outside the core themes). This has led to less blindfolded, exploratory surgery during diligence and better overall focus. I’ve noticed that rather than run over the meeting time and end up with a laundry list of follow-ups, we end up putting time back in the day and maybe have 1-2 clarification follow-ups.”



Aaron Whiting

M&A and Strategic Programs at ContinuumCloud
Check out Aaron Whiting’s [content](#) on M&A Science

“Formalizing the deal process internally by providing clarity on the process. Answer the questions: Who needs to be which meetings? Who has signoff authority on deals and at which levels? What is the budget range? What minimal viable documentation and diligence is needed to support the case for a deal? Having an experienced and responsive set of key resources ready to jump - including from Legal and HR and the acquiring business group - is critical”



Dan Menge

Sr Director/Head of M&A Integration at Xilinx

“I organize my pipeline into stages and then establish gatekeepers for each stage - “do not pass go” unless specific questions are answered: Does it fit strategy? If yes, have a call. Did the call affirm the hypothesis? If yes, evaluate with preliminary diligence and build a business case around it. Does it make sense to buy? If yes, submit the LOI. Did diligence confirm the business case? If yes, submit the bid.”



Amanda Mucek

Senior Manager, Corporate Strategy (M&A) at NielsenIQ

“Limit the number of people in due diligence. This doesn’t mean do less, just means limit key stakeholders so decisions come faster”



Blake Clifton

VP, Corporate Development at Marqeta



“Put forth a purchase agreement that is reasonable and stick to it. An unreasonable one will suffer multiple times just to end up reasonable. Also utilize representations and warranties insurance rather than nailing down every piece of diligence or possible post-close threat. Lastly, escrow only for specific reasons”



Kevin Barnes

Senior Vice President Corporate Development at Premier Inc.

“Don’t get trapped in the procurement cycle. Set up an MSA with your favorite vendors and use them on every deal. For example, if you like a specific accounting firm for QOE work, keep using them. Once they understand your accounting policies, the next deal will be quicker and cheaper. Also, get a program manager! :)”



Ken Bond

Head of Corporate Development at Cetera Financial Group

Check out Ken Bond’s [content](#) on M&A Science.

“Use trusted specialists as consultants to expand capacity to do multiple acquisitions simultaneously”



Sean Goldstein

M&A Integration Program Leader at Precisely

“We provide monthly updates to the board on current activity and review an LOI with the board before issuing so they are fully up to speed on when I need to get final approval at closing. We have built several data request templates that we can pull off the shelf to customize for the target in a very short timeframe and get to the seller.”



Pete Bitter

Vice President, Corporate Development and Treasurer at Altium Packaging

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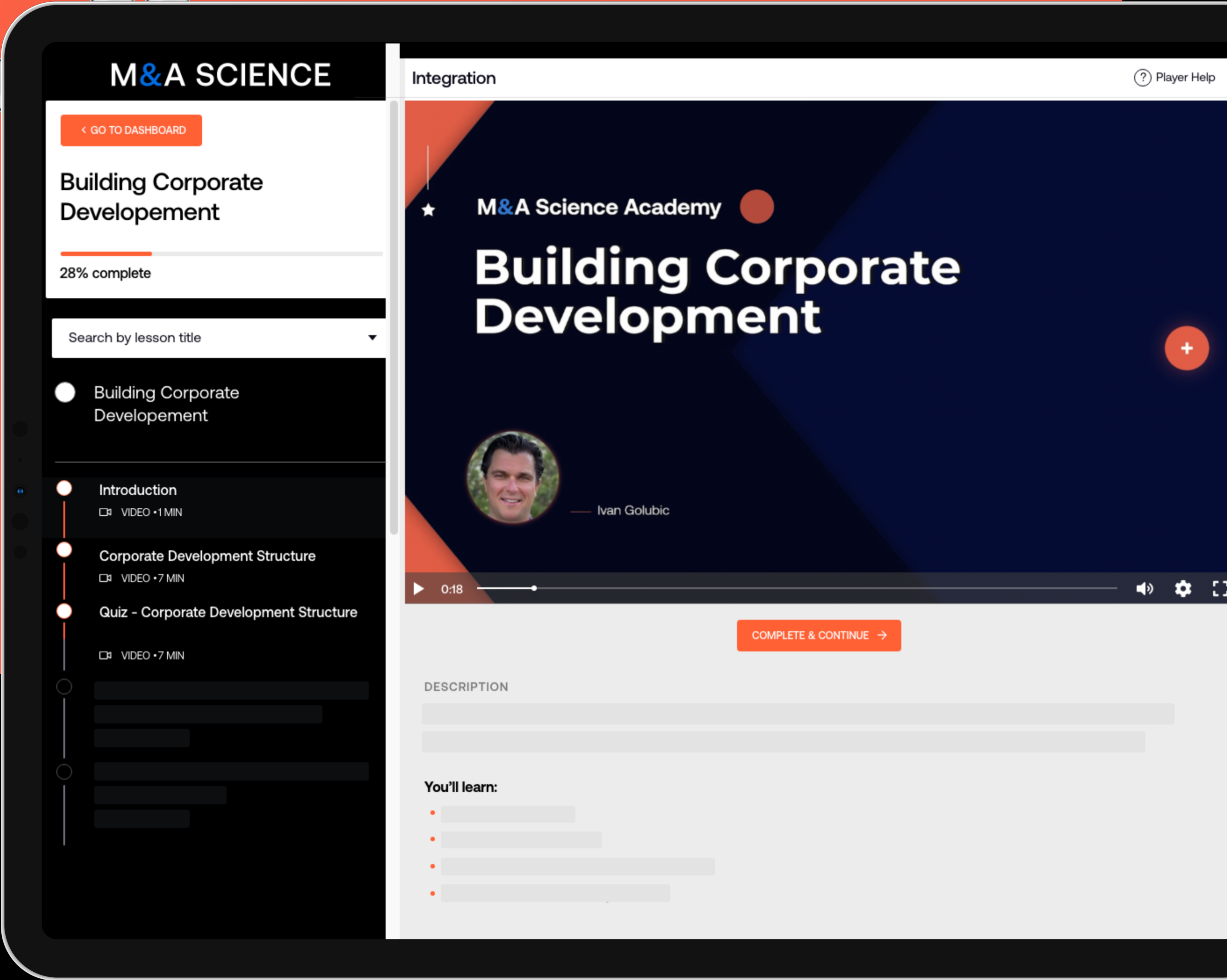
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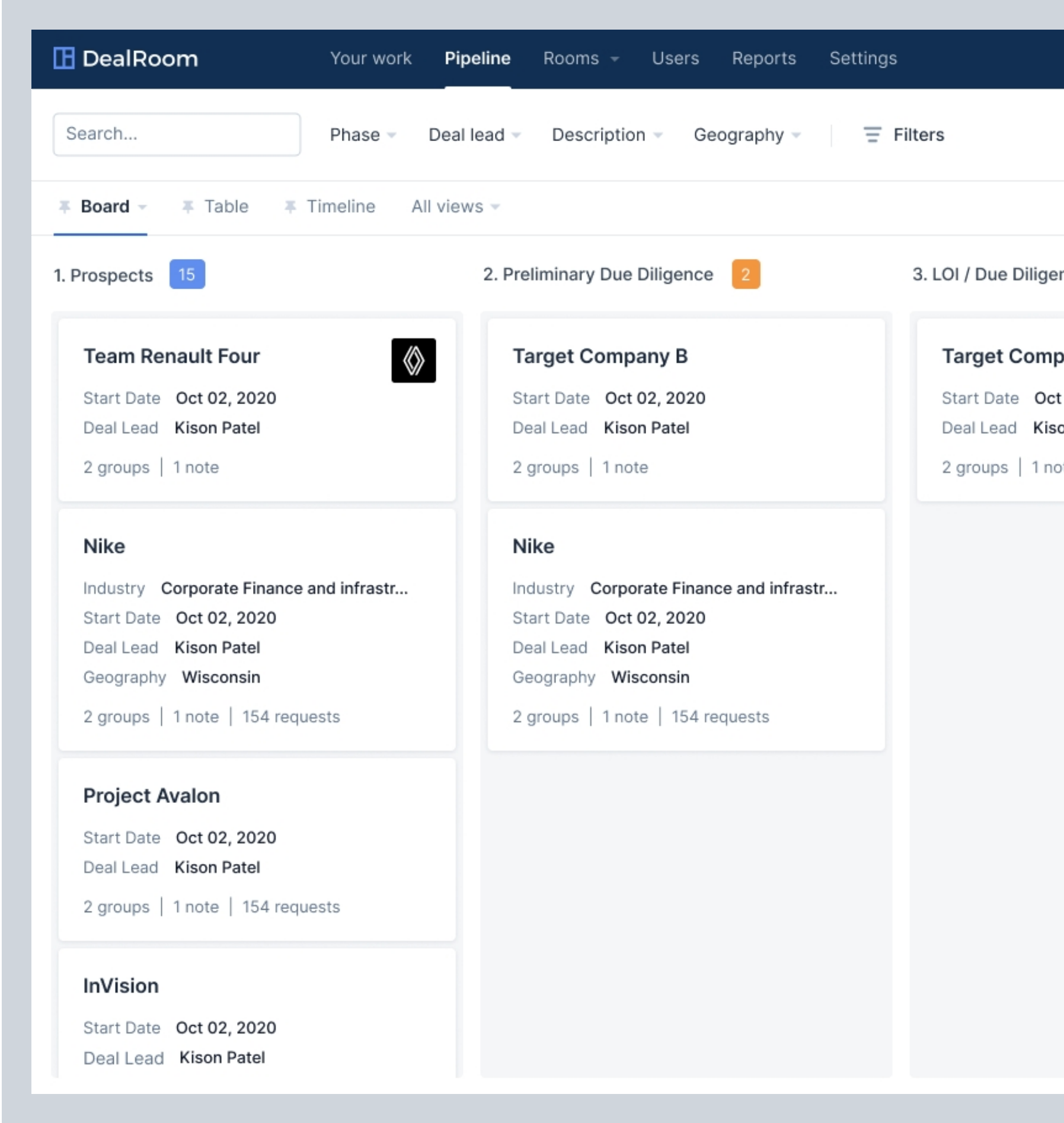
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