



M&A Clean Data Room Customer Analysis

Enhanced Diligence on Customers and Market Reach

Increased potential for growth through new customers and new markets is a leading driver of mergers and acquisitions according to senior executives. A key source of frustration for companies is understanding exactly what customers and markets they are acquiring. Without detailed analysis of the target companies customers it is impossible to determine the depth and reach of the incremental customer base and market penetration, yet regulatory and competitive restrictions typically prevent this level of analysis. Gaine Solutions offers buyers the ability to take the guess work out of customer analysis prior to an acquisition.

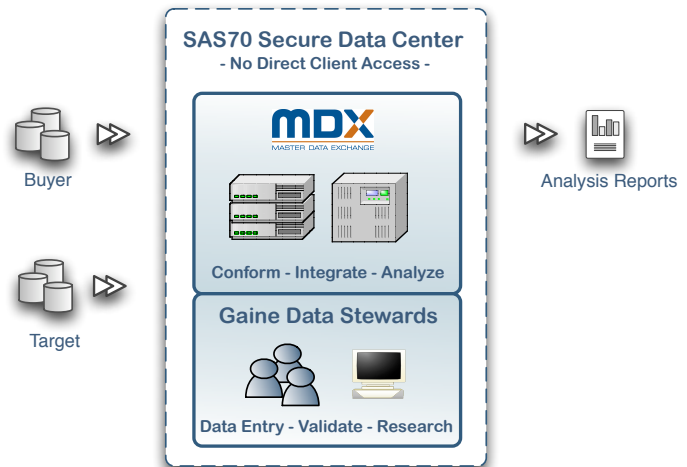
Clean Data Room Analytics

Gaine Solutions provides a “clean data room” environment in which we integrate and analyze customer information from both buyer and target to produce an accurate picture of the combined customer base and market reach should the transaction be completed.

This analysis is performed with minimal input from either party and customer data can be provided to Gaine in almost any format with no changes to IT systems of either the buyer or target companies.

Analysis results are provided to the buyer in accordance with the prevailing regulatory guidelines and agreed deal terms.

This unique solution leverages state-of-the-art master data management technology to build an accurate combined customer master file. Our customer integration process can handle international customer information irrespective of format and initial data quality.



Key Outputs

The analysis is determined by the needs of the buyer and the availability of data from the target company. Typical analysis includes:

Customer Identification

- ✗ New/Common Customers (site level)
- ✗ New/Common Customers (legal entity level)

Customer Segmentation

- ✗ By Region
- ✗ By Market Segment
- ✗ By Product

Analysis Variables

- ✗ Revenue
- ✗ Gross Margin

Period

- ✗ Year to date
- ✗ Last 12 months
- ✗ Lifetime

Post Deal Kick Start

Customers of the acquired company are at their most vulnerable immediately following an acquisition. There is nothing more alienating to your new customers than hearing about the acquisition through the press, or worse, from your competitors spreading fear, uncertainty and doubt. Customer defections following an acquisition are cited as one of the top three sources of value destruction in M&A transactions.

The Gaine Clean Data Room solution provides the buyer with a significant advantage post-acquisition. The buyer gets full access to the integrated customer database as soon as the deal is signed giving them opportunity to tailor an announcement of the transaction to new and common customers. This proactive step instills confidence in the customer base and immediately starts the integration process.

Having a detailed customer profile also enables the buyer to prioritize integration efforts on a value-added basis. The Gaine solution has the added benefit of providing the buyer with a complete customer master file ready for integration into CRM, Data Warehouse or ERP systems.

Case Study

A leading enterprise desktop software company had reduced the time taken to integrate customer information from tuck-in acquisitions from months to days using the Gaine solution. However, the problem still existed in pre-deal diligence where the analysis remained spreadsheet based and largely manual. The software company worked with Gaine to setup an acquisition “clean data room” in order to integrate the targeted customer base with their own customer master file during the diligence process. This operational level integration ensured that there were no surprises in terms of the customers, markets or geographic reach.

“We had often been disappointed with the quality of the customer base of our acquisitions. We were never quite sure what we were buying.” recalls a senior member of the deal team.

“We now have the ability to fully understand the incremental market reach and the quality of the new customers before we finalize the deal. We would no longer consider an acquisition without this level of analysis”.

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The Gaine acquisition accelerator solution is currently used by more than two dozen global firms to integrate customer information. For more information contact info@gainesolutions.com or visit our

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