

NOW WHAT?

Mergers and acquisitions continue to be negotiated and executed as companies seek strategic growth. Clients are selling their companies. Other clients are buying companies. Some clients are even raising capital – yes, even in this historically unprecedented environment. Transactions may be getting stretched out, but they are not halting.

Times of turbulence provide access to opportunities. There is a prominent myth that the Chinese word for “crisis” is composed of the characters for “danger” and “opportunity”. This is actually not true when you really look at the language. But John F. Kennedy introduced this idea in a speech in 1959, and the concept has been borrowed by many dignitaries and speakers since then, to the point of extensive popularization.

Still, a crisis presents opportunities. Our clients and prospects continue to run their businesses, seeking and finding opportunities to grow. Companies cannot afford to stand still in this very dynamic environment, because the right strategic acquisition, properly priced and structured, may ultimately prove to be better than the status quo.



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SERVICES: WHAT WE DO

Buy-Side Mergers & Acquisitions

Tobin Solitario provides merger and acquisition services to our clients. Among the services we provide, we assist our clients with Buy-Side Mergers and Acquisitions.

Companies pursue acquisitions with the mandate and objective of increasing the growth rate of the company, diversifying business lines and increasing the value of the company. An acquiror strives to find external organizations with operations, product lines and/or service offerings and geographic footprints that are complementary to their own existing operations.

Tobin Solitario starts by helping acquiring companies develop strategic and operational reviews and assessments of the buyer’s business. Tobin Solitario also helps our buy-side clients assess the competitive landscape and discover alternative scenarios, opportunities, threats, risks and go-forward value drivers. This analysis assesses the direction in which our client should proceed in seeking acquisitions.

As an intermediary, Tobin Solitario also helps our buy-side clients research and vet the marketplace to find potential target companies. We find target companies through our extensive network and relationships.



Tobin Solitario contacts the potential targets on behalf of our buy-side client, leading to greater reception on the part of the target company. Often, when target companies are approached directly by buyers, such a direct approach can trigger flat rejection. An intermediary can assuage the approach as an indirect party by providing a gentler approach and coaxing the potential target to consider this opportunity to increase the value of the target company.

From there, Tobin Solitario helps our client negotiate a potential understanding as well as the terms of an acquisition transaction.

Tobin Solitario provides further value to our clients through the process of research and searching for acquisitions; Tobin Solitario delivers a thorough understanding and evaluation of the target marketplace for the prospective buyer.

A favorite QUOTE:

“When written in Chinese the word crisis is composed of two characters. One represents danger, and the other represents opportunity.”¹

JOHN F. KENNEDY

¹ Remarks at the Convocation of the United Negro College Fund, Indianapolis, Indiana, April 12, 1959; www.jfklibrary.org.

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NEWS & TRENDS:

Current Buy-Side Engagement

DO YOU KNOW A COMPANY THAT WOULD MEET OUR CLIENT'S NEED?

Tobin Solitario is currently engaged by a publicly traded company that is seeking acquisitions. Our client is looking for profitable companies which generate annual revenues of between \$3mm and \$25mm in revenues.

- Our client is a leading provider of payment and information processing services to Fortune 1000 companies in the U.S.
 - Our client provides bill processing, payment and audit services for freight, utility and telecommunications invoices for large companies in the United States.
- Our client is seeking to build its services portfolio, client list and revenue base. The Company is currently looking for select organizations with established, but growing, customer bases and deep customer relationships, even if small in number.
 - Target companies should provide proven services and/or processes used by industry leaders.
 - These services will likely be outsourced financial exchange or Business Intelligence/Data Processing services in verticals which our client may or may not currently serve.
 - These services and/or processes may help evaluate, facilitate and or audit payments and financial exchange.
- Areas of interest include any area of payments including tax payments, invoice payment or other vendor-facing processes in any industry.
 - Our client is also interested in customer-facing processes associated with payments, financial exchange and related data management processes.

Please contact us here at Tobin Solitario for further information regarding this engagement. We appreciate the help.



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M&A Terminology

IDIOSYNCRATIC RISK:

Unsystematic risk or risk that is uncorrelated to the overall market risk. In other words, the risk that is firm specific and can be diversified through holding a portfolio of businesses.

DUE DILIGENCE:

A term used for a number of concepts involving either the performance of an investigation of a business or person, or the performance of an act with a certain standard of care. A common example of due diligence is the process through which a potential acquirer evaluates a target company or its assets for acquisition.