

# Case Study

## SALE PROCESS PREPARATION - SPECIALTY E-COMMERCE

SECTOR: E-COMMERCE

Financial Modeling

Valuation Analysis

Internal M&A Support

Sale Process Support

### The Requirement – Private E-Commerce Business Needs Support to Evaluate and Respond to an Unsolicited Takeover Offer from a Competitor

A privately-held specialty e-commerce business had received an unsolicited takeover offer from a strategic buyer backed by a leading U.S. venture capital fund. The President/Owner of the Company needed support to evaluate and respond to the takeover offer and prepare for a potential sale process. The Company retained Accordion to provide M&A advisory services, assisting with valuation analyses, preparations for a sale process and negotiations with the potential acquirer.

### The Execution – Mobilize quickly, Provide Immediate Results With an Efficient Team Structure

Within 24 hours of the initial call, Accordion deployed a **2-person team with extensive M&A experience to meet with the Company and quickly assess the needs**. Accordion acted as in-house M&A advisor to the Company, providing unbiased views on deal structure and valuation.

- The Accordion team undertook a detailed review of the Company’s existing financial reports. Working seamlessly with Company management, Accordion **constructed a robust financial operating model with a set of detailed projections** to be used for valuation purposes and for the transaction process
- In addition, Accordion prepared the Company by **compiling a list of key due diligence information** that would need to be gathered to share with the acquirer when discussions progressed
- Based on the financial model and projections, Accordion **quickly conducted a thorough valuation analysis using multiple methodologies**. Accordion presented summary conclusions to the Company, including an assessment of sensitivities and scenario analysis relative to the takeover offer received
- Accordion **assisted the Company with an analysis of the proposed transaction structure**, including key tax and ownership considerations, as well as developing a **framework for negotiation of employment contracts**
- Accordion also strategized with the Company and **prepped the it with detailed scripts and anticipated Q&A** in advance of key discussions with the potential acquirer

### The Resolution – Comprehensive M&A Support and Efficient Execution

The Company obtained high caliber M&A support from experienced professionals as needed for the duration of the transaction. Work streams were executed efficiently and the Company was armed with the conclusions required to respond to the potential acquirer in a timely manner. Following several rounds of discussions, our analysis supported the Company in ultimately deciding to call off negotiations when it became apparent the acquirer could not bridge the gap in value expectations.

Team Size: 1 Director, 1 Associate

Project Duration: 4 weeks

