

Case Study

Due Diligence: Aelego Provides Due Diligence Services On Acquisition Target.

Business Challenge

Aelego was retained by an investor considering taking a controlling stake in a technology company. The company was interested to understand all aspects of the takeover target with a go-no go recommendation. These included:

- Market positioning of target company
- Products, Services assessment with positioning, yield analysis and trends
- Financial Health picture and valuation
- People and organizational assessment
- Operational – systems, processes assessment
- Competitive landscape
- Industry situation and trends

The Solution

Aelego completed a 360-degree study of the takeover target. Scope of services provided included:

- **Customer, products and services review:** This covered all aspects of product mix yield analysis, breakeven analysis, historical performance, comparison against peers and market positioning.
- **Organization, systems & process review:** Selected managers and employees were interviewed discreetly while protecting confidentiality of the exercise and a complete review of the company's organizational and functional make up, systems and processes assessment was conducted .
- **Company SWOT analysis:** A detailed Strengths, Weaknesses, Opportunities and Threats analysis was performed that covered all aspects of the company.
- **Competitive analysis:** A detailed overview of the competitive landscape was conducted featuring competitor penetration, strengths, and weakness.
- **Financial review and company valuation:** A complete financial audit was done. This included a 52 week cash flow analysis was performed, along with Income Statement, P&L, Balance Sheet, health assessment and valuation.
- **Go / No Go Recommendation:** The recommendation was to Go, subject to listed reservations and potential mitigation.
- **Move Forward Execution Strategy:** In the event of a Go decision by the investor, a high level ROI execution strategy for moving forward was presented.

BUSINESS CHALLENGE:

- Negative cash flow in time of global credit squeeze
- Poor systems and processes, weak sales & marketing
- Organizational misalignment, lack of accountability

THE SOLUTION

- Re-organization with clear focus, objectives, metrics
- Cash Positive flow management
- Enhanced systems & processes, training
- Sales re-focus on strategic outcomes
- Business Quality Control

BUSINESS BENEFITS

- Organizational clarity
- Positive cash flow
- Improved execution
- Reflected in earnings, valuation



Business Benefit

Aelego provided its client with the following value:

- An objective synthesis of pertinent detailed and high level data, with clear recommendations, on the viability of an acquisition decision enabling a well-informed decision.
- An actionable go-forward post-acquisition assessment and ROI maximization execution strategy

About Aelego

Aelego is a global consulting firm bringing the very best of management execution strategies to our clients. We specialize in driving business and organizational transformation. We offer a comprehensive suite of services that include strategy and execution management consulting services, helping with turnaround situations, doing what it takes to maximize valuation, evaluating takeover targets, assisting with integrating business units, implementing mission critical business processes, providing CXO level support, leadership coaching, and brand building. We offer long term and short term engagements to suit our clients' needs.

Aelego is based in Kirkland, WA in the Seattle area and have operations in the US and India.

Visit <http://www.aelego.com> for more information.

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To experience the Aelego difference, contact us here:

AELEGO, LLC
909 Market Street #3
Kirkland, WA 98033 USA
+1.425.298.8898
info@aelego.com
<http://www.aelego.com>.

