



corepartners

delivering results

due diligence/ acquisition assessment

Key Attributes

- *A £250m Automotive component supplier*
- *Potential acquisition of a £50m automotive systems manufacturer*
- *Knowledge of target's product lines and future products required*
- *Generation of a New Product Introduction plan including risks and mitigation actions needed to verify future value*

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delivered
project



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The task

Our client was looking to vertically integrate and acquire suppliers of systems to support new channels to market.

The potential acquisition was a business which had a proven track record and a significant level of new products in development.

As our client lacked experience of the manufacturing and new product engineering development areas, Core Partners were engaged to give the client a clear understanding of the target's capabilities.

This included analysing the business's capability to produce current product lines and its capability to deliver new products in the short and medium term.

We reviewed all existing product lines including current capacity and output levels and undertook a detailed assessment of the new product project opportunities?

Our role included reviewing the effectiveness of project and programme management and we generating a 'bottom up' New Product Introduction (NPI) plan, including costs, risks and mitigation actions.

Results

At the end of the engagement our client had a clear understanding of the target's achievable capacity and capability to deliver new products and the key risks involved. Our outline plans of the achievable NPI detailing the workloads and the potential cost implications, suggested that the future value of the target may not yield the required benefits and synergies to justify the purchase price.

Core Partners' Ian Tidmarsh said:

As a result of Core Partners' assessment of the target company's product portfolio and capabilities, our client was advised not to proceed with the acquisition. Our analysis saved our client buying a business which would not have supported its anticipated growth targets.

The Client said:

Core partners have a deep understanding of the New Product Introduction process and how to benchmark performance in this area. This enabled them to assess the capability of our acquisition target and identify risks that help us make an informed decision.

*Managing Director,
Automotive Components Supplier*