



Global Growth Partners

STRATEGIC THINKING, GLOBAL ADVISORY

Should a Comprehensive M&A Strategy Be Part Of Your Growth Strategy?

Many studies have aimed to contrast the value of a pure organic business growth strategy versus the more recent trend of growth through mergers/acquisitions. What has been revealed demonstrates that M&A is only becoming a more attractive route; currently alliances account for 15 – 26% of median company value. Additionally, they represent over 41% market value for up to 25% of companies. As markets consolidate, competition for market share and thus profit margins become tighter and there become fewer opportunities for high rates of return with organic business growth. 72% of M&A transactions are geared towards enabling market expansion or diversification strategies. The M&A route is a much lower risk and far speedier solution compared with building an equivalent significant position in a new region or market through internal growth mechanisms.

By its' very nature, organic growth is becoming less and less attractive to companies - with its high internal investment and slow uncertain returns. Furthermore, the higher regulatory environment is making it more difficult to compete in establish/mature markets. By contrast, the majority of acquisitions are complementary expansions, closely aligned to the acquiring party's existing business operations - therefore risk is greatly reduced. Also noteworthy institutional acquisition debt is available and has never been cheaper historically. This improves your total return and reduces the need to over-capitalize a transaction.

M&A can enable a number of strategic corporate goals:

- > Extension of business into new markets, territories and geographic regions
- > Incremental product/service development capabilities
- > Improved competitive advantage
- > Economies of scale
- > Addition of new executive management and/or local sales expertise
- > Reduction of time to market
- > Increased speed to globalize operations
- > Increased value to customers and shareholders
- > Consolidating the value chain

Global Growth Partners continuously monitors both domestic and international M&A activities and is prepared to address the challenges our clients face in an increasingly competitive global economy.

Whether it is your "first rodeo" or your tenth, Global Growth Partners has developed professional proprietary processes and methodologies to assist you in identifying and securing vital acquisition opportunities globally. Let us show you how we can propel your growth strategy. We invite you to call today to discuss your individual situation and how we may be able to help navigate today's landscape.

Contact: Global Growth Partners, Inc. info@globalgrowthpartners.com

Phone: (US) 704-438-9930 / (UK) 44+(0)20 7979 7730