

Market / Technology Due Diligence

30 Days, Roughly \$25,000

The Market / Technology Due Diligence engagement is typically initiated by boards, bankers, or top management for the following scenarios:

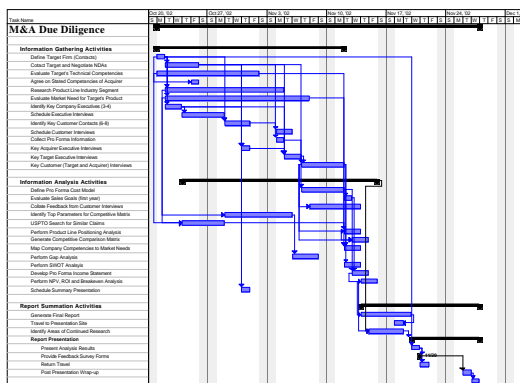
- ❑ Shopping for a bargain on a technology portfolio to complement their firm's existing product lines.
- ❑ Evaluating a potential investment / acquisition of a product line that will complement an existing business unit.
- ❑ Evaluating a would-be investment / acquisition of a product line that will substantially replace an existing business unit.
- ❑ Determining the best fit for an "acquirable" new product line within an existing business.
- ❑ Evaluating a potential investment / acquisition of a product line that will become an entirely new line of business.

Evaluating a potential acquisition is a disastrous distraction for the acquisitive firm. Regardless of the likely benefits of an acquisition, the complex agendas that come into play with an internal review of a target firm can detract substantially from the payback of a deal. A successful M&A or strategic investment deal will involve only top management and will minimally distract other executives. **Market Plan Engineering has developed a turnkey review package to provide acquisitive firms with the timely and unbiased information they need to value and properly execute a deal. The entire review is completed in one month.**

We use a disciplined rapidly paced process and a pool of savvy experienced executives. Our consulting services are packaged such that you know what to expect from us, and what is required from your firm, at every step of the process.

The Market Technology Due Diligence engagement results in a thorough report, and more importantly a detailed one-day briefing by a team of our principal consultants. The report will typically include:

- An analysis of the target firm's strengths, competencies, and advantages and their relevance to the stated competencies of the acquisitive firm.
- An analysis of the target product line's positioning relative to its top identified competitors and the firm's competencies.
- Competitive comparison matrix based on top customer criteria and available pricing information.
- Mapping of competencies to market need. Is the firm developing products along its strengths, or the needs of the customer?
- Gap analysis; are emerging market needs being met?
- SWOT (strengths, weaknesses, opportunities, threats) analysis.
- Review of target firms (Provisional) Patent Applications with an engineering opinion of their uniqueness and search of USPTO database.
- Develop pro forma income statements for product line based on mutually developed projections of sales and cost trends.
- NPV, ROI, and breakeven analysis based on pro forma projections.



The benefits of a market / technology due diligence engagement:

- ❑ Valuation metrics of the target product line as if it were a part of your business. We use your cost models and establish likely revenue / pricing models to present a range of valuation metrics.
- ❑ Insight into organizational planning for the best fit for the target product line and staff.
- ❑ Evaluation of the target firm in a “noise free” environment. We are not hindered by internal agendas or any predispositions to find the “correct” answers.
- ❑ We allow the client firm to keep a low profile while testing their investment hypothesis.
- ❑ Our Principal consultants are seasoned executives themselves. We can connect with industry leading technical experts and “thought leaders” to validate the investment thesis and evaluate the defensibility of the target firm advantages.



The research we undertake on your behalf can be conducted discreetly or visibly; we operate under your instructions. Market Plan Engineering enters into non-disclosure agreements as required by both the target and client firm. We can generally not be responsible for “keeping the cat in the bag” or containing scuttlebutt; but we commit that we will not be the ones to let it out.

Because we do not develop technology ourselves, we are able to enter “non-use” NDAs that the client firm would be typically be unable to accept; we **evaluate the target technology and firm without disclosing proprietary information**. This arms-length review of the technology increases the depth of review that can be accomplished by our technical experts without creating an intellectual property liability for either firm. This becomes very important in the event that a deal does not come to fruition and makes it much easier for either firm to “walk away” without creating IP ownership legacy issues.

At the completion of the review period our client firm will have a thorough view of the target firm’s competencies, valuation models, and organizational fit. The Market /Technology Due Diligence engagement does not look for legal issues (other than a limited review of IP issues as they relate to a defensible advantage), fraud, or accounting. It is not a substitute for the traditional legal due diligence that reviews the potential for future liabilities.

If your firm is looking to acquire new technology or markets via an M&A strategy then a rapid due diligence review by a team from Market Plan Engineering is an important tool to have at your disposal. **We can confirm availability to undertake the due diligence within 48 hours.** 30 days later you will know a great deal more about the target firm and its value to your firm.

Our turnkey pricing of engagements assures that our customers understand that they are getting a complete review, not a variable price engagement. As our customer you will know what your costs are, and will have strong expectation of our team, we fully expect to exceed your expectations in every engagement.

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