

## IMPACT

- Disclose organisational strengths and weaknesses pre-acquisition
- Increase exit valuation through organisational excellence

## OVERVIEW

In connection with an acquisition, a significant part of the valuation process lies in assessing the potential future free cash flow. Yet, who is going to deliver the free cash flow you put into your valuation equation? Ultimately, it is the people in the company.

At Sirrah, we increase your chances of making the right valuation of a company by approaching people and organisational assessment in the pre-acquisition phase in a way just as credible as when you approach a traditional financial or legal due diligence

If you engage with Sirrah at least 18-24 months prior to a divestment we will be able to support you documenting the potential performance of your organisation towards prospective buyers



### DISCLOSE ORGANISATIONAL STRENGTHS AND WEAKNESSES PRE-ACQUISITION

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Depending on the relative openness in the transaction in the pre-acquisition phase, Sirrah will create a transparent and detailed understanding of the organisational execution power through an initial organisational agility and –fitness analysis; a critical step towards aligned objectives and improved success rate of 100-day plans, including selection of core talent before potential workforce reductions.

In the post-acquisition phase, we engage in an assessment of the leadership team and the middle management. Optimally this is done within the first 2-4 weeks after the acquisition. Further, we complete the organisational agility and -fitness analysis and provide a plan of required actions.

### INCREASE EXIT VALUATION THROUGH ORGANISATIONAL EXCELLENCE

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Financial leverage has been the driving force of value creation within the private equity industry. Size and global reach were important competitive drivers to securing the most attractive deals. Some private equity funds have extended their value add to portfolio companies by offering management and operational assistance. The current market conditions, however, call for additional methods to drive value from the portfolio companies.

Sirrah supports private equity funds in further differentiating themselves by creating value in portfolio companies through organisational excellence. One short term result of Sirrah's interventions is dramatically more energised organisations early on in the ownership of the portfolio companies.

The longer term results, after 2-3 years, will be significant, very visible and directly translatable into higher valuations. Examples include:

- Increased management bench strength
- Simplified and sustainable organisations with clear accountabilities and increased execution power to deliver on identified company goals
- Cost effective Human Resource practice

