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Client Story » M&A Screening

Accelerating growth in the T&L sector through M&A



First Step Consulting®

Client

We worked with a freight company that is a leading player in the UK transport and logistics (T&L) sector. However, the company was new to M&A.

Situation

The senior leadership team was eager to fuel growth through several targeted bolt-on acquisitions. Their goal was to gain new capabilities and resources and to solidify the firm's position in the market. We knew from experience that this could be achieved more easily if the client would avoid pursuing M&A targets opportunistically. The entire search process had to be grounded in a disciplined approach instead.



Action

It was a necessity to look beyond obvious targets to find ideal acquisition candidates. For that reason, we held multiple workshops with the client team at the start of the project to exhaustively discuss their M&A strategy. Our consultants analysed the T&L sector at the same time to explore the industry segments and verticals where suitable targets can be found. Also, we examined the M&A landscape in the UK and the recent activities of our client's direct competitors.

This process encouraged the client to revisit their objectives and assumptions. The outcome of our discussions was a set of well-defined M&A themes. We agreed on how this freight company can derive maximum value from acquisitions and established the deal-screening criteria.

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Action

Soon after, our team started to produce a long list of possible acquisition opportunities. Over a hundred previously unknown targets were discovered. In order to compile a short list of potentials, we developed an analytical framework and methodically evaluated the strategic fit between our client and each candidate. We then conducted pre-due diligence on the most promising targets.



Result

Our consulting team produced a comprehensive repository of acquisition targets and detailed reports on nine candidates. The client started dialogues with all shortlisted targets and closed on four acquisitions since we completed our project.

Further, we worked with the client team to improve their in-house capabilities for monitoring attractive M&A opportunities.

The company is now a successful serial acquirer.



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Contact

Please let us know if you
have any questions.

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