CASE STUDY #479

Case Study: "M&A Due Diligence"

"Things are going great with [the acquired company] and we really appreciate the diligence you conducted."

– Investment Banker

ABOUT THE CLIENT	
Industry	Investment Banking
Assets (AUM)	$4.5 billion
Employees	90
Location	New York, San Francisco, London
BSI Service or Solution	Due Diligence

Key Challenges

- The client, a venture capital firm, had targeted a privately-held company for investment
- There were conflicting reports of human rights violations, which the company wanted to resolve.
- Boston Strategies International conducted a due diligence study as a precondition to closing on the deal.

Why Boston Strategies was Selected

- Strategy and strategic audit expertise
- Expertise studying opportunities and challenges with Chinese suppliers
- Expertise in environmental, social and governance standards.

Project Scope

- GHG Protocol
- ISO 14000
- Global Reporting Initiative (GRI)
- Guiding Principles on Business and Human Rights
- OECD Guidance for Responsible Business Conduct
- EU Human Rights Standards
- UN Global Compact

Project Approach

- Conducted "off-the-record" ESG due diligence via personal connections
- Studied surveillance photo archives
- Tapped sub-web information on key individuals
- Cross-checked versus reference databases such as National Bureau of Statistics, State Administration of Taxation, and officially registered corporate credit reporting agencies.

Operational Benefits Realized

- Closing schedule was confirmed without delay, accelerating cash flows
- Trust and confidence helped cement the relationships between senior executives on both sides

Financial Benefits Realized

- The acquired company received its cash infusion without delay.
- The client avoided a potentially costly mistake by avoiding acquiring a company with a compromised ability to export to the US market.