



GLOBAL TRANSACTION ADVISORY GROUP

Driving Transaction Value During Covid Recovery and Beyond

As businesses continue to recover and assess the impact of COVID-19, one thing is for certain: having timely and accurate transparency of information is more critical than ever. Companies need real-time information to understand changing customer demands, supply chain volatility and working capital trends. Data analytics are critical information tools to not only aid companies in the on-going management of the business, but to prepare for transactions.

Understanding the Impact from COVID-19

During transactions, business due diligence exercises should be focused on understanding COVID-19 impacts such as:

- What are the key customer and product sales trends?
- How have customer demand and channel changed?
- What is the recoverability of downside impact?
- What is the sustainability of upside impact?
- What does the new normal look like?

Sellers need to obtain answers to these questions well before a formal sales process in order to be prepared for investor inquiries.

Maximize Transaction Value with Data

Robust data analytics are anticipated to be a key success factor to fuel efficient and smooth transactions post-COVID-19. Given the far-reaching market disruptions, pre-pandemic assumptions on underlying performance is now up for debate. Almost every due diligence exercise now includes a valuation component impacted by COVID-19, and this is an expected theme for the next three years. Investors have been increasingly data hungry even before the pandemic hit, and sellers will need to provide a clear transcript of how the business was impacted and what the projections are post-COVID-19 to maximize transaction value.

Power of Data post-COVID

The pandemic further emphasized that management reporting through data analytics does not stop at the completion of a transaction. While the full impact of COVID-19 on businesses and supply chains is still unknown, it was a tough reminder that on-going cash flow management, working capital analyses and controls around supply chain forecasts are critical. Data analytics are particularly useful when tracking the measurement for transaction earn-on payments, net working capital and cash flow management and key business performance indicators. These tools provide access to real-time data, creating on-demand efficiencies that enable companies to stay agile in volatile markets.

Informed decision making that utilizes transparent information will be a key success factor as businesses continue to recover from the pandemic and beyond. And whether supporting transaction value or assisting in the on-going operations and financial management of a business, data analytics will continue to play a key role.

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