



Enhancing the Bottom Line of an M&A Group

Summary Case Study CS-011

Problem: The mergers and acquisitions (M&A) division of a major international bank must provide accurate and timely advice for its corporate customers about candidate mergers and acquisitions as well as assess the inherent risks and long term prospects for corporate takeovers, acquisitions, and partnerships. Due to the complexity of the analysis and the intuitive judgment needed to rank opportunities, only the most senior analysts are able to evaluate possible M&A candidates. This constraint significantly limits the division's revenue growth, restricts the depth and kinds of analysis it can perform, affects its relationships with clients, inhibits the ability to train and rely on less senior analytical skills, and increases the chances of subtle errors in its assessment of potential candidates. The bank estimates that it loses over \$40 million annually in missed opportunities, insufficient analysis, and lack of crossover business.

Solution: We applied our robust Business Behavior Management (BMM) Methodology, to analyze and capture the behavior of senior analysts and corporate businesses. With the Anterus Intelligence Factory suite of products, we constructed a comprehensive decision support platform that combined a powerful semantic-based search capability, a model of multi-enterprise corporate business behavior, and a ranking technique that isolates the very best candidates based on risk minimization and the maximization of client satisfaction constraints.

Results: A year after installation, the M&A model had reduced direct costs by over 30%, significantly improved client satisfaction, as measured by a 22% drop in remitted fees and an estimated 60% reduction in arbitration disputes, reduced the time to evolve a merger or partnership plan from six weeks to two weeks, and allowed the bank to assume a larger number of clients while maintaining the same staffing level. This model enabled the organization to move a majority of the analysis and selection process to less expensive junior and mid-tier analysts, cutting the complete processing costs by over 50%.