

Announcing Frequent Acquisitions, Both Large and Small

Situation Analysis: Over a ten-year period, a medical distribution company completed more than 100 acquisitions. While these transactions were an integral part of the client's business strategy to take advantage of opportunities in highly fragmented markets, the acquisitions were wide-ranging in both size and scope. The company's challenge was to communicate the overall opportunity and set investor expectations with measurable integration and financial metrics that balanced investors' needs for transparency with the client's own need for a certain amount of confidentiality:

LHA's Solution: The announcement of each acquisition presented its own set of opportunities and challenges. For larger transactions, LHA was integrally involved in reviewing internal deal documents, assumptions and projections, and in coordinating the public announcement with executives at the acquired company. LHA spearheaded comprehensive programs that included the development of key messages, drafting and issuing the announcement releases, composing conference call scripts for the investment community, preparing Q&A, spearheading media outreach and much more. Smaller acquisitions were announced in combination news releases or along with other company news.

LHA worked effectively to balance the Street's need for quality information to help guide the updating of financial models and the client's need to keep the specifics of certain deals confidential. The latter included such issues as plans for future layoffs or facility consolidations, near-term operating margin impact and exclusive business partner relationships. We skillfully set integration milestones that were conservative and quantifiable, and reported on progress during quarterly conference calls.

Results: Demonstrating LHA's success in communicating acquisitions, the Street became less challenging in monitoring integration milestones and financial gains over time. For example, several years ago a large transaction was Topic #1 on quarterly conference calls for more than a year after it was first announced, while more recently, a series of purchases of varying sizes were taken in stride following the initial announcement. Investors and analysts became increasingly comfortable with the client's ability to identify strategic opportunities, structure transactions with appropriate terms and maintain momentum in the core business, as well as to deliver on expectations and complete integrations quickly and efficiently