



The Coxe Group on Mergers and Acquisitions

Merger and acquisition activity in all business sectors has been robust in recent years, but unfortunately, not all marriages are made in heaven. We help firms that should avoid getting on that bandwagon from staying on it very long.

We refer to “affiliations” as relationships between firms in which there is no change or exchange of ownership. Situations in which there are changes in ownership status fall into two categories. “Acquisitions” occur when a firm buys part or all of the ownership of another firm, resulting in some or complete reduction of ownership-related control in the acquired firm. “Mergers” result when two or more firms combine their equity to form a larger entity in which there is a larger ownership base.

Our merger and acquisition work covers many facets.

1. Growth strategy.

We have assisted many firms in developing strategies for growth, and in some of those, growth through affiliation, merger, or acquisition was the preferred approach.

With other firms, a merger or acquisition strategy was determined to be the most effective means of accelerating entry into new market sectors, at times defined geographically and at other times by client type, by project type, and/or by discipline and service.

In some situations, the strategy responded less to growth and marketing goals and more to an inability to effect internal transition of leadership and ownership. In still other situations, a merger or acquisition strategy resulted from owners' ambitions to receive higher value more quickly than seemed realistic in an internal sale.

2. Affiliation searches.

We assist in identifying firms between whom a relationship will increase marketing and service strength for specific projects and clients.

3. Acquisition and merger searches.

We undertake searches on behalf of clients seeking firms to acquire or with whom to merge. Often the vehicle of merger or acquisition is not defined at the inception. Instead the search process identifies suitable candidates, with the decision of whether a merger or an acquisition will be most suitable evolving during discussions – which we often facilitate – between the firms.

4. Acquirer searches.

We identify candidate firms to acquire clients. At times we help our clients to explore things they can do internally to strengthen their practices and increase their appeal, and their value, to an acquirer.

5. Integration assistance.

We assist firms, whether or not we had been part of the process that got them together, to come together smoothly and toward common goals. The range of issues covered can be wide, including: cultural integration, compensation planning, technology integration, project process improvement, organizational management, and public relations strategy development.

6. Valuation.

We assist buyers, sellers, and merger partners in developing objective valuations of their practices. Frequently, valuations vary depending on the conditions of ownership transfer – values in external sales are generally considerably higher than values in internal sales – and we help our clients realize and understand this.

7. Deal structuring.

We assist buyers, sellers, and merger partners in structuring deals that are fair, consistent with collective goals, and prudent with respect to taxes. In the course of such services, we may work with our clients' attorneys and accountants.

8. Due diligence.

We undertake due diligence or guide our clients as they undertake it themselves to ascertain that “what you see is what you get.” Through our due diligence efforts, we investigate such aspects of practice as the financial profile including project-specific and firm-wide views, marketplace reputation, roles and capabilities of personnel, current ownership situation, employment agreements, and liability issues.

Our due diligence can take on a non-conventional flavor as well. For example, we may look at a potential acquisition not just by itself, but also in the context of its potential fit with the acquiring firm. On this basis we have helped some clients avoid marriages that would have had a very high likelihood of falling significantly short of their goals.