

A group of business professionals, including a woman in the foreground and a man behind her, are looking intently at a computer monitor. The monitor displays various data visualizations, including a bar chart at the top, a line graph below it, and several circular gauges or progress indicators. The background is dark, and the lighting is focused on the people and the screen.

EVALUESERVE

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Charting Success: The Deal Marketing Playbook Unveiled

In the intricate process of dealmaking, one essential step often operates discreetly, yet its immense importance cannot be ignored: Deal Marketing. It's the foundation of sealing the deal, combining preparation, persuasion, and strategic selection. With careful precision, the deal team creates compelling marketing materials, guides management, and strategically evaluates potential buyers. In this delicate orchestration, the stage is set for the ultimate act of negotiation and closure.

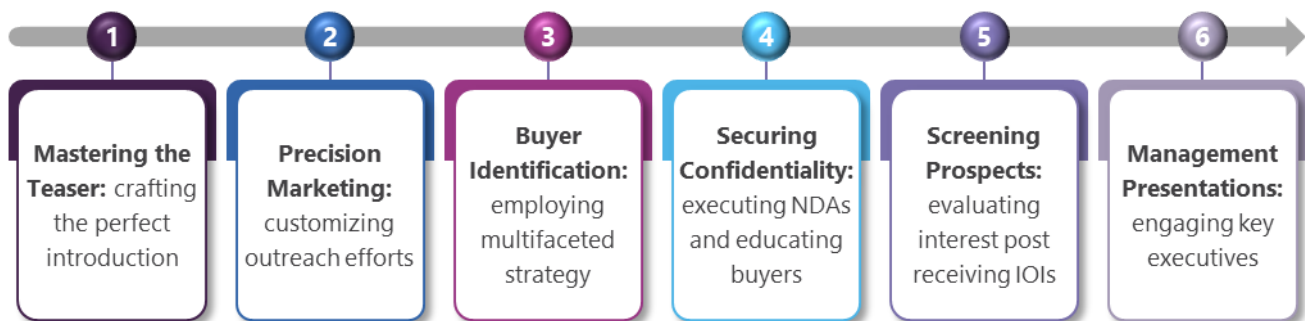
Introduction

In an investment banking deal life cycle, deal marketing plays a crucial behind the scenes role. It acts as a pivotal architect, shaping the process layout and influencing the success of the deal. The deal team establishes the foundation for the success of deal by methodically constructing compelling marketing materials, with the Confidential Information Memorandum (CIM) as its magnum opus.

This foundational phase not only prepares the management for the process ahead but also sets the stage for the strategic selection of prospective buyers that will redefine the company's growth trajectory.

During the process of deal execution, as the first round of buyer selection commences, deal marketing efforts takes centre stage. The process involves reaching out to prospective buyers, negotiating and executing confidentiality agreements with interested parties, and the distribution of the marketing materials and the initial bid procedures letter.

Key Components of an Effective Deal Marketing Process



Mastering the Teaser: crafting the perfect introduction

Before the deal marketing efforts initiate on a full scale, the deal team finalizes a Teaser — the first document strategically crafted to attract potential buyers. This teaser sets a clear narrative for the deal team. The meticulous preparation and finalization of the teaser marks the crucial prelude to the symphony of deal marketing.

What is a Teaser?

The teaser is generally a brief one or two-page synopsis of the target (generally on a no-name basis), including primarily a company overview, investment highlights, and summary financial information.

It also contains contact information for the bankers running the sell-side process so that interested parties may respond.

This document functions as a concise reference guide furnishing comprehensive details regarding the target company, while accentuating pertinent facts and information intended to captivate prospective buyers or investors.



Sample Teaser

Precision Marketing: customizing outreach efforts

With the buyer list in hand, the deal team customizes marketing strategies for different buyer personas. Recognizing that one size does not fit all, this stage involves tailoring the approach to resonate with the unique interests and motivations of each buyer category. Whether dealing with strategic partners seeking synergies or sponsors looking for investment opportunities, the deal team ensures that:

- A** They leverage their connections built through industry events, conferences, or their immediate network
- B** The marketing pitch, cover letters and emails, are customized to address each buyer individually

This strategic approach ensures that the deal team is able to foster a direct and meaningful engagement with prospective buyers. This interplay between buyer customization and industry networking forms the bedrock of successful targeting in the intricate realm of Deal Marketing.

Buyer Identification: employing multifaceted strategy

Recognizing the diverse preferences of potential buyers, the deal team must employ a multi-channel approach. This encompasses both online and offline strategies, ensuring a broad and effective reach.

- A** In the digital age, leveraging tools and platforms becomes indispensable. The deal team harnesses the power of digital marketing to amplify their message, utilizing platforms, social media, and targeted online campaigns.
- B** While digital strategies are crucial, the deal team should not overlook the impact of traditional methods. Conferences, roadshows, and industry events provide invaluable face-to-face opportunities to make a lasting impression.

Securing Confidentiality: executing NDAs and educating buyers

The NDA is typically distributed along with the teaser, with the understanding that the receipt of more detailed information is conditioned on its execution. A standard NDA will contain the following provisions:

Use of information	1 States that any information provided by the seller, whether conveyed verbally or in writing, is deemed proprietary and should be handled with confidentiality. It is intended solely for making decisions related to the proposed transaction
Term	2 Establishes the timeframe during which the confidentiality restrictions will remain in force
Permitted disclosures	3 Clearly defines the limited circumstances under which the prospective buyer is allowed to disclose the provided confidential information. Additionally, it explicitly prohibits the disclosure of ongoing negotiations between the two parties
Return of confidential information	4 Mandates the prospective buyers to return or destruction of all provided documents once they exits the process
Non-solicitation/ no hire	5 Restricts prospective buyers from actively soliciting or hiring target employees for a specified period
Standstill agreement	6 For public targets, precludes prospective buyers from making unsolicited offers or purchases of the target's shares, or seeking to control/ influence the target's management, board of directors, or policies
Restrictions on clubbing	7 Bars prospective buyers from collaborating with each other or external financial sponsors/equity providers without obtaining prior consent from the target. This measure aims to maintain a competitive environment

Screening Prospects: evaluating interest post receiving IOIs

With the influx of IOIs and the educational phase in full swing, the deal team enters the critical stage of narrowing down the interested parties. This involves analyzing the received IOIs and identifying the potential buyers who align most closely with the deal's objectives. This stage requires careful evaluation of the buyer's

1. Strategic fit and overall interest
2. Financial capacity to make the purchase
3. Historical experience in the sector
4. Track record of M&A completion and historical bidding
5. Overall compatibility with the deal's vision

Management Presentations: engaging key executives

As the list of potential buyers narrows, the deal team proceeds to conduct management presentations. This interactive phase allows for a deeper exploration of the deal, fostering a direct and meaningful engagement between the management team and potential buyers.

Management presentations serve as a platform to address queries, clarify intricacies, and showcase the value proposition. This stage plays a pivotal role in building confidence and solidifying the understanding between the deal team and potential buyers.

To help management prepare, the banker will schedule a practice session in which the banker will ask common questions and ensure the presentation is consistent with the CIM and other discussions with buyers.

Key Considerations: Confidentiality and Communication

From crafting the teaser to conducting management presentations, each step demands strategic forethought. These considerations encompass not only the dynamics of the market and the targeted audience but also the internal cohesion of the deal team. The synergy between creativity, precision, adaptability, and thorough preparation becomes the linchpin for success. Keeping these considerations at the forefront ensures that the deal team manoeuvres the complexities of deal marketing with agility and insight.

✓ Do's

- Creating a project name for the deal
- Preparing the teaser on a "no-name" basis and ensuring to not share the client name in initial emails
- Implementing secure data rooms for confidential information
- Executing confidentiality agreements with interested parties
- Maintaining discretion throughout the process

✗ Don't's

- Avoiding premature disclosure of sensitive details
- Steering clear of communication channels that compromise confidentiality
- Minimizing the risk of leaks or unauthorized access

🗨️ Communication is Key

Effective communication becomes the backbone of successful deal marketing. The deal team adopts a three-pronged approach:

- A Establishing Clear and Transparent Channels:** Clear and transparent communication channels are established with potential buyers. Clarity fosters trust and ensures that all parties are on the same page.
- B Prompt Response and Additional Information:** Prompt responses to inquiries and the provision of additional information are paramount. The deal team remains responsive, addressing queries promptly to keep potential buyers engaged.
- C Managing Expectations:** Managing expectations is an art in deal marketing. The deal team sets realistic expectations, ensuring that potential buyers are well-informed throughout the process.

Conclusion

In conclusion, the deal marketing phase emerges as a very critical part of M&A processes, connecting potential buyers with opportunities. Amidst this critical phase, the expertise and support services offered by Evalueserve, a distinguished financial research firm, become invaluable. With a proven track record in providing comprehensive and tailored solutions, Evalueserve stands ready to assist in navigating the complexities of deal marketing, ensuring meticulous preparation of compelling marketing materials, maintaining confidentiality with utmost diligence, and ultimately facilitating the realization of successful M&A transactions.

Do you require any services for any Investment Banking Advisory, Financial Risk & Due Diligence? Please refer our capabilities and for more insights visit our Solutions webpage : <https://www.evalueserve.com/solutions/deal-execution-support/>

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