

BUSINESS DECISION ENABLED

CASE STUDY

DUE DILIGENCE

PROBLEM

A multi-national client was scouting for joint venture partners in India. The client had narrowed down its search to two probable partners. The successful probable partners were family owned businesses in the pharmaceutical sector with a few major brands under its belt. Though the client had worked on major issues with these probable partners, it decided to carry out a due diligence on the companies before arriving at a decision.

APPROACH

The client approached SecureMARC with the problem and the SecureMARC team initiated the project under an NDA. The team started by understanding the client's requirement and listed the probable areas where the companies could be cutting corners or the areas that could be of concern and needed attention.

SOLUTION

The SecureMARC team initiated research on the subject companies. Based on the results, the team then touched base with its established and relevant contacts in the market to generate credible insights on the companies. From these authoritative sources it was found that the two companies had a number of compliance and policy issues that could have a negative impact on the future of any business suitor.

It was also found that one of the subject companies was in financial difficulties and had pledged its flagship brands in order to raise monies to tide over the difficult period. Furthermore, it was found that the subject company's financial difficulties were of its own making due to unsound decisions it had taken. The brands were pledged in order to keep the company afloat until a desirable suitor took over the business.

CONCLUSION

The two probable partners seemed to be carrying on highly successful businesses owning leading brands. An in-depth due diligence carried out by SecureMARC was able to highlight the pitfalls of any future business relationships that the client may enter into with them. The correct and current market intelligence accessed by the SecureMARC research team enabled the client to make an informed decision.