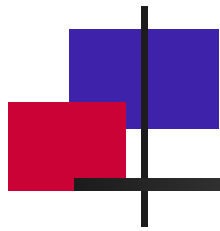


***What Exactly Did We Acquire
and
Why Isn't It Working Out
the Way It's Supposed To?***



Elan Long
President, SpringSmart Inc.

ITA CFO Roundtable
February 15, 2011





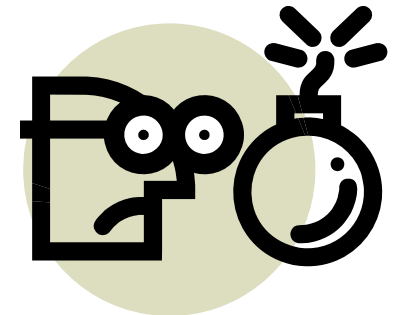
Where's the Value We Expected?



- Built financial models based on business understanding
- Structured deal to reflect value/risk

BUT:

- Unexpected costs
- Technology gaps
- Faltering revenue
- Weak customer relationships
- Wrong people leave
- Distractions hurt both businesses
- Competition reacts
- Customers freeze or leave





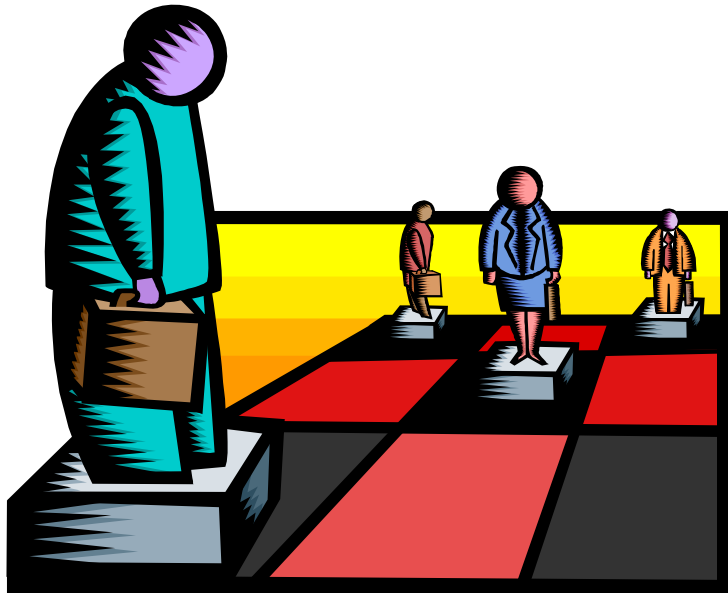
3 Keys to Successful Acquisitions



- Know the value (and risk) before you fall in love
- Prove it's there – without destroying it
- Work integration from beginning to end



Know the Value and Risks Upfront



- Start from strategy
 - be open to opportunity
- Use a proven process
 - adapt it to the situation
- Examine all areas
 - both hard and soft
- Identify all the value drivers
 - and the risks, in context

Beware falling in love too soon!

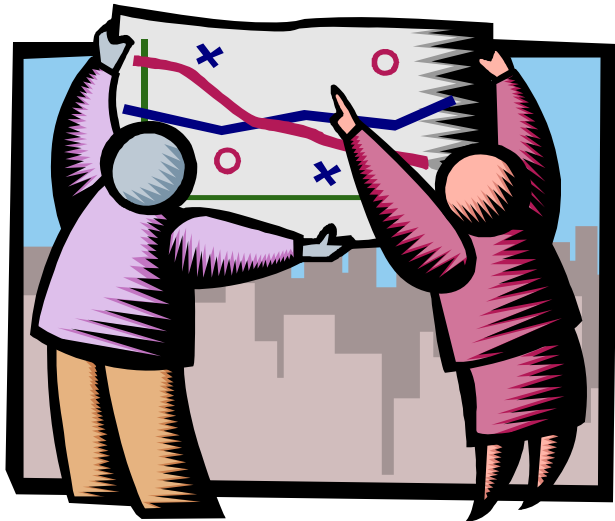


Prove the Value without Destroying It



- Know where to look – and how to recognize fault lines
- Match the due diligence to the risk – balance the costs
- When you find something, do something – if it's material
- Pay attention to people – beware rumors and raiders

Work Integration from Beginning to End



- Think integration from the start
- Plan from the sources of value
- Understand risks and mitigation options—be alert not paranoid
- Communicate early and often
- Make decisions as needed
- Measure/manage integration for at least a full business cycle



3 Keys to Successful Acquisitions



- Know the value (and risk) before you fall in love
- Prove it's there – without destroying it
- Work integration from beginning to end

What makes your acquisitions
successful — or less than expected?

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