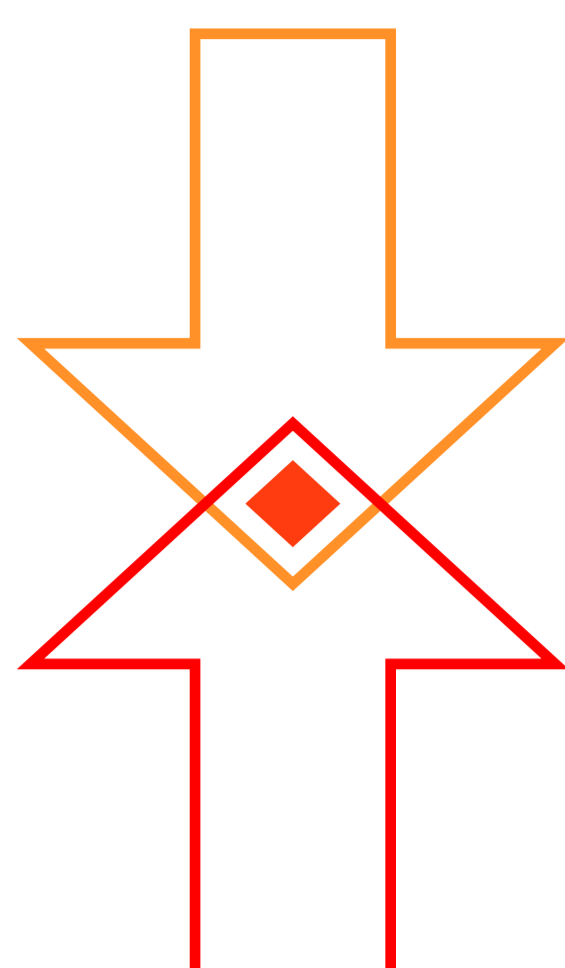


CHASING RABBITS VERSUS STALKING MAMMOTHS IN M&A



Accenture Strategy research reveals that large companies are stepping up their efforts to gain new digital capabilities through M&A, acquiring non-traditional companies that are innovative, digital, technology-driven.

LARGE COMPANIES ARE FOCUSED ON DIGITAL

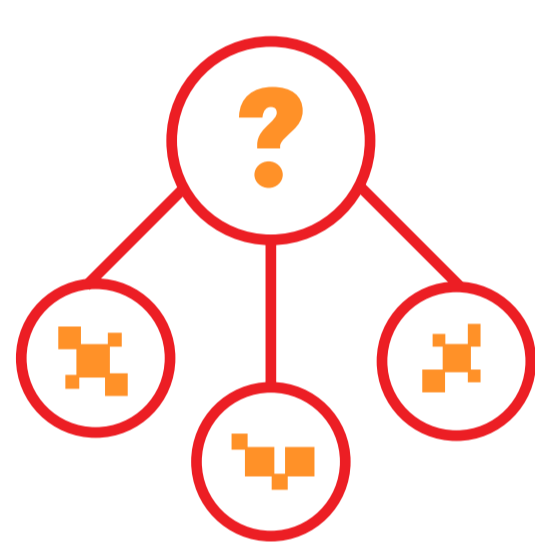
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Over the next three years nearly **three-quarters of companies** plan to acquire five or more “progressive” companies.

96%

of large companies believe such investments are a central part of their corporate strategy.

KEY CHALLENGES IN ACQUIRING DIGITAL CAPABILITIES



They don't understand digital technologies well enough to know precisely which digital capabilities they should buy.

Nearly two-thirds said deep expertise in assessing new technologies is among the areas with the greatest potential to improve their progressive company acquisitions.



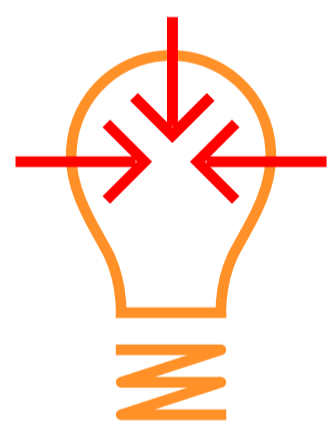
They often find the hunting process difficult, struggle to assess the target's technologies and value and take too long to get the deal done.

- Identifying relevant technologies is challenging, while technology knowledge is now the #1 area for due diligence.
- 63% of large companies take longer than six months to complete a transaction, and nearly one-quarter need more than nine months.



They risk destroying an acquisition's innovation potential by using a traditional approach to integration.

Six in 10 companies felt maintaining a target's innovative culture is one of the biggest success factors for integration.



A NEW APPROACH FOR SUCCESS



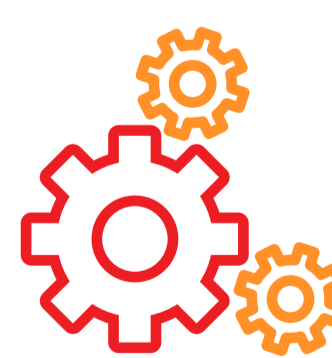
Target screening

- Participate in startup networks.
- Explore venture capital funds and accelerators.
- Leverage open innovation.



Closing the deal

- Increase target certainty by assessing targets more deeply from a technology perspective.
- Accelerate transaction speed by streamlining the deal process.



Tailoring integration

- Consider the acquired company's operating model as a whole to determine what can be standardized and what should be preserved and nurtured.

Learn more about adapting your M&A strategy to increase your company's competitive agility with our full report:

www.accenture.com/digital-M-and-A