

SAP LIQUID STUDIO FOR LEONARDO APPLICATION: MERGERS AND ACQUISITIONS

Digitizing the process of M&A

Function: Synergy Modeling | Process: Mergers and Acquisitions | Industry: Finance

Application Overview

Trillions of dollars of M&A transactions happened annually yet only about 50 percent of these provide the anticipated value. Causes for this can include unrealistic synergy expectations, unplanned costs and other issues.

Opportunity exists to digitize the M&A process and provide more accurate visibility into planned costs, benefits and synergies. The Mergers and Acquisitions app begins to address these opportunities by providing tools to support synergy analysis across multiple categories in advance of the deal execution.

Solution

The Mergers and Acquisitions application supports sell-side and buy-side clients during the due diligence phase of an M&A life cycle by providing modeling on potential synergies across multiple categories in a consolidated SAP Cloud Platform dashboard.



Business Value

- Enhanced visibility into projected benefits for M&A.
- Reduced sunk cost from pursuing incorrect M&A targets.
- Tracking of assumptions and versioning of synergy projections.

Technologies in Use

- SAP Cloud Platform
- SAP Leonardo Predictive Analytics

Features

- Provides an aggregated view on company baseline and to-be KPIs of the new combined or divested company.
- Drill-down screens containing data about company values and costs, enabling decision makers to drill down into department-based details (e.g., corporate headcounts).
- Detail pages providing company and department-based data with high granularity allowing end users to perform in-depth and scenario analysis (decommission an application, close a facility, adjust headcounts, calculate projected costs, etc.).
- Develop synergy and integration assumptions.
- Develop capital/financing models.
- Develop pro forma merger projections.

