

## Commercial Due Diligence

**Vasco Advisers supported a major Swedish investment company with commercial Due Diligence of a medtech company**

### Project

A dialogue was initiated between our client and the owners of a medium sized medtech company concerning capital needs for future international expansion. Vasco Advisers were requested to support with the commercial Due Diligence in the purchasing process.

The analysis focused on external issues from two main perspectives:

- General trends on the health care market and how these affect the company's customers
- The perception of the company's products, market position etc

The project also included the formulation of some strategic priorities and support to our client in the development of the strategic rationale and business plan.

### Project work

The following activities were carried out:

Due Diligence related information

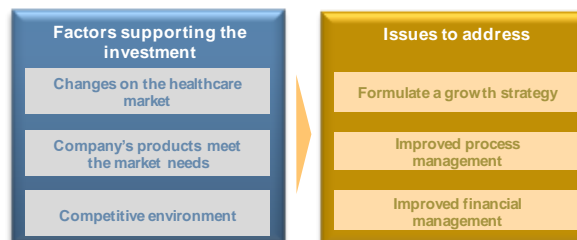
- Analysis of relevant information obtained through the purchasing process
  - Internal reports, documents, business plans etc.
  - Interviews with key staff
  - Management presentation

Market analysis

- Interviews with opinion leaders, customers etc
  - Existing customers
  - Lost sales
  - Policy makers and government officials
  - Medical / clinical key opinion leaders
- Desk research in Vasco Advisers' data bases and public sources
- Nine countries were analysed:
  - Sweden, Denmark, Germany, UK, France, Finland, Norway, Poland and Italy

The findings and results were analysed to determine how they affect the company. This work was carried out in close cooperation with the client.

Five workshops and several project meetings were held with the project team.



*A numbers of factors that supported the investment were found. A number of issues to be addressed was also identified – though mostly of a nature that can be managed by a professional owner.*

The analysis phase also comprised the formulation of a strategic agenda – which key success factors can be identified and how to obtain growth?

### Results

We found solid evidence supporting the investment, while nothing advised strongly against – though a number of issues could be identified that needed to be addressed to generate growth and long-term profitability. The SWOT analysis showed that weaknesses could be addressed through improved operations, threats mostly through a well-defined growth strategy.

Another key finding was that the business logics of the company was significantly different from what our client initially expected – which changed the mindset and strategic rationale in a positive direction due to new opportunities.



*In order to be a profitable company the answer to all questions in the figure must be "yes". Our perception of the company's position is indicated by the arrows.*

Our client decided to go through with the investment – and has successfully supported the company during entry on several major markets. Issues concerning company structure has been addressed and the identified new business logic has successfully been applied.

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