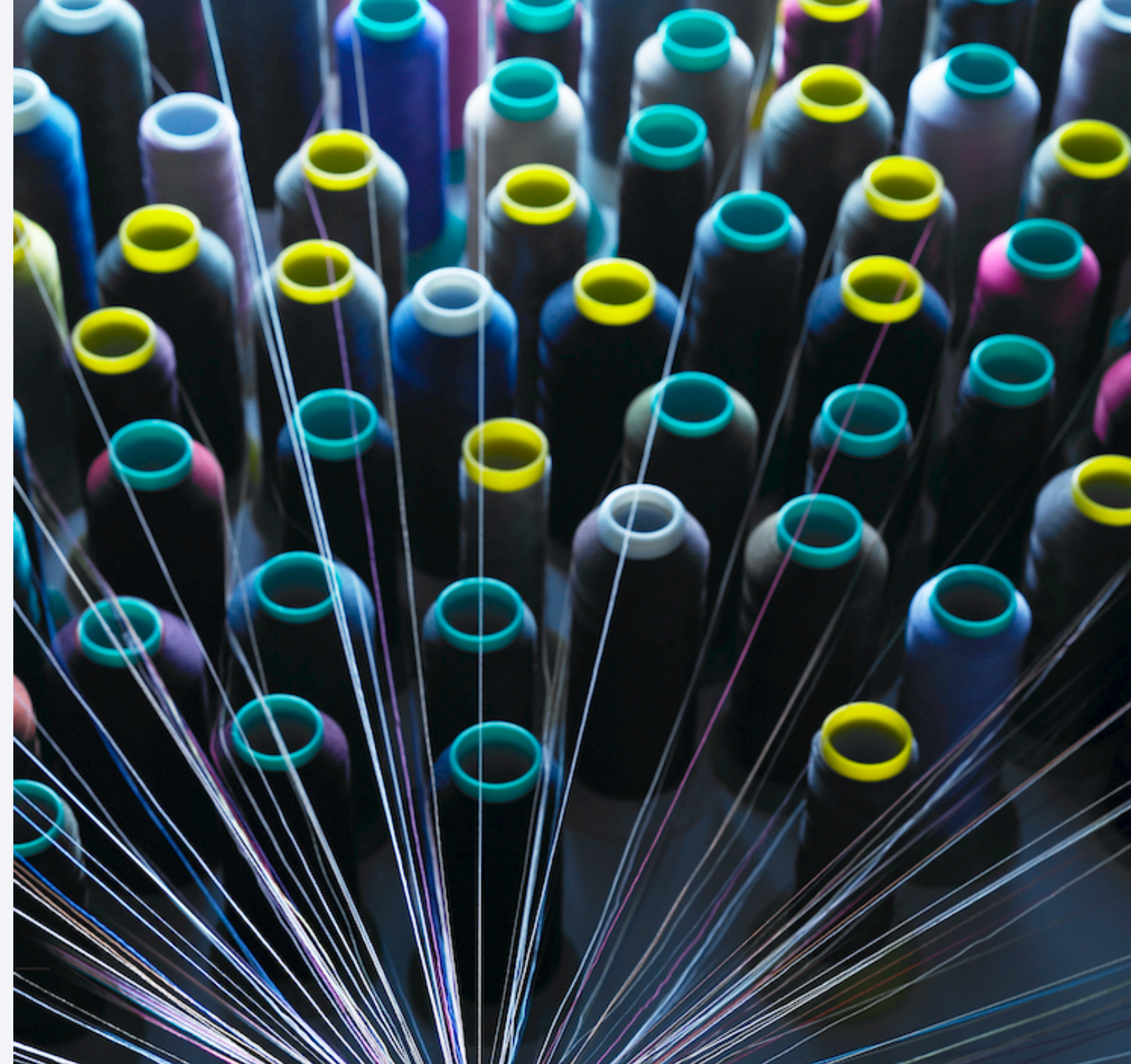


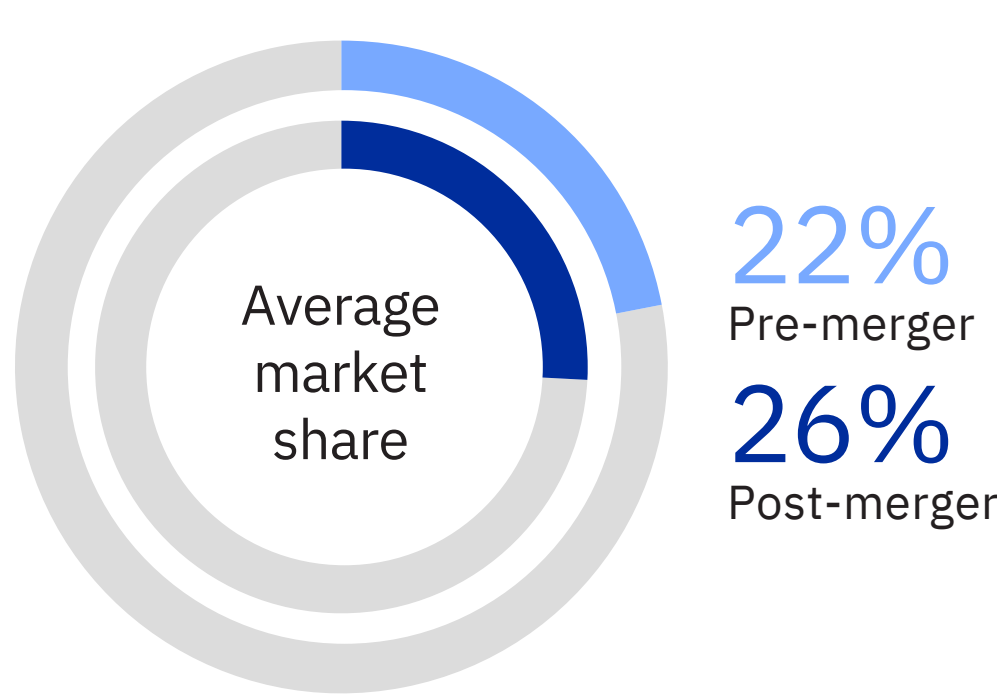
Stronger M&A strategies through AI-driven processes

Ten tenets for electronics companies to drive effective inorganic portfolio growth

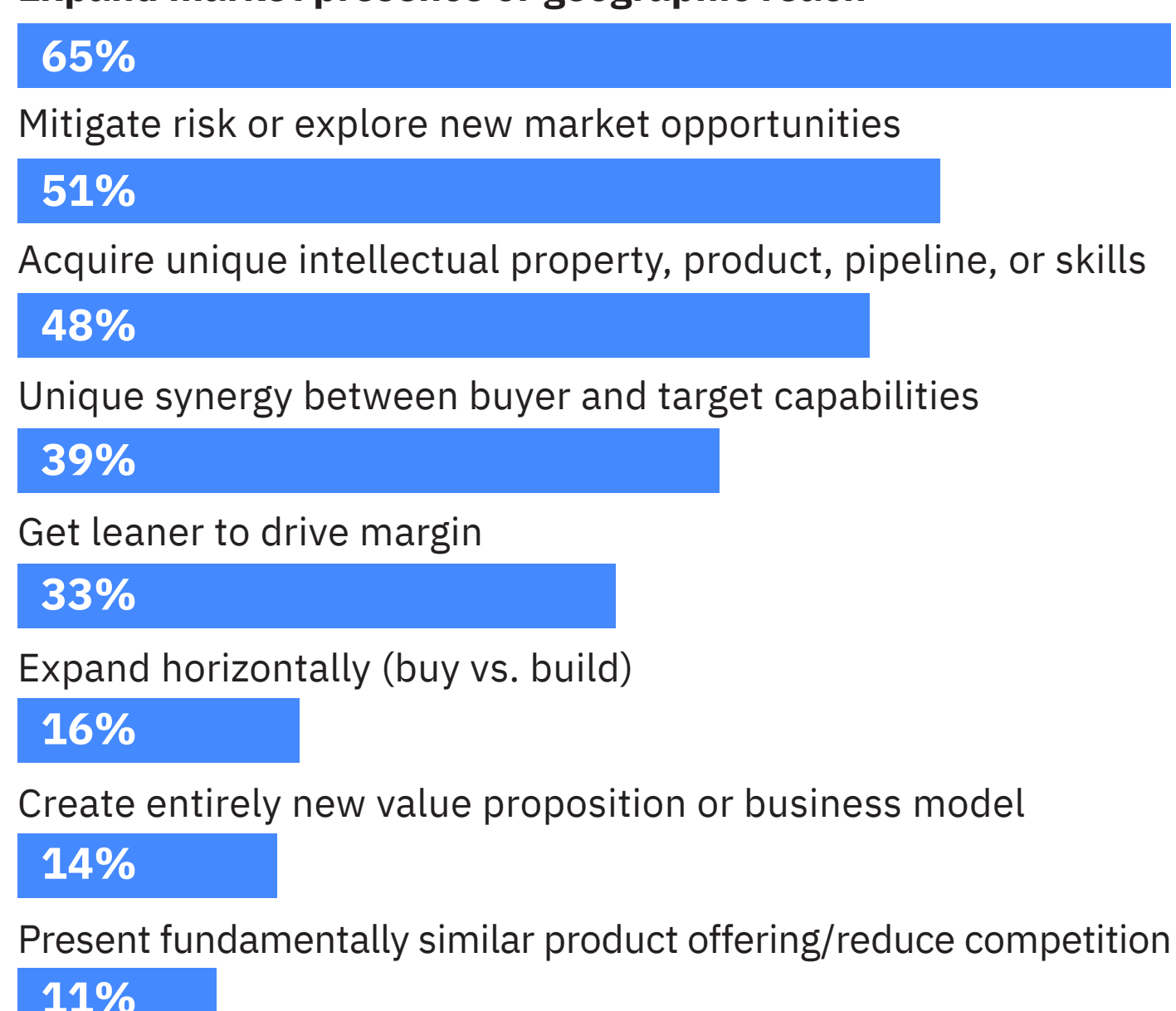


Why do electronics companies buy?

Their primary motivation is expansion, delivering an additional 4% of market share from an average of 22% pre-merger to 26% post-merger.

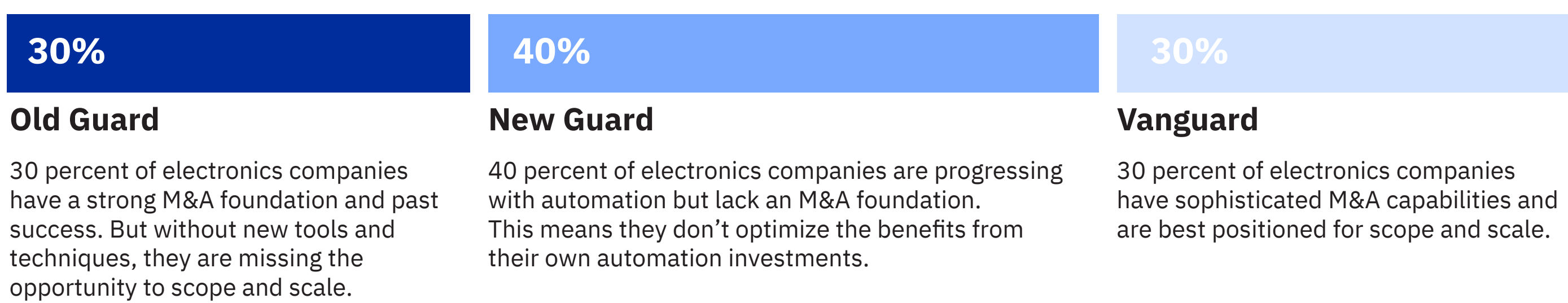


Expand market presence or geographic reach



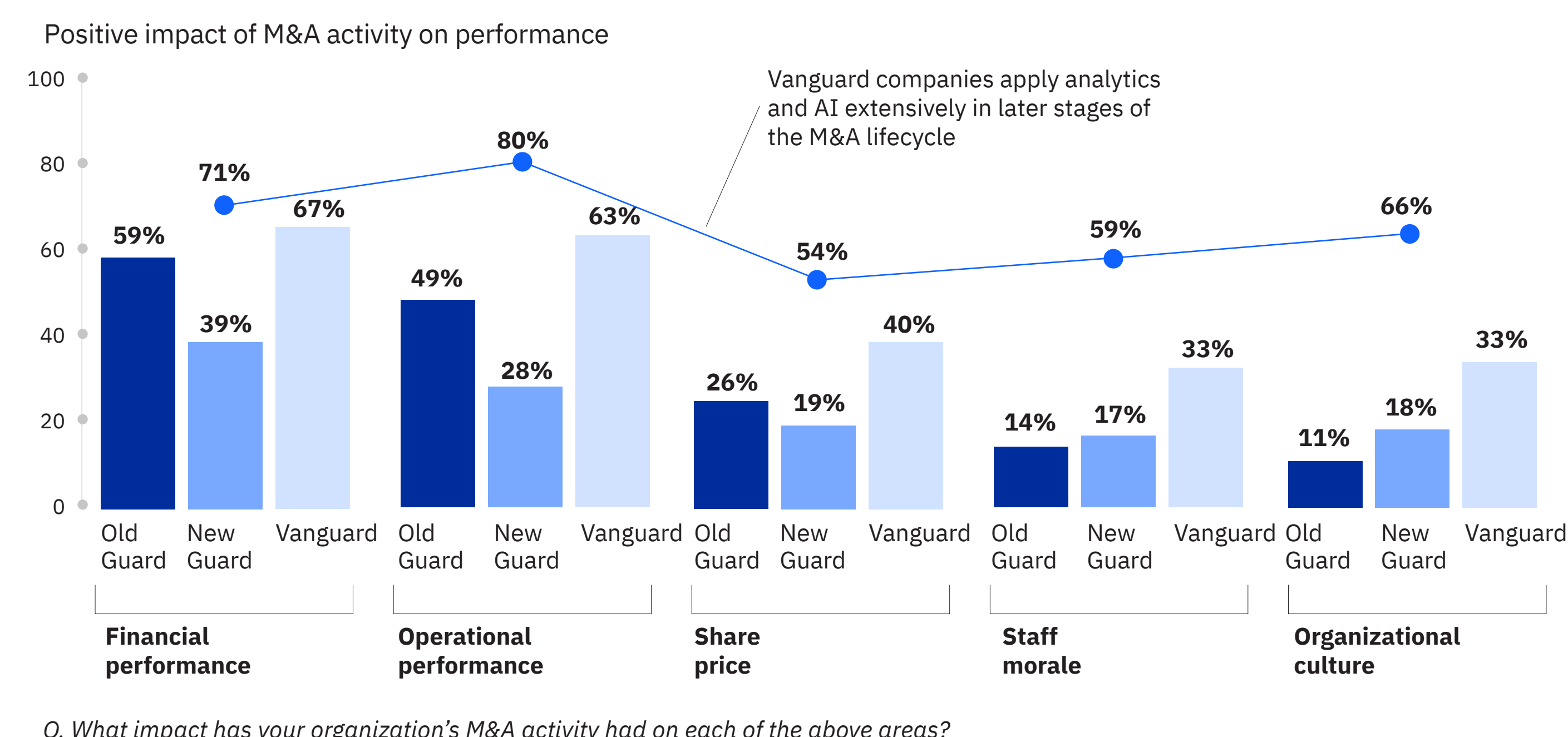
How do electronics companies buy?

Using three distinct M&A capability models that demonstrate varying levels of sophistication and success.



How can electronics companies optimize deal value?

By applying analytics and AI extensively in the later stages of the M&A lifecycle.



How can electronics companies build repeatable, scalable M&A capabilities?

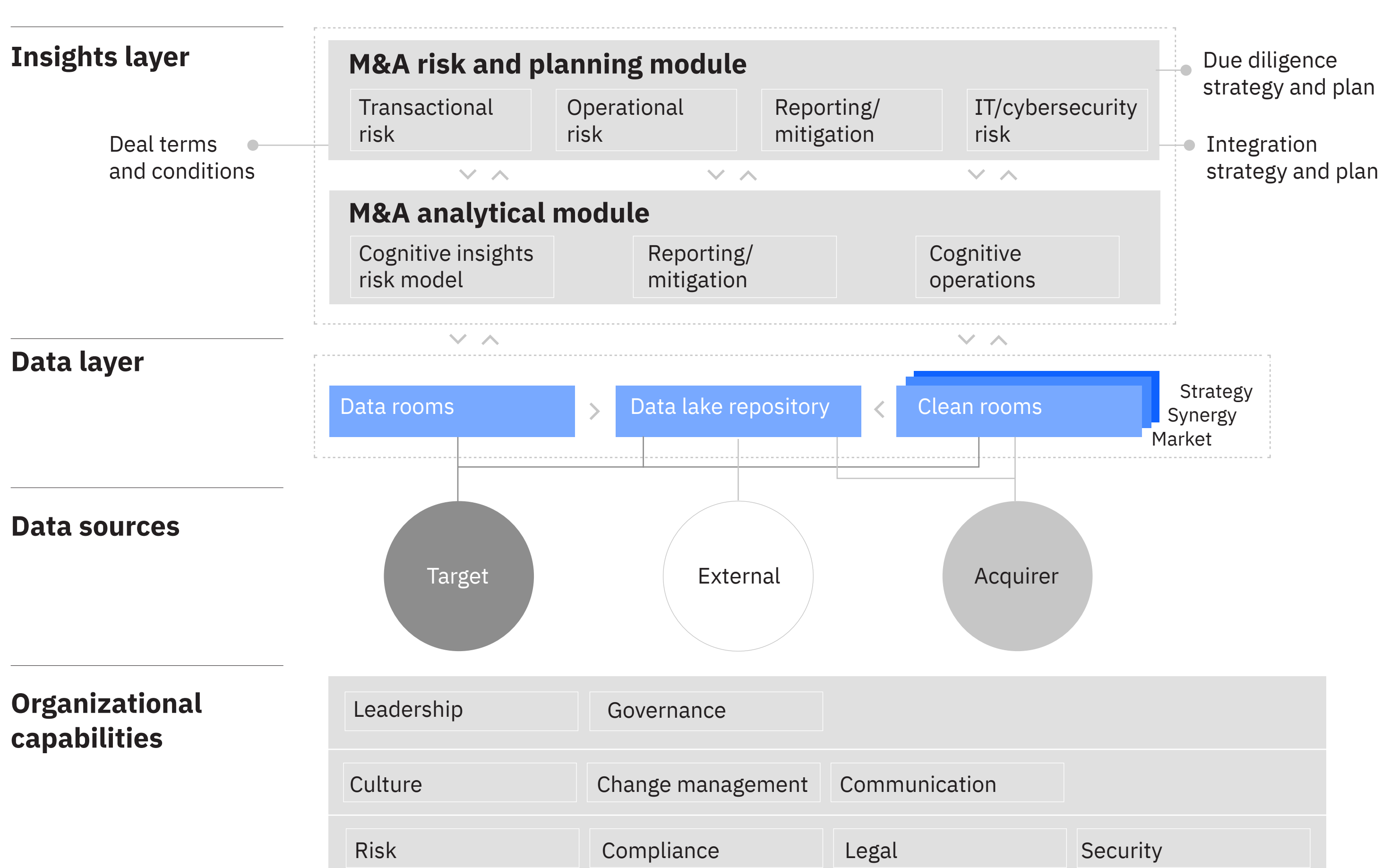
By following ten tenets to establish a modern M&A foundation and embed automation, analytics, and AI throughout the M&A lifecycle.

The ten M&A tenets

- Identify and quantify value**
Strategy and screening processes
 - 1 Scan for value
 - 2 Quantify potential value
 - 3 Understand what amplifies and inhibits the realization of value
- Understand and mitigate value at risk**
Due diligence, negotiations, transaction execution processes
 - 4 Identify and quantify value at risk
 - 5 Mitigate risk; pay the right price
 - 6 Analyze cybersecurity risk
 - 7 Analyze margins to determine what places value at risk
 - 8 Analyze synergies to evaluate and understand value creation
- Realize and optimize deal value**
Integration processes
 - 9 Integrate for value
 - 10 Extract incremental value

Where can electronics companies start?

Develop a conceptual architecture that sets the foundation for dialogue among diverse stakeholders, and implementations of M&A capabilities, including the ten tenets.



Corporate development, and M&A in particular, will always be a human-plus-machine partnership. Old Guard. New Guard. Vanguard.

Where does your organization fall on the spectrum?

ibm.co/mergers-acquisitions-electronics