

Initial situation

For years the private operator of nursing homes is continually growing through acquisitions, for which I-ADVISE provides assistance. These transactions typically represent exclusive negotiations of add-on acquisitions of individual or rather small groups of nursing homes.

Challenges

Often the sellers and their advisors have no M&A experience and the quality of available financial information is usually relatively limited. Therefore, the general risk exists that such situations result in an inefficient transaction process and correspondingly high transaction costs.

The internal decision-making and approval process of our client requires a financial due diligence report which confirms the client's own business plan ("Investor Case") and considers relevant findings of all other due diligence analyses (e.g. commercial, legal, technical).

Approach

Prior to the first project, I-ADVISE - in close cooperation with the client - developed a customised supply of services which incorporated a detailed industry specific information request list and a standardised reporting format.

During the individual due diligence project, we liaise closely with other external advisors and the client's internal M&A team. All due diligence reports, the detailed investor's business model and supporting documentation (e.g. benchmarks) are provided to and analysed by the I-ADVISE team.

Through the rather extensive prior experience and familiarity of the nursing home industry, we were able to cater to the complexity of the investor's business model. This ensured cost and time efficiency gains.

Outcome

The approach - as applied by I-ADVISE and the client - enables to offer an attractive and reliable fee structure despite of the usual inefficiencies of smaller transactions and the specifically requested scope of work.

Due to the above-average experience of each team member, the I-ADVISE team is able to communicate appropriately with both sellers and their advisors, anticipate potential issues and develop jointly alternative ad-hoc solutions which avoid a delay in the acquisition process.

The clear and structured financial due diligence report which focused on key findings, meets all requirements of the internal decision-making process typical for an international investor.

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