

## **Identifying the risks & opportunities surrounding an acquisition in the semiconductor supply market**

### **The problem**

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#### **Our Objectives are to:**

- Understand the Company's niche within the dynamics of the semiconductor market
  - Assess Company product uniqueness versus competition
  - Understand the degree of proprietary technology and patent positions
  - Identify target's defensible niche from technology or intellectual property standpoint
  - Understand pricing strategies versus competition
- Identify relative profitability and financial position of target
  - Pricing strategy versus competition
  - Margin premiums commanded by company's niche and uniqueness
  - Investment on personnel engineering and training, for sustainability
- Identify sustainability of customer accounts, relationships and unique "premium position"
  - Fragmentation of supply- were there others who could supply the same technology?
  - Future market growth and demand forecasts
  - Technology drivers impacting suppliers such as the target

***nxtMOVE's targeted primary source research enables clients to understand companies and their market positions at present and in the future.***

## The approach

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### Primary and Secondary Research

- Identification of public records for a privately held firm
- Desk research (Internet, telephone)
- Extensive technical interviews with SMEs, company employees, executives across functional areas, etc.



- Analysis and forecasts of future performance
- Formal client reviews to focus on key intelligence identifying risk factors

**nxtMOVE's  
extensive skills in  
primary and  
secondary research  
ensure a full 360°  
review of the  
market's risk and  
opportunity factors**

### Primary Sources

Within the target companies and customers:

- Engineering
- Finance
- Technical service
- Purchase decision makers
- Sales and Marketing Management
- HR and Accounting personnel
- Plant and operations staff
- Target's Foreign offices/operations

## The risk/opportunity assessment indicated a positive forecast for entering the semiconductor market through the target company.

### The results

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- Yielded an understanding for relative strengths including profitability and sustainable growth for the target.
- Risks identified included competitive factors which could be mitigated through strategic partnerships with customers and recurring investment in technology development for customization.



**Client actions:** preliminary acquisition negotiations were initiated upon review of nxtMOVE's analysis.