

Digital Deal Economy Study

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How can you aspire to lead in the digital economy?

Following the road map to successful digital M&A is a key step.

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The better the question. The better the answer. The better the world works.

Key findings

Having a digital ecosystem is essential to fast-tracking innovation ...

48% of companies are making significant investments in building a digital ecosystem.



... and companies are recognizing that digital is a strategic capital allocation priority.

90% are considering digital priorities in their capital allocation planning.



However, many are yet to introduce new deal processes to ensure they can capitalize on digital M&A ...

46% say their M&A due diligence processes are not "highly effective" for digital acquisitions.



... and value is being eroded through flawed integration strategies.

24% just a quarter - are "highly confident" about their ability to retain talent following an acquisition.



EY's Digital Deal Economy Study

With traditional companies facing unrelenting pressure to drive digital innovation, the ability to design and execute a digital M&A strategy is essential. In 2016, we launched our first *Digital Deal Economy* study and this latest report provides one of the most detailed comparative studies available.

The survey was conducted between November and December 2017 by Longitude. More than 900 respondents across 26 countries and nine major industries participated. C-suite executives involved in M&A or digital strategy were invited to take part.

Respondents were categorized into three distinct groups on the basis of their company's maturity or preparedness in digital M&A across seven areas of EY's digital M&A framework.

Learn more at ey.com/dde

Time to embrace the digital M&A mindset

Our second *Digital Deal Economy*, a survey of more than 900 executives, finds companies increasingly embracing the digital imperative. No surprise there, given digital technologies and applications are continuously reinventing and reshaping industry landscapes and business models.

In our survey, **90%** of companies are elevating digital priorities in their strategic planning over the next two years. But, many are challenged to build an effective approach to fully realize their digital potential.

Companies that do no more than put digital wrappers around their existing brands and propositions may find their future under threat. Digital disruption requires asking hard questions about what your organization is today and what it needs to be tomorrow. The ability to continually innovate quickly will be critical.

Forging a successful digital future will likely mean buying as well as building capabilities in-house. Today, investors are prepared to reward companies that make bold technology and transformational acquisitions. Digital M&A is defined by the key process and new ways in which digital capabilities are built through M&A. In the future, only those who can execute digital M&A over a sustained period will be equipped to prosper.

However, we find clear differences between companies in their ability to transform strategic thinking into digital M&A capabilities and outcomes. Many companies only excel in one of seven areas of digital M&A (see page 9). There is great variance between those who embrace the opportunities of digital transformation, who lead at digital M&A, and those who are still learning. Only **14%** of respondents are “leaders” with robust digital M&A capabilities.

To succeed in the new digital world is not just a one-off sprint. It is a continuous race to stay ahead of changing customer demands amid ever morphing landscapes. The forces and technologies driving these changes are also those that can be best harnessed to navigate them. Becoming leaders in the transformational age requires a digital-centric approach to capital strategy, dealmaking and processes.

Your digital tomorrow will be impacted by your strategic decisions today. It's now time to embrace the digital M&A mindset.

Three levels of digital M&A maturity: leaders, adopters and aspirers

The majority (**57%** of respondents) are **aspirers** – they are currently challenged with many aspects of digital M&A, from building an ecosystem to conducting due diligence on digital assets.

Adopters are a smaller group (**29%**) of companies who understand where they need to update their approaches to cater for the unique challenges of digital M&A.

We also found an exclusive **leaders** group (**14%**) who have undertaken a significant transformation and update of their M&A strategy and approach, and who are reaping a significant digital performance premium as a result.

	% of sample	# of areas excel
Leaders	14%	4+
Adopters	29%	1-3
Aspirers	57%	0



Tony Qui
Global Chief Digital Officer
Transaction Advisory Services

A road map for change: from strategy to integration

On the basis of our research, there are four priority areas across the transaction lifecycle, where organizations should focus efforts to transform to become leaders:

- 1 Strategy and ecosystem**
Establishing the digital ecosystem to fast-track innovation, allocate resources and build capabilities will be critical to realize the potential of your vision.
- 2 Capital and portfolio review**
Continuously reviewing the business portfolio to sustain ambitious acquisition and investment goals is key to future-proofing the business.
- 3 Deal process**
Rebooting M&A capabilities and processes to meet the specific deal demands of the digital environment is fundamental to success.
- 4 Integration**
Realizing maximum value requires strategic integration approaches tailored to digital transactions.



Strategy and ecosystem

Will yesterday's tried and tested strategies provide the right answers tomorrow?

Establishing the digital ecosystem to fast-track innovation, allocate resources and build capabilities will be critical to realizing the potential of your vision.

The challenge

Digital disruption is intensifying: Businesses need a strategic response in this demanding environment. A traditional and linear approach to in-house innovation-led growth will likely not deliver results at the speed required.

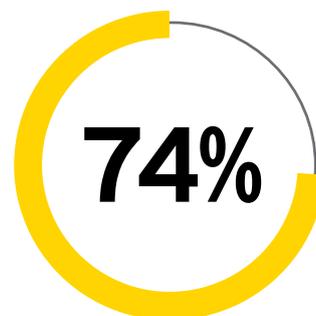
The digital ecosystem: This ecosystem, which integrates in-house capabilities as well as acquisitions, joint ventures and alliances, is critical to fast-tracking innovation. But many companies are challenged to build an effective approach.

Ecosystem initiatives: These initiatives can fail to get off the ground if organizations do not have the vision, strategy or digital expertise required to succeed. Even if the ecosystem is developed, risk averse and rigid cultures within the organization often prevent innovative ideas from being realized.

Understanding the evolving external environment and aligning strategic digital goals is the primary driver of success.

Acquisitions are clearly an important part of the mix – three quarters (74%) are looking outside their own company for digital growth. Structures, such as alliances, can also allow companies to access innovative technology within a flexible framework and stretch their capital. In our survey, nearly a quarter of respondents (22%) choose alliances as the primary tactic they will use to drive their digital strategy over the next 12 months.

As with most business issues, setting the tone from the top is key in terms of digital. Leaders in our survey are more likely to have the CEO as the person driving the primary aspects of digital transformation strategy. That highest-level sponsorship is critical, but it is also paramount that this vision and strategy is embraced throughout the company.



of companies take an inorganic “buy” approach.

The critical role of the CEO

Establishing clear governance and leadership is essential for successful digital transformation. Many companies fail to take a strategic and focused approach, with numerous people and disparate groups within the organization pursuing their “pet” projects. A strong CEO with a clear vision is critical for challenging group-think or the traditional ways of viewing the industry. They help in overcoming entrenched organizational interests and in allocating and prioritizing funding.

The study finds that leaders are more likely than aspirers to have the CEO driving the digital transformation strategy. Clear leadership is critical to ensure that digital objectives and deals are executed effectively with key decision-makers involved early on in the process. This will help guarantee that digital is a permanent item on the boardroom agenda.

Organizations are still placing significant reliance on corporate M&A departments. In certain cases, the business is increasingly taking on responsibility to identify new strategies, leaving M&A departments to execute the deal. But, finding targets for digital M&A requires a different approach. Building new digital ecosystems is critical to enable companies to identify new partners and targets.

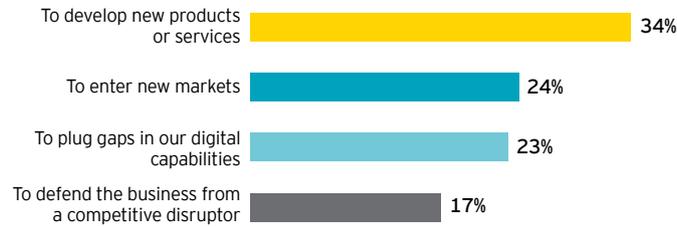
These ecosystems are also fundamental to drive product and service innovation - more than a third (34%) cite it as the primary driver. Given the strategic benefits these ecosystems provide, it is no surprise that the vast majority of companies are investing in building new digital networks.

Those investing in building digital ecosystems are utilizing different investment vehicles. More than half (57%) of the leaders, for example, use corporate venture capital arms or incubators, but this drops to 33% for the overall sample.

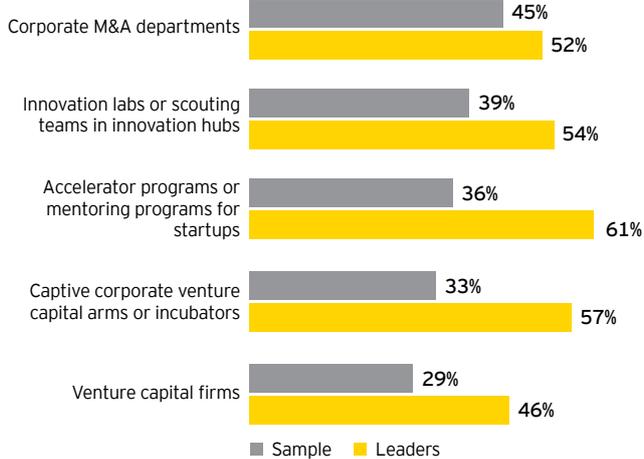
Leaders are also identifying promising start-ups via incubations, collaborations and sponsorships, and are investing in them to provide cutting-edge digital services.

However, even though executives continue to look at new ways to build ecosystems, they recognize that many challenges remain. Finding digital expertise to drive the approach and establishing key performance indicators (KPI) to measure progress and return on investment (ROI) are top of the building an ecosystem "challenge list".

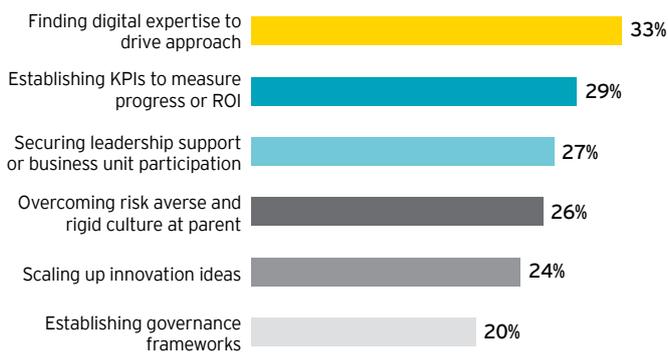
Most important reasons for building a digital ecosystem



Vehicles used to identify digital ecosystem partners and targets



Key challenges in establishing an ecosystem



Digital Ecosystem:

a group of enterprises that interact with each other and share standardized digital platforms to achieve commercial benefits or strengthen innovation

Percentage of companies making a significant and sustained investment in building a digital ecosystem:

98%
Leaders

65%
Adopters

27%
Aspirers

Key takeaways

To build an ecosystem capability, business leaders should focus on a number of priorities:

- ▶ Change agents within an organization need to be aligned around future direction: it is difficult for one individual or department alone - such as the Chief Development Officer - to effect change
- ▶ Establish consistent metrics that apply to new market dynamics based on outcomes - don't try to measure innovation using traditional "tried and tested" metrics which are time bound to the financial year
- ▶ Define a clear strategy, prepare to experiment and be alert to opportunistic developments



Capital and portfolio review

How can companies ensure their digital and capital strategies are aligned?

Continuously reviewing the business portfolio to achieve ambitious acquisition and sustained investment goals is key to future-proofing the business.

The challenge

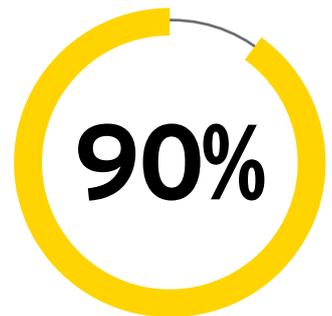
Capital allocation: Companies are allocating significant funds to digital. They are well aware of the magnitude of disruptive forces at play and are making a more explicit link between their capital strategy and their digital strategy. Companies need to establish their digital vision and embed this throughout their capital allocation decision making. The issue today is not a lack of capital to allocate, it is the abundance of digital opportunities. A digital strategy is fundamental and a robust capital allocation framework will help ensure the right decisions are made.

Buy vs. Build: In terms of funding their digital strategy, companies also need to consider reshaping their overall business portfolio. In particular, portfolio transformation to win in a digital economy - raising funds for digital M&A through divestments, while simultaneously streamlining the business for a better future.

Valuations: This is a key challenge in the digital age. Companies need to understand new methodologies for evaluating investments that may not be in and of themselves revenue generating. Often, companies are buying assets to transform internal processes or open new routes to customers.

Our survey respondents clearly understand there is a cost associated with digital transformation. The vast majority of respondents (**90%**) are considering digital priorities in their capital allocation planning over the next two years. There is a clear recognition that capital is needed to enable the company's buy or build strategy.

Many companies are challenged to get their capital allocation balance right. When asked if they have a coherent and aligned "buy" and "build" approach to digital, only **48%** agreed. More than half disagree or are neutral. Flexible structures, including alliances and joint ventures, can provide broader funding options.



of companies are considering digital priorities in their capital allocation planning over the next two years.

The problems of valuing unfamiliar assets

There are clear benefits of having an effective valuation model for digital M&A. Increasing the speed of decision-making, supporting effective pricing negotiations with the target's owners and avoiding overpaying, are all fundamental to win support from stakeholders.

Many companies are still relying on traditional methodologies, such as market multiples or precedent transactions. However, there are many who are taking a more nuanced approach. Examples include, buy versus build models (discounted cash flow with two scenarios, to buy a business and to build internally), greenfield models (discounted cash flow that considers cost to start the business from scratch, plus the cash flows to operate the business after the start-up phase), or hybrid- or probability-weighted expected return models.

In many ways, these approaches will allow more flexibility for specific circumstances, as companies are rarely buying digital assets as a stand-alone, revenue generating asset. They are looking to buy in order to accelerate their own digital maturity, transform internal processes and to be able to positively respond to changing customer demands more effectively.



Most companies recognize that there are also clear benefits on offer from capital investment in digital activities and processes. Across the board, respondents see the potential to boost revenue (**61%** say it will be transformative in the next two years) – cost efficiency (**57%**), market share (**56%**), and share price (**52%**). The returns on offer for successful digital-capital allocation strategies are huge.

The large number that are not expecting an impact from their digital investments over the next two years could be reflecting the new digital reality. Many companies perceive that digital transformation is already happening in their industry.

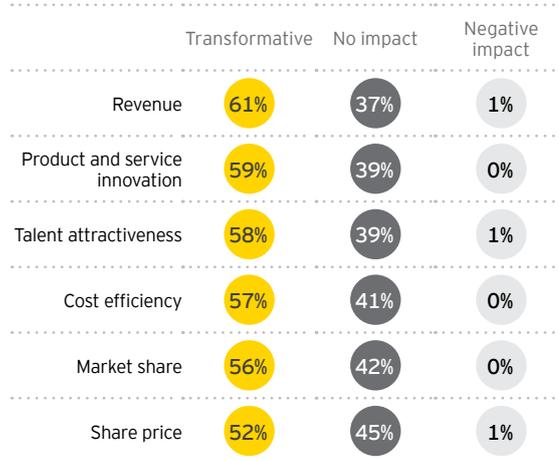
The vast majority of companies believe they have sufficient balance sheet capital to meet their digital M&A goals. That may be the case, but is their capital strategy driving their digital strategy and, therefore, limiting their digital ambition? Interestingly, those that don't believe their current balance sheet can finance their digital M&A objectives are looking at a wide range of alternative funding options.

Companies need to think hard about how to free up capital to invest in digital and innovation. Leading companies strategically divest noncore or underperforming businesses not only to fund digital innovation, but to also refocus their core businesses. Divestments are a fundamental component of portfolio transformation and almost a third (**28%**) are divesting to finance new digital acquisitions.

While organizations may be trying to respond to a fast-changing technological landscape, it is important not to make hasty decisions or prematurely react to short-term forces. Decisions need to be founded on a robust strategic rationale. Companies need to understand how technology-driven disruption will affect their strategy and the questions it raises for their current portfolio. This means having access to information and expertise, both of which, are required to make the right strategic decisions.

Getting the digital-capital allocation balance just right, will enable companies to reap the benefits they perceive are on offer from smart investments in digital.

Expected performance over the next two years (due to digital activities and processes)



Method of raising capital to meet digital M&A plans



Percentage of respondents who have a clear long-term portfolio strategy as part of their transition to a digital model:

99%
Leaders

69%
Adopters

22%
Aspirers

Key takeaways

To help ensure a digital-capital strategy is successful, executives need to focus on a number of key priorities:

- ▶ Understand the impact of disruptive forces on your portfolio – from which business models are driving growth to how customer demands are changing
- ▶ Identify which emerging companies threaten the competitive advantage of parts of your portfolio and utilize flexible collaborative framework, such as alliances and joint ventures, to stretch capital
- ▶ Make portfolio review continuous, systematic and strategic; underpin with a data-driven approach to ensure decisions are made efficiently and effectively

Maturity index

Leaders

A small and elite group of companies (**14%**), who have undertaken a significant transformation of their M&A strategy and approach.

These are experienced digital deal-makers who have been prepared to question and update their M&A approaches for the digital economy, across strategy, capital, diligence and valuation, and post-merger integration.

As a result, they are building a clear digital advantage. Well over half of the leaders say that digital advances have improved their revenue, share price and market share over the past two years.

Adopters

A smaller group of companies (**29%**), who understand their own weaknesses. They are beginning to update their approaches to cater for the unique challenges of digital M&A, and are building the infrastructure and skills required to fully succeed.

For example, while they continue to rely heavily on corporate M&A departments to identify digital ecosystem partners and targets, they are also increasingly turning to additional, innovative vehicles.

They also understand the need for new forms of due diligence and integration KPIs, but have not yet acquired the full toolkit.

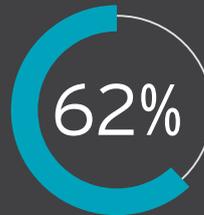
Aspirers

They represent the majority of companies (**57%**) who are finding key aspects of digital M&A challenging. They are struggling to build effective ecosystems, adapt due diligence to digital dealmaking and integrate their investments without destroying value in acquisitions.

They may be beginning to accept that digital M&A is different from traditional M&A, but are yet to modernize their approaches.

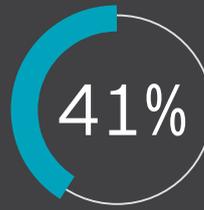
One of the risks they face is overpaying for digital assets, but they also face significant uncertainty about whether the investment will pay off.

Strategy and ecosystem



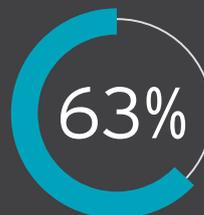
Have a coherent and aligned “buy” and “build” approach

Capital and portfolio



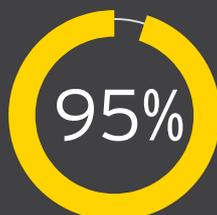
Have budgeted acquisition capital to be allocated to digital

Deal process



Apply data analytics or social media analytics as part of due diligence

Integration

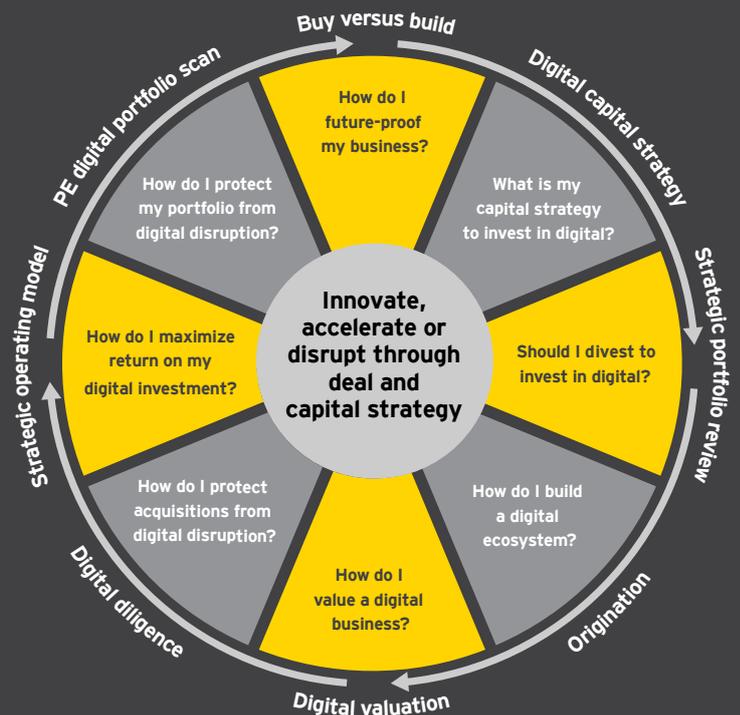


Are confident in their ability to scale up intellectual property and technology

The EY digital M&A framework

Every business is different. And, the challenges and opportunities they face will vary as will their operational focus and level of digital sophistication.

However, a number of familiar digital themes and questions are emerging around a common framework.



Buy versus build

Digital is creating incredible opportunities, especially for those organizations that can move fast and buy innovation. Many companies are not geared to organically develop top class digital capabilities. For them, evaluating the competitive landscape, internal technologies and skill gaps is key. As is identifying the right fit in terms of potential targets and partners.

Digital capital strategy

Digital is not an IT strategy or one-off investment. Enabling a digital future requires smart capital allocation. Determining the most efficient path forward is critical. For an acquisition, that means digital scenario planning, financial modelling, tax-efficient structuring and optimal partnership modelling – and new types of evaluation metrics and methodologies.

Strategic portfolio review

Portfolio transformation for a digital age has many aspects. Reshaping for a better digital future involves not only acquisitions, but also smart divestment to trim underperforming assets and re-position and strengthen the core business. Divestments can also free up capital to reinvest in future-proofing other portfolio assets, or to fund new digital-oriented acquisitions. With the right combination of portfolio analysis, market scenario forecasting and tax-efficient structuring, businesses can accelerate their digital ambitions and also identify which part of their portfolio will be disrupted.

Origination

Digital is disrupting the traditional business ecosystem and competitive landscape. Playing fields are being levelled, giving small start-up firms or nontraditional competitors the same level of market access as large corporates. Proactively analyzing threats and opportunities will identify a number of best-fit acquisitions and partnership options across the digital ecosystem.

Digital valuation

Putting a number on the worth of innovative start-ups is difficult. The traditional metrics – such as cash flows, physical assets and profitability – often don't fit. Evaluating the value of digital intellectual property (IP), potential market size and value at exit can help companies evaluate digital deals and protect them from overpaying.

Digital diligence

When weighing up any new acquisition, companies should also now assess the digital outlook both for the target firm and the markets or sectors in which it operates. Is the target more likely to disrupt its peers or be disrupted? New digital diligence approaches can help to quickly demystify key trends, potential risks and valuation uncertainties before any deal is signed.

Strategic operating model

When acquiring start-up or digital organizations outside your traditional sector, the culture shock can lead to a talent exodus and a loss of that “entrepreneurial” magic. Even value in the best acquisitions can be squandered with a wrong-footed integration model. Identifying risks at the front end of the deal, as well as early key-wins to target, will help keep the entrepreneurial spirit alive.

PE digital portfolio scan

For private equity firms, the mid-term investment horizon can present a challenge in rapidly shifting digital markets. When facing disruption, should a PE firm sell off a portfolio company or invest in it to stay relevant? Assessing how strategic digital acquisitions can bolster a key asset, or alternatively enhance its sale value before divestment is crucial.



Deal process

When acquiring innovative assets can you rely on traditional methods to extract maximum value?

Rebooting M&A capabilities and processes to meet the specific deal demands of the digital environment is key to success.

The challenge

Digital acquisitions and investments: Companies need to demonstrate to stakeholders that their investments are part of a coordinated buy and build strategy for competing in a disrupted world. Many companies pursuing the “buy” element of this approach find that securing the right assets at the right time and at the right price challenging.

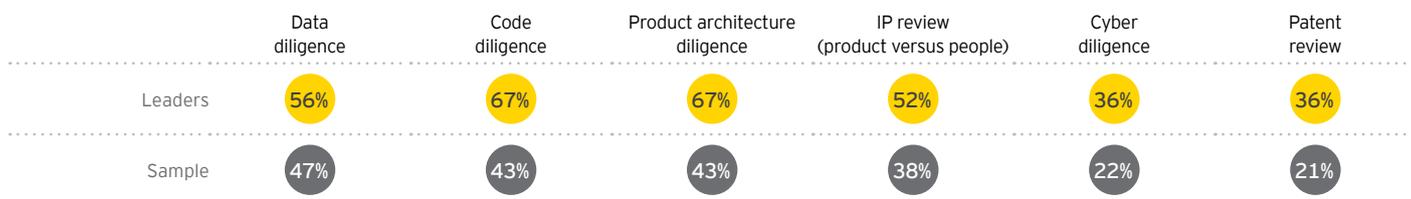
Investing in start-ups: Companies are sometimes investing in a start-up on the basis of the potential to augment existing processes, products or services rather than as stand-alone cash-generating entities. Due diligence must, therefore, tell you whether the technology, IP, people or business model you are investing in, is suitable and scalable.

New ways to measure success: Organizations are investing in an environment where traditional performance metrics are sometimes less important than they once were. This makes deal decision-making more complex, while at the same time, adding new time pressures. Companies are competing against rivals - including large tech companies and venture capitalists - that are prepared to move quickly and may have a different risk appetite. The most innovative digital assets get snapped up fast, putting pressure on non-tech companies to make significant capital decisions quickly.

When it comes to the deal process, more than half of all companies (**54%**) believe their diligence in acquiring digital assets is highly effective, with a further **45%** citing their effectiveness as “moderate.” A mere fraction (**1%**) say their diligence is ineffective. This would suggest an overall level of confidence around the processes companies are using to evaluate targets. However, looking at the deeper analysis of the new types of diligence, it is apparent that few are actually employing innovative methods.

For example, only **38%** of the overall population are applying intellectual property analysis compared to **52%** of leaders. In terms of code diligence, **67%** of leaders apply the methodologies compared to **43%** overall.

Innovative due diligence processes or approaches undertaken



Developing the full digital diligence toolkit

Leaders clearly understand the importance of digital assets and processes. Bespoke coding underpins product architecture. Data is protected by robust cyber defences. Intellectual property is safeguarded by patents.

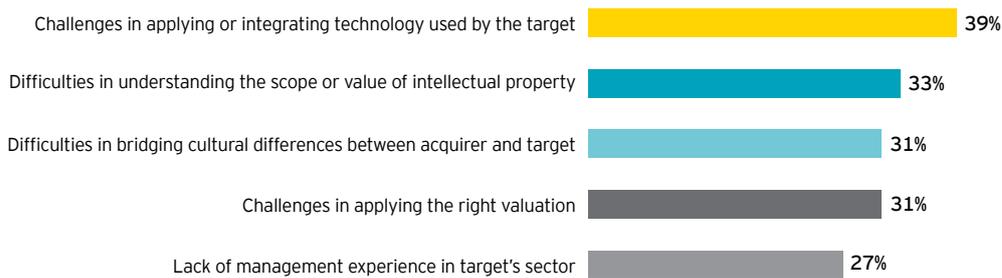
In order to fully understand the value of acquired assets, leaders have developed a holistic digital diligence toolkit that enables acquirers to deeply investigate each interrelated area and provide a comprehensive understanding of the target asset and potential.



As seen in previous table, a critical issue is that companies are struggling to adapt or are unaware of new approaches for the specifics of the digital arena. For example, we found that just a fifth overall (**22%**) are undertaking cyber diligence and less than half of respondents (**43%**) are undertaking product architecture diligence. However, our high-performing group was much more likely to be using emerging approaches.

There are also specific challenges related to undertaking diligence on digital or technology start-ups. A large minority (**39%**) anticipate difficulties with applying the technology used by start-ups. A third of all respondents cite challenges in understanding the scope or value of intellectual property of the start-up targets.

Key challenges in undertaking diligence for digital or technology start-up



Applying traditional valuation models for digital assets is similarly fraught with challenges - you can't apply the same methodology to a "clicks-and-order" company as you would have done to a "brick-and-mortar" business. Valuing potential rather than past performance and the worth of an organization's IP market of tomorrow is highly complex and not without risk.

Backing tomorrow's winners today has always been a factor in business - more than 40 years ago, those who backed VHS over Betamax were the victors in the videotape format war. The competition four decades later is much more intense - playing fields are being levelled, giving small start-up firms or nontraditional competitors the same market access as large incumbents.

Percentage of respondents undertaking code diligence:

67%

Leaders

48%

Adopters

34%

Aspirers

Key takeaways

Leading companies are updating the deal processes for the digital age. To build a deal process capability, executives should focus on a number of priorities:

- ▶ Develop a more sophisticated approach for identifying, approaching and screening opportunities
- ▶ Develop a full digital diligence toolkit that enables the identification of full value of acquired digital assets
- ▶ Build relationships with key advisors who offer expertise in assessing opportunity and managing risk
- ▶ Build analytics capability in assessing structured and unstructured data



Integration

Can unconventional pairings make the perfect match?

Realizing maximum value requires strategic integration approaches tailored to digital transactions.

The challenge

Ensuring maximum benefits: Even after companies agree on a deal, maximizing all opportunities is not always straightforward. With most deals that underperform, the most important reason tends to be a lack of post-merger integration planning as a strategic element of an acquisition.

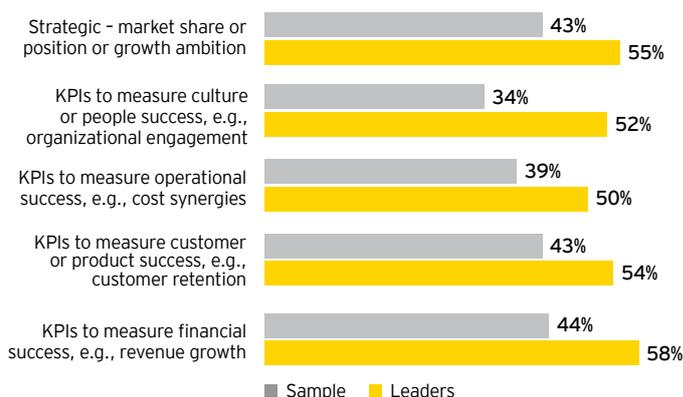
Uneasy cultural fit: The major barrier in bringing two companies together is often a “culture clash.” Historically, there has been a lack of preparedness required to address these potential problems. One of the more regular missteps is an underappreciation of the amount of senior management time and resources required to successfully see a deal through to the end.

Two-way integration: Companies often fail to activate change management structures that maximize the value of acquired digital assets throughout the whole organization.

Many organizations continue to use the approaches they employ for post-merger integration of brick-and-mortar assets for digital transactions. But, digital M&A requires a much more nuanced approach. Companies may also be targeting a number of digital assets at the same time, so the ability to integrate multiple digital assets simultaneously will be key to delivering value.

Many lack the performance measures to understand whether they are succeeding with critical post-merger integration considerations. For example, just a third (34%) of organizations have KPIs in place to measure people or culture success, such as levels of organizational engagement. Leaders are much more likely to have KPIs in place to measure post-merger talent-related issues than aspirers.

KPIs used to manage success in a post-merger integration

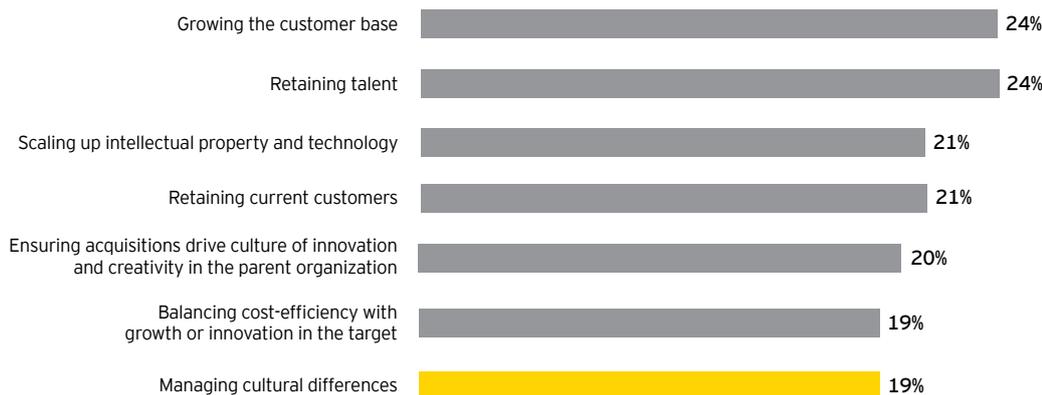


Companies may have a number of digital targets in their sights at the same time, so the ability to integrate multiple digital assets at multiple speeds simultaneously will be key to delivering value.



Turning to customer-centric strategies, we also find integration challenges. Executives' integration concerns today are as much about the potential loss of customers as they are about discovering new market opportunities. Only **21%** of the overall respondents are highly confident of retaining current customers, while only **24%** are as confident about growing the customer base. This means that many companies may lack confidence in their ability to preserve, or fully enhance, the customer experience and extract maximum value. To do this requires truly bespoke integration strategies.

Respondents who are 'highly confident' about managing a range of integration issues



A perennial issue around integration has been an underappreciation of the amount of senior management preparation time and resources required to successfully see a deal through to the end. Executives recognize the need for continued investment to grow newly acquired businesses, but often underestimate and are unprepared for what that takes to fully deliver.

The issues that arise through bringing two different cultures together need to be a major consideration for executives. As companies continue to buy or partner outside their core sector, culture will become an even bigger issue. This is particularly relevant when "traditional" companies partner with innovative start-ups or tech companies – cultural "digi-gration" is a fundamental consideration.

The survey finds a lack of confidence around this issue. For example, less than a quarter of companies (**24%**) are "highly confident" about their ability to retain talent and only a fifth (**19%**) are highly confident about managing cultural differences.

The success or failure of a transaction's integration depends largely on the level of preparation, planning and the readiness of key functions and stakeholders and their ability to deliver on key considerations.

Percentage of respondents who are highly confident in their ability to manage cultural differences:

60%

Leaders

21%

Adopters

6%

Aspirers

Key takeaways

Leading companies are rebooting an integration approach that is centered as much on people as on technology or other acquired assets. Executives should focus on a number of priorities:

- ▶ Develop tailored approaches for post-merger integration, from full integration to hands-off operating models, where you do not fully integrate the acquired company
- ▶ Establish change management structures that enable the full value and impact of acquired digital assets and processes to cascade through the parent company
- ▶ Address potential cultural challenges and risks as part of the strategic planning stage of the deal, allowing acquirers to preserve the key aspects of any acquired digital assets
- ▶ Develop a broader range of measures and KPIs that allow you to assess progress, and identify risks and issues

What CEOs and boards need to ask themselves to build a better digital future in the transformational age

1

Buy versus build: future-proofing the business

Are you building a holistic digital strategy?

2

Digital capital strategy: establishing a capital strategy to invest in digital

Are you explicitly considering digital priorities in your capital allocation planning for the next two years?

3

Strategic portfolio review: deciding when to divest to invest in digital

Do you have a clear long-term divestment strategy as part of your transition to a digital model?

4

Origination: building a digital ecosystem

Are you making significant and sustained investments in building a digital ecosystem?

5

Digital valuation: valuing a digital business

Are your valuation approaches for acquiring digital assets up-to-date and effective?

6

Digital diligence: protecting acquisitions from digital disruption

Do you carry out intellectual property, cybersecurity and technology due diligence?

7

Strategic operating model: maximizing return through smarter integration

Are you integrating acquired digital assets to help maximize value creation, including managing change in the parent company to embrace all opportunities?

Connected Capital Solutions

Capital and transaction strategy through to execution to enable fast-track value creation for inclusive growth.



Enabling fast-track growth and portfolio strategies that help you realize your full potential for a better future



Supporting better decisions around financing and funding capital expansion, and optimizing capital efficiency



Enabling strategic growth through better-integrated and operationalized acquisitions, JVs and alliances



Enabling strategic portfolio management and better divestments that help you improve value from a sale and from stand-alone businesses



Helping you transform or restructure your organization for a better future by enabling business critical and capital investment decisions

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