



Adjacencies

Prioritize acquisitions to accelerate growth



Client: Leading Building Materials Supplier

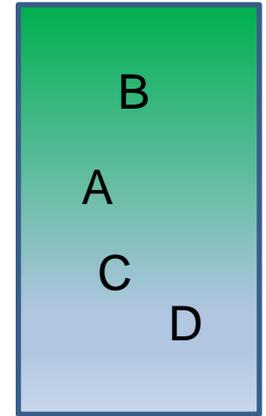
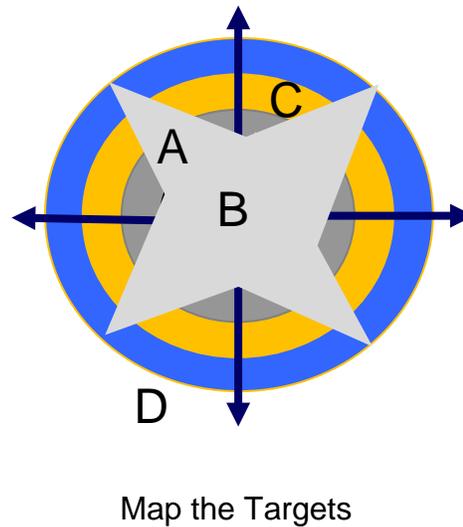
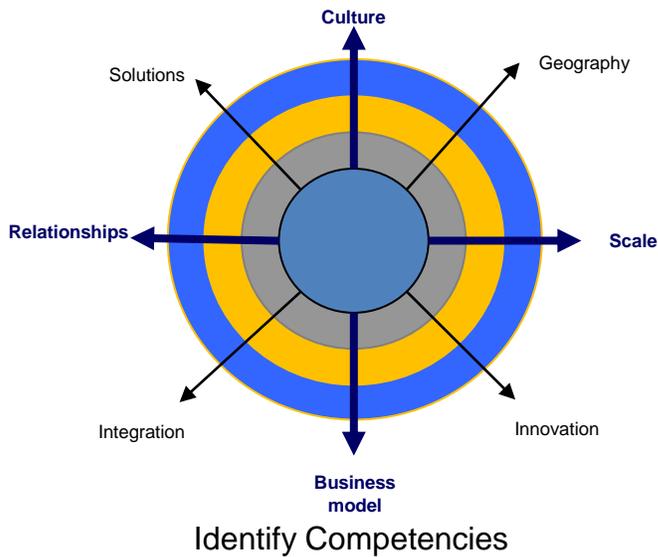
Objective: Leverage Current Capabilities to Accelerate Growth

Approach: Guide Acquisition Aligned to Primary Competencies

Our client enjoys leadership in their core business. However, market share is approaching a “ceiling”, beyond which growth will become more difficult and costly. Management’s belief was that the series of competencies that drove growth in the core business could be applied in the right adjacent markets.

- Assess internal core competencies that provide competitive advantage
- Analyze adjacent markets and assess relative importance of competencies
- Identify potential partners/acquisition targets
- Prioritize targets based on “competencies gap analysis”
- Make acquisitions and develop growth leverage plans for each

Competencies Alignment: New Growth Platform



Lynn Cullotta Consulting used a competencies assessment as the basis for acquisition strategy. We identified and rated our client's competencies along many axes. The priority competencies were used to assess potential adjacent markets. Within the "best fit" adjacent products & markets, acquisition candidates were identified. Finally, a set of screening criteria were developed to assess the likely cost, timeframe and implications of integrating the target acquisition candidates within the client's organization.

Result: New Growth Platform Complementary to the Core Business

As a result of this work, the client was able to define the adjacent markets that could represent an alternative revenue platform to the core business. With the framework to identify and screen candidates, the client was able to outpace competitors (more than 2:1) in completing acquisitions in the target adjacent market. The cash flow generated made this inorganic growth strategy self-funding within 24 months.

