

Identifying risk before an acquisition

PwC mobilized its international network to provide an energy company with critical corporate intelligence before the deal.

Client's challenge

A US energy company was interested in purchasing a manufacturer of industrial apparel in Russia. PwC was asked to perform thorough corporate intelligence on the manufacturer, to identify potential business risks and determine what issues might be inherited in the acquisition.

PricewaterhouseCoopers' Advisory solution

PwC leveraged its Russian firm's resources and extensive international network to perform thorough analysis in a far reaching corner of the globe. We were able to immediately initiate extensive multi-level due diligence, including a forensic accounting analysis of the manufacturer's books and records and a background analysis of key personnel. We searched syndicated and open source databases and conducted discreet inquiries with knowledgeable contacts in the local community. The dozens of companies found to be affiliated with a key target were folded into our adverse press and media coverage searches. Likewise, we sought to identify regulatory or litigation issues and performed a detailed global risk compliance check encompassing parties close to the target.

PwC provided an extensive report with supporting documentation, accompanied by concise analysis of the risks associated in the potential acquisition.

Impact on client's business

PwC's multi-faceted approach and strong international presence allowed for a timely and thorough assessment in a remote oil-rich location. As a result, the client and its counsel were well positioned to negotiate highly customized terms, address personnel issues at the onset, and establish appropriate mitigating controls as part of structuring this strategic business decision.

For more information:

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