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Strategy in Action

Growing a corporate finance powerhouse

Andrea Yuen has risen up the ranks of a male-dominated industry to lead PwC's rapid ascent in the corporate finance market in Southeast Asia

AFTER attending a meeting with a large Singapore-based company, Andrea Yuen recalls that a banker from New York who was there turned to her and said: "Wow Andrea, that may have been one of the few meetings in my career where I was the only male in the room!" Ms Yuen, the Corporate Finance Leader for PwC in Southeast Asia, recalled laughing at the comment. "That's my world most days," she says.

Corporate finance is a traditionally male dominated area. Based on various benchmarks, the ratio of senior male executives to female executives is roughly four to one and in some cases five to one.

Says Ms Yuen: "I don't count the meetings where I am the only female in the room. However the world is changing and organisations understand the issue, which is that to solve important problems we need diverse talent. So at PwC, we employ people with a vast array of backgrounds and experiences – meaning they think differently from one another and apply varying approaches to problem-solving."

Ms Yuen started her career at PwC Australia's Perth office after graduating from university. She joined the corporate finance arena around 20 years ago with a local Singapore bank before moving on to a top Wall Street investment bank.

Finding her way back to the organisation she first started at in her area of speciality has been particularly rewarding for her.

PwC Corporate Finance

"At PwC I can leverage a global network and have people on the ground in each major city. In Southeast Asia, there are over 50 people dedicated to corporate finance in Indonesia, Malaysia, Singapore, Thailand and Vietnam. This, plus the right culture, incentives and ultimately people are the ingredients needed to build the leading Southeast Asia corporate finance business," she explains.

PwC has been active in corporate finance for over 20 years, primarily helping buyers or sellers of businesses, assets or entire companies. Its clients range from corporations and funds to institutions, governments and individuals.

In the last 12 months, the team has advised on eight announced transactions worth well over US\$1 billion in Southeast Asia. Six of these were sell side transactions to private equity buyers, a school in Indonesia, a food distribution business in Singa-



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pore, a manufacturing company, a whiskey business in Myanmar, a supermarket in Malaysia and a services provider to the oil and gas industry.

The seventh was the sale of a healthcare facilities management services provider by a private equity player and the eighth was a buy side advisory transaction for a large Singapore based engineering group that acquired a global business headquartered in Australia.

"The PwC Southeast Asia corporate finance business is doing great. Our pipeline continues to be strong and we are currently working on another ten or so sell side mandates. Buying or selling a company and business is a very complicated process and it doesn't make a lot of sense not to involve an expert," she says.

PwC's integrated approach

On the sell side, Ms Yuen's team helps its clients answer basic questions such as "Who are the potential buyers of the business?" and "At what price should I expect to sell this business for?" More complicated areas of discussion include "What information should I

share if we think the best buyer of the business is actually a competitor?" and "Does it make sense to enter into an exclusivity period with a buyer?"

PwC helps clients through each and every stage of the transaction, from preparation, including the data room, information memorandum and management presentations to negotiating and structuring the commercial aspects of the transaction. Our role is to be our client's trusted adviser, the person they can depend on to get a deal done.

Being part of the PwC family also allows the corporate finance team to draw on expertise from other parts of the firm and offer clients comprehensive solutions.

She cited an example of an entrepreneur who wanted to find a partner to help grow his business. The business was number one in its home market and had made some progress with its regional strategy but almost none on its global strategy. The PwC Corporate Finance team worked together with the PwC Strategy team and incorporated this regional and global growth strategy into their client's business plan.

"The PwC integrated approach is more than just cross selling other products and services; it involves bringing together a team of multi-disciplinary experts to help our clients address complex and multi-faceted issues. I am not just talking about adding a couple of cursory paragraphs in the information memorandum, but really breathing life into this growth plan and having substantive data and detail to execute the plan so that the buyer truly believes the future growth and has substantive evidence of it," explains Ms Yuen.

Bigger is better

Compared to the small boutique firms, PwC is also able to leverage the reach of its global and regional networks.

"The small boutiques tend to have only single country or at most regional connectivity to buyers, they just can't reach out to buyers all over the world like PwC can. We are present in almost every country in the world and have corporate finance professionals in most of them. And compared to the investment banks or the corporate banks, we can provide independent and unbiased financial advice because we don't make loans or co-invest equity," says Ms Yuen.

PwC focuses on the mid-tier corporate finance market, most of the deals by volume in Southeast Asia are in the range of US\$50 million to US\$500 million.

Despite the uncertain environment, PwC is looking to grow its corporate finance team to meet growing demand for its services. "When I joined, the plan was to double revenue every other year for the first three years. After that, our growth will likely flatten but at that point, we will be a leading corporate finance player in the Southeast Asian mid-market, if not the leading player," says Ms Yuen. "The 50-plus person team still needs to grow so we are looking to selectively hire good people. In fact we are probably one of the few corporate finance businesses looking to hire in the current market."

■ This is the fourth instalment of a five-part series 'Strategy in Action', which is brought to you by PwC. The last instalment will appear on Nov 24

