

INNOVATION THROUGH M&A

Partnering with the business

Finding synergies in M&A is no longer enough. Companies are looking for new, cutting-edge business models.

57%

expect the number of innovative deals at their companies to increase over the next two years.

20%

say their corporate development groups are very well prepared to manage the expected increase in innovative deals.

Consider shaking up your business ecosystem if you want to become a more innovative and innovation-attracting dealmaker.

SHAREHOLDER ACTIVISM

Investors flex their muscles

58% of survey respondents say shareholder activism has some impact on deal activity in their industries.

Rather than break up a company, activist investors are increasingly seeking to use strong companies as platforms for bigger and better growth through acquisition.

Top three impacts of shareholder activism according to survey respondents

27%

said activism stimulates the deal pipeline

23%

indicated activism puts upward pressure on deal prices

20%

said activism increases competition for deals

Corporate development teams today need agility, fresh thinking, and a high tolerance for disruption to seize market opportunities in areas where new business models are still being defined.

DEAL ORIGINATION

Making yourself irresistible

59%

of respondents are investing in being perceived as a preferred acquirer by creating ecosystems of partners—not targets—to draw leading-edge firms toward their companies.

Establishing offices in cities with “hotbeds” of activity is helping both mature and early-stage companies.

INVESTOR RELATIONS

Corporate development's hidden asset

Despite the value IR can offer in engaging investors and sharing market intelligence, only **20%** say that IR is very involved in deal deliberations.

Only **10%** involve IR before a target is approached.

49% consider IR's primary role to be managing investor and analyst relationships and questions.

Just **17%** say it's important for IR to critically evaluate deal strategy from the investors' perspective.

Many corporate development executives mainly see IR as a corporate communications function, rather than a business partner, and may be underutilizing an important resource.