



Deal Analytics & Technology

Rapid Value Identification



February 2021

Rapid Value Identification (RVI)

A shortcut for data and AI-driven identification of value levers in the deals business.

There has been a long-growing demand for “fast data science” in the M&A and Deals Sector; a growth that has been accelerated by the pressures placed by COVID-19 on organisations to adapt and optimise, and a growth fueled by the unique insights that data science can provide when faced with such situations.

The need to quickly evaluate the impact of a variety of plausible scenarios, and to develop more reliable forecasts and models, is something that can be achieved through the application of Advanced Analytics and AI. Such objective, data-based analyses can provide invaluable assistance in helping organisations navigate change, and in identifying unrealised potential and the value levers at their disposal to achieve this potential.

However, there is a common misconception amongst decision makers that long-term projects are required in order to extract insights and value from applications of Advanced Analytics and AI. This is particularly relevant for decisions relating to M&A and Deals activities, where time is often a scarce commodity.

Are Data Science & AI development incompatible with the requirements of the deal and M&A sector?

No. PwC Deal’s “Rapid Value Identification” (RVI) approach addresses the specific M&A and Deals requirements for speed and depth of results. RVI was developed by PwC Germany’s Deal Analytics & Technology team and focusses on creating value through Advanced Analytics and AI within M&A and Deals timelines.

The objective of RVI is to focus on key business hypotheses, and identify clear answers and actionable recommendations, without getting lost in depths typical of larger implementation projects. It is about concentrating on the essentials — whether defining hypotheses, identifying and quantifying potential value levers and optimisation potential, even when compiling a data request.

Our focus is **‘as simple as possible, as deep and accurate as needed’**.

The RVI approach can be applied across industries and topics and is relevant in all deal phases.

RVI can be applied across the Deal Lifecycle, from the buildup or preparation to an acquisition or sale, during the sales process, as well as in the post-deal phase. It can also be applied across a range of industries and topics.

The following examples indicate the potential breadth of use cases and possible value levers:



Cash

- Enhanced liquidity transparency and forecasting
- Intelligent working capital management
- Risk modeling



Customer

- More precise customer targeting
- Smart churn management and reduction
- More efficient marketing and CRM steering
- Customer life time value modelling



Market

- Market assessment and market potential analysis
- Competitor screenings and valuations
- Outside-in voice of the customer and sentiment analysis
- Geo-spatial and commercial whitespot analysis



Operations

- Intelligent demand planning e.g. inventory and stock optimisation
- Branch and store optimisation, and network & logistics optimisation
- Value of data validation and value creation measures



Product

- Product performance analytics
- Portfolio restructuring and optimisation
- Product life cycle assessment
- Material price pass through analytics



Sales & pricing

- Sales optimisation: analytics, forecasting & planning
- Optimal price and price elasticity deployment
- Pipeline and opportunity conversion assessment

There are 6 elements to the RVI approach:

1 | Speed

An RVI project is typically delivered within five weeks, from the first workshop to the final delivery of results. The project has defined phases, frequent exchanges and reviews of intermediate results, and close cooperation throughout with relevant stakeholders.

2 | Focus

The RVI approach relies heavily on maintaining end to end focus. From agreeing on initial hypotheses or problem-areas in focus, defining data requirements, through the analysis carried out and value levers analysed.

3 | Outside-in Perspective

External data (competitor data, social network, online ratings etc.) add entirely new perspectives to analysis. We extract and analyse such datasets. We add to this our insights, based on our long-standing project experiences and industry insights from our wider PwC network. These combine to create an outside-in perspective, allowing us to assess and evaluate the development in performance and corporate values.

4 | Inside-out Perspective / Linked Data Modelling

Often, there are numerous unconnected internal data sources and information silos (Finance, Sales, Workforce etc.). Combining these can present incremental insights; however, it is neither easy nor fast to do so. We help overcome this challenge quickly and pragmatically with our advanced data modelling skills and focus on the underlying hypotheses to be analysed.

5 | Advanced Analytics and AI

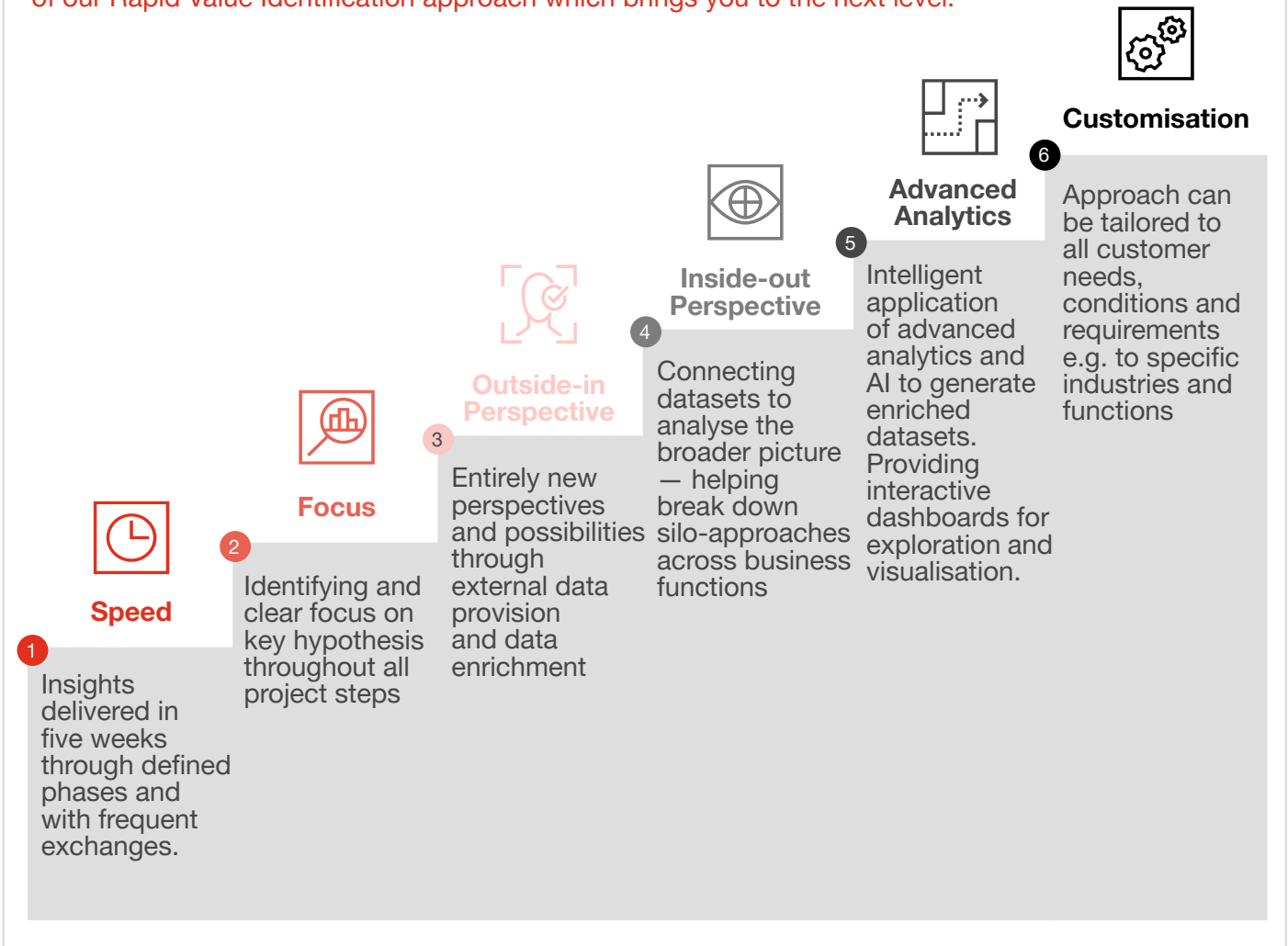
Once we have established our dataset(s), we generate insights through the efficient and intelligent use of Advanced Analytics and AI methodologies and algorithms, making use of interactive dashboards in order to visualise these insights. Our analysis focusses on identifying and evaluating available value levers and optimisation opportunities. We clearly describe and quantify these levers, making them actionable.

6 | Customisation

The RVI approach can be customised with respect to the operating model (B2B, B2C etc.), industry, deal phase, situation (data availability, organisation structures) and issues (see above-mentioned use-cases). Our focus is the results-oriented and efficient identification of concrete value drivers, and always in relation to the wider business context.

Reach the Next Level through our Rapid Value Identification

Analytics will present you with insights and transparency. Our six points capture the key advantages of our Rapid Value Identification approach which brings you to the next level.



These six elements of RVI combine to enable you to navigate agilely and responsively through the unique challenges of M&A processes. The robustness derived from making this data- and fact-based, combined with the focus on key hypotheses in relation to the wider business context, means that in the end you are provided with clearly defined and quantified actionable value levers.

What are the delivery results of the RVI approach?

The outcome of the RVI approach is not an implementable data science solution. This would be unrealistic within the short project duration, and more importantly would distract our focus on getting insights and value levers as quickly and as pragmatically as possible.

Typically, the deliverables of this approach are:

1 | Interactive visualisations:

Complex results from large amounts of data are best understood and communicated using dashboards. Interactive visualisations also allow for self-exploration of the data and insights by the user (e.g. through filter guides, raw data accesses, etc.). We create these dashboards, overlay our insights and analyses and then share them via a hosted solution within a certified infrastructure with browser-based access.

2 | Data pack

A data pack is provided, giving access to the underlying data and detailed results. It is possible to feed these results back into the client's internal systems for further use.

3 | Report

A report summarising the views of PwC Deals experts and data analysts is prepared. Results are presented in a style that is accessible to all internal and external stakeholders. This report explicitly answers the specific initial questions and hypotheses and can be used for further purchase, sale, valuation or management processes.

Throughout the project there is a natural transfer of know-how between the teams, with best-practice and analytical methods shared by PwC.

We also offer as a follow-up support with the potential implementation of project results.

Summary & Conclusion:

Our "Rapid Value Identification" (RVI) advanced analytics approach addresses M&A's and Deals' requirements for speed and depth of results. The objective of RVI is to focus on key business hypotheses, and identify clear answers and actionable recommendations. It is about concentrating on the essentials along six key project characteristics: speed, focus, outside-in view, inside-out perspectives, advanced data analytics and customisation.

RVI is offering data science '**as simple as possible, as deep and accurate as needed**'.

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