

Of crumbs and crisps - the acquisition of a snack manufacturer

Breadcrumb

1. [Home](#) /
2. [Print](#) /
3. [Pdf](#) /
4. [Node](#) /
5. [Entity Print](#)

Insight navigation

- [Latest insights](#)
- [Latest news](#)
- [Articles](#)
- [Case studies](#)

[Download PDF](#)



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Manufacturing

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[Mergers & Acquisitions](#)

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When a market leading snack manufacturer identified a possible acquisition target of another leading snack maker, our rapid and robust IT 'due diligence in-a-box' process gave them confidence to pursue the deal safe in the knowledge that they understood what the potential risks were, what state the current IT infrastructure was in and what IT investment would be needed to enable the future business to succeed.

Case study

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The Challenge

Our client's business strategy included expansion via acquisition to quickly grow their business and expand their portfolio in the UK and Europe. The target was a well-known UK brand with a 70-year history. A thorough but rapid IT due diligence exercise was required. This should always be the case in a deal, but it's sometimes forgotten (see our other articles on this theme). As usual in a pre-exclusivity situation, it had to be conducted with absolute integrity and confidentiality; any leaks would mean an immediate end to the deal.

By its nature, due diligence work must be delivered quickly, confidentially, objectively, and thoroughly. This can be challenging with a limited amount of information and data to work with, and these projects also need a fast turnaround to start up. It's essential to have the capability to swiftly assemble a team that can cover all relevant areas, and be able to draw on additional expertise to tackle areas of concern arising during the exercise.

The Implementation

Our "IT due diligence in-a-box" exercise is a well-established, robust process that looks at numerous technology and systems areas, and is done in partnership by us and the selling party. It's supported by our values of transparency, integrity, and honesty, and is always independent and objective. It provides buyers with a supplier and product agnostic view of their target's current IT state and clarity around risks posed to the deal's value or chances of success. During this process any challenges which may hinder post-deal integration can be identified, giving a balanced view of the target's IT maturity.

An initial question and answer process was followed by discussions between us, the buyer, and the seller to work through each area and drill down into specific items of concern or interest. Our focus for these discussions was any items that could result in risk or require investment in the post-acquisition business.

The Benefits

The due diligence project was completed alongside financial, legal, and commercial investigations over a four-week period. We delivered critical information required by the buyer to make a balanced and objective bid, considering IT risks and challenges alongside the more common due diligence outputs.

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"We appreciated your team's support in the process of the acquisition. We look forward to the opportunity of extending our relationship in the wider business."

Acquiring Party

Managing Director

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