

Business Venture Analysis (BVA)

Oftentimes, engaging in a venture – whether it is an investment or an acquisition – can be time-consuming, becomes economically costly, and leads to difficult negotiations. This is because the fact finding approach from a standard due diligence tends to be limited in scope. Some important market elements and the majority of non-market factors are generally not part of this evidentiary investigation. These factors consequentially become liabilities. As a result, they can possibly incur additional financial burden, erode profitability, and reduce productivity.

Our Business Venture Analysis (BVA) process integrates an array of market intelligence and key influencers. To discover the optimal commercial opportunity, the BVA methodology combines critical market and non-market assessments to determine the viability of a potential undertaking. Although applicable for a range of business ventures, BVA is particularly valuable for companies exploring investment opportunities, strategic partnerships, and mergers and acquisitions as growth avenues.

Value Proposition

The BVA process goes beyond traditional methods of information discovery and due diligence activities. This comprehensive, cost-saving scheme distills and engenders key expansion possibilities while reducing market and non-market risks and outlays associated with the deal flow process. Ultimately, the BVA enhances the success and profitability of transactions in an expeditious manner.

BVA Solution Tool-kit

There are several evaluation components to the BVA process. These analyses provide not only insights into the potential success of a venture, but they also unearth actionable recommendations to eliminate risks and offer a clearer perspective regarding the actual valuation of the possible opportunities. This collective and interconnected intelligence process allows the decision-maker an in-depth understanding of the financial and non-financial risks and benefits, the integration concerns, and a platform for post-merger/joint venture growth strategies. Ultimately, the BVA helps to manage profit-eroding risks and to maximize the bottom-line of the venture.

BVA solution tool-kit includes the following components:

Component I – Assessment of company specific growth criteria

Component II – Integrated and interconnected six-step investment analysis process:

1. *Leadership/ROI landscape* – There are many factors influencing the fruitfulness of an endeavor. One pivotal component lies with the management team. Consequently, the understanding of the leadership quality, capacity, and mental models is crucial in delivering expected investment returns.
2. *Market dimension analysis* – The path to sustaining a competitive advantage goes beyond the basic assessment of an industry within a market. Market trends and emerging sectors provide only one aspect of opportunity viability. How a potential venture compares to other enterprises in the eyes of the customer adds an important dimension to discerning the possible commercialization and its adoption. This this end, it is necessary to evaluate the market-perceived quality profile along with its relative pricing and strategic positioning.
3. *Total custom solution assessment* – There is undoubtedly numerous products and services available. The real merits of each market opportunity require the “de-commoditization” of the product or service. In doing so, this necessitates an assessment of how well and how completely the venture of interest addresses the existing and anticipated problem(s) of the targeted customer segments.
4. *Evaluation of the fiscal stability* (augmenting traditional financial due diligence) – An understanding of the financial state of a company is another contributing component in determining the suitability of the undertaking. In constructing the fiscal profile, it is essential to examine cash flow and growth information as well as concerns relating to non-market drivers such as governmental issues and productivity risks.
5. *Resource requirement analysis* – Resource captures human capital, supplier/buyer channels, and other capacity elements in order to deliver the solution. Analyzing these various capabilities will reveal further information of the commercialization potential.
6. *Evaluation of non-market conditions* – Intelligence gathering of organizational elements, the firm’s innovation process, and regulatory concerns are equally as important as analyzing the market dimensions. The strength of these parameters should never be underestimated in a business decision.

Component III – Non-market (non-financial performance) risk evaluation and a corresponding management/mitigation plan

Component IV – Execution and commercialization strategies: Integration, transition, and post-merger plans

About the author:

Clara Chow, Principal and Founder of Cura Consulting Group, is an expert in the sustainability domain. Her consulting work encompasses commercializing clean technologies, re-organization and restructuring projects, and non-financial performance evaluations. She continues to lecture at universities on various sustainability topics, including strategic designs of an organization for innovations, global supply chain management through greening, and the leadership/ROI paradigm. Ms. Chow is a Sloan Fellows graduate with a Master of Business Administration from the MIT Sloan School of Management. She also holds a Masters in Environmental Engineering from Cornell University and a Bachelor of Science in Civil Engineering from Tufts University.

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