

# in Pre-Transaction Due Diligence

When an investor was considering the purchase of a foreign business, FTI Consulting was asked to ensure that there were no unpleasant surprises.

FTI Consulting's Global Risk and Investigations practice is well placed to help mitigate these risks. We work with some of the world's largest corporations and financial institutions to provide the insights and intelligence that they need to shape and achieve their strategies.

In 2013 we were asked by a European private equity firm to carry out enquiries into a Turkish FMCG retailer it was considering acquiring a stake in. They asked us to discreetly research the target business and provide an objective assessment of the various issues that ultimately determine the sustainability of a venture. These included how the main principals do business, their labour policies and processes, whether there were any financial, operational or regulatory concerns, whether it was too reliant on relationships held by the owners and whether there were any political connections that the client needed to be aware of. We also sought to establish why another leading PE firm was seeking to reduce its stake.

We conducted discreet source enquiries with individuals close to the firm and its owners, who came from a tight-knit minority community in Istanbul, to build a comprehensive picture of the relationships and issues around the business. We also conducted a thorough survey of Turkish

media sources and company filings which did not give rise to any concerns. Through confidential conversations with sources within the sector, we were able to establish that the existing PE investor was reducing its stake because of its own over-stretched position in the Turkish market.

Our report gave our client the necessary comfort to continue with the deal, and we were subsequently engaged to verify a suitably large sample size of the target company's stores in Turkey. Working with associates on the ground, we therefore deployed teams across Turkey to photograph over 50 stores, estimate their size, and discreetly assess whether the stores were active concerns.

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AS A RESULT OF OUR INVESTIGATION, THE CLIENT WAS REASSURED THAT THE TARGET REPRESENTED A SUITABLE, SAFE AND APPROPRIATE PURCHASE.

Our advice and assistance helped this client understand this new and challenging market, confident that the decisions they were making were based on real and verified data.



## Sarah Keeling

020 3727 1284  
sarah.keeling@fticonsulting.com



## Piers de Wilde

020 3727 1129  
piers.dewilde@fticonsulting.com

#### About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring. [www.fticonsulting.com](http://www.fticonsulting.com)