

Entering Korea via M&A

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The following summary and attached diagram provides an overview of IRC's methodology for market entry via mergers and acquisitions:

### Step 1A – Focused Market Study

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- For companies unfamiliar with Korea and not yet active in their particular industry in Korea, IRC recommends they start with a market analysis. Although this involves some financial investment, it validates that their decision to enter Korea is the right one. Importantly, this activity is based on a combination of secondary data and personal interviews that provide the most current overview of the client's market:
  - Comprehensively yet concisely providing insight into key success factors
  - Identifying alternative strategies and targets
  - Market analysis helps the client avoid costly mistakes and, **should an acquisition prove to be the most suitable approach**, it also provides a solid foundation for selecting targets that will most closely meet the client's objectives.

### Step 1B – Target Search

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- For clients that are already active in and knowledgeable about the Korean market, IRC reduces the up front analysis (i.e. step 1A) and carries out an "abbreviated" analysis of the players in the industry ranking them by market share, assessing areas of activity, etc.

### Step 2 – Target Evaluation

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- When a limited number of targets have been selected (usually between one and three), IRC makes an initial approach to the targets and evaluates their *buyability*. The evaluation is based on the owner's willingness to sell, presence of complimentary skills / capabilities, physical separability of the business, etc.

### Step 3A & 3B – Acquisition

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- The last step is implementation of the acquisition. IRC segregates the acquisition process into two distinct activities:
  - Courting the Owner
  - Acquisition Management

## Market Entry Methodology via M&A

