



LUMERIC™ Project Summaries

Project Type:

Commercial Due Diligence

Sector: Legal Services

Company Size: \$10M+

Company Position:

Market Leader

Client Level:

CEO

The Critical Decision:

Should client acquire an early stage business in an emerging segment of the legal services market?

The Answer:

Yes, the business was sound with strong customer relationships but the purchase price should be negotiated down as sellers forecasts for the market and target's revenue growth were overly optimistic.

The Discussion:

The target offered the opportunity for the client to move into a new, emerging space in the legal services market that offered significantly higher growth than their core business, which was mature. The service the target provided takes a much more efficient approach to conducting a specific legal service than traditional means, providing customers with a cost savings of as much as a 50%. Further, target management asserted their business was an industry leader in the space and the market was growing at 100%+ per annum.

Through an extensive set of in-depth qualitative interviews with customers and prospects, Lumeric validated the target was considered an industry leader. But, also determined that the majority of buyers had already converted to their service and that competition for new business was much more intense and extensive than originally thought. These findings led to a revision of upside revenue potential for the business and ultimate valuation. 