

Improving Your Bottom Line Results

Lambda-Technologies, LLC
Product & Business Development



Anthony J. Van Gilder

Experience delivers results. Here are some thoughts on acquisitions for our clients and customers.

How can we help you improve your bottom line results?

Call 216-403-3073 so we can discuss.

Regards,

Solutions Provided:

Restructure & Focus
Marketing/Sales department.

New Product / Service
Development

Operations & Management
corrective action.

Management Contractor For:

Business unit size up to \$150-
Million in sales

Custom / Niche Markets with
Technical Product / Services

Aerospace, Industrial,

From the thoughts and ideas file

Acquisition: Sticking To The Knitting

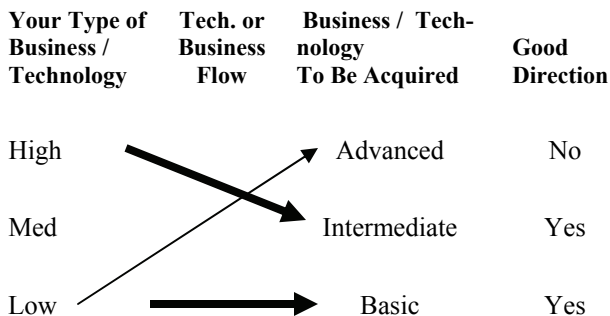
Expanding a business through organic i.e., internal growth, or by acquisition carries risk. The route most often chosen for speedy business expansion is acquisition. Here are some basic “rules” to reduce the associated acquisition risk.

The “why” of making an acquisition usually falls into three groups: 1) Pick up strategic customers or capacity, 2) Take the company on a new direction for market or investment return, or 3) Strengthen the business process.

Number one rule; follow the old saying about “Sticking to the Knitting” when growing a business. That is, stay with a business you are familiar, and stay with a business culture your team knows.

Answers to the acquisition question “why”, and is the acquisition “Stick to the Knitting” provide a strong signal of impending success or failure.

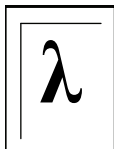
On the chart below, the successful acquisition route (**BOLD** arrows) indicate a *flow* of business culture, type, or technology which by coincidence follows nature — common energy levels align with common energy levels, or higher pressure flows to lower pressure.



The unsuccessful acquisition (plain arrow) is described by an uphill flow where we try to force a low technology or business type, to assimilate a high tech business or technology. This will often end in failure.

In addition, some other “rules” in making an acquisition:

- 1) Stay close to seller, he just may know something.
- 2) Understand there will be some culture clash or clash of business personalities. If nothing else just from the stand point of victor and vanquished. Nurture the acquired. Cap the victors attitude; it can really do a lot of damage.
- 3) Intellectual property is one thing. The people to turn intellectual property into something useful is another. Secure the IP and the people talent early.
- 4) Get close to the customer in a hurry.



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