

## A Disciplined Process Exceeds Expectations

When Phil Brown and Richard Harrison founded Global Securities Information, Inc. (GSI), their goal was to become the leading provider of computer-based information about publicly traded securities to legal professionals and investment bankers who focus on the regulatory requirements of public company clients.

Their game plan was to offer exclusive online content, advanced search features and expert service. A third partner, Nick Keenan, soon came aboard and helped create new-generation research tools, such as "LIVEDGAR," (www.gsonline.com), a powerful Internet-based platform for quickly finding crucial information contained within regulatory filings worldwide. The world's leading legal, financial, investment and accounting firms came to rely on GSI. Along the way the company quickly expanded from a one-office firm to one with 170 employees in 13 cities.

Growth and success, however, led to some inevitable questions: In an increasingly competitive environment, where could they get funding to keep growing? And, how could the partners obtain liquidity, while keeping employees and customers happy? The answer, they concluded, was for GSI to be acquired by the right company.



Initially, the principals went through the process of trying to sell the company themselves. "We had no problem getting conversations started and had some serious discussions with one party," says Harrison. "But we never got a deal done. That experience taught us why companies hire advisors for these transactions: good advice, from an expert, is worth many times more than it costs."

GSI's owners approached Marlin & Associates (M&A), drawn by its experience in the information technology sector and its record of success closing difficult assignments. "We knew that GSI had previously tried to sell," says Ken Marlin, M&A founder. "But, we knew many of the potential buyers and believed that by applying a disciplined process we could help them get to closure on a good deal."

**As the exclusive financial and strategic advisor to Global Securities Information, Marlin & Associates conducted a disciplined process that attracted 24 qualified companies, drew five bids and produced a transaction that significantly exceeded the owners' expectations.**

"After looking at other firms it became apparent that M&A was right for us," says Harrison. "They know the territory and we were confident we would get top level attention. After listening to our expectations, M&A outlined the process and the likely financial outcome. In the end, the deal unfolded exactly as they said and exceeded all of our goals."

M&A began by creating a Confidential Information Memorandum (CIM) that focused on the company's potential. They addressed a problematic skew caused by a large one-time product sale that occurred several years earlier, by focusing the CIM and management presentations on business lines that were growing nicely. This gave potential partners a better context to assess the company's future.

With a solid CIM in place, M&A and GSI developed a list of prospects likely to have the strategic interest and the financial ability to transact. Then, they set out to help those prospects understand why GSI would be a good fit with them.

The principals credit M&A with getting the CIM into the right hands at each target company. "Knowing the right company is one thing. Knowing the right people inside a company is everything," says Harrison. "Ken can get to the people who actually make the decision. M&A got our message in front of 30 qualified parties from the U.S. and Europe. It's a testament to M&A that 24 of the 30 firms responded, signed non-disclosure agreements and asked questions."

Often, prospective buyers are required to submit offers before they can meet with the seller or conduct due diligence reviews. In this case, M&A took a different approach. "In an effort to get the best price, M&A wanted us to be more accommodating to the buyers," says Harrison. "But before meeting with them, M&A helped us craft a presentation that highlighted our strengths." Six

weeks after sending out executive summaries, M&A scheduled presentations with several companies. "We had the decision-makers right in the room," says Harrison. "All we had to do was tell our story."

M&A brought another innovation to the process: the online "virtual" data room. Their idea was to allow qualified suitors to see detailed information before they submitted bids. M&A understood that big multi-nationals needed this data to justify the price that the sellers were hoping for.

"The virtual data room streamlined the process," adds Harrison. "The best part was we knew who was looking at what, which gave us insight into the areas and level of interest of each prospective buyer. It accelerated negotiations and helped us get the best price."

In the end, the owners accepted the offer from the West Division of the Thomson Corporation. "They were in sync with our vision," says Harrison. "And the chemistry, stability and overall deal were right for the principals and the employees."

"The M&A process really worked," says Harrison. "M&A's ability to get qualified buyers in the room with us, their innovative use of information technology and their disciplined approach got us a deal that significantly surpassed our expectations." ■

*The comments and opinions expressed by Mr. Richard Harrison are his personal views based on his experience working with Marlin & Associates and do not necessarily represent the opinions of the Thomson Corporation, or its affiliates.*

**"Our firm is focused on the digital information economy, and where feasible we use digital information tools."**

**says Ken Marlin, founder of Marlin & Associates. "With multiple out-of-town parties, like we had at GSI, a digital or 'virtual' data room is perfect. It simplifies the due diligence process, while maintaining the client's confidential documents more securely than a paper-based data room. When buyers are able to conduct simultaneous reviews it can lead to more offers, higher bids and a shorter time-to-close."**



Transaction Advisory for the  
Digital Information Economy

330 Madison Avenue, 9th Floor | New York, NY 10017 T 646-495-5141  
6101 Executive Boulevard, Suite 110 | Rockville, MD 20852 T 301-469-0441  
[www.marlinandassociates.com](http://www.marlinandassociates.com)