

1. What Is an M&A Strategy?

Defining M&A Strategy

- M&A strategy is the intellectual framework defined before deal sourcing begins.
- It answers 3 fundamental questions for disciplined inorganic growth:
 - Why is M&A necessary?
 - Which M&A should we pursue?
 - And under what constraints must we operate?
- This strategy acts as a specific tool achieving long-term growth targets.
- Corporate strategy defines direction while M&A focuses on inorganic growth.
- It is distinct from deal execution involving tactical closing processes.
- Execution involves diligence and negotiation happening after strategy is set.
- M&A strategy is the upstream process guiding downstream execution.

The Timing of Strategic Intervention

- The optimal timing is before identifying any specific acquisition targets.
- It must come before banker pitches or internal deal sourcing activities.
- Building strategy after a pitch deck means reacting, not leading strategically.
- This proactive approach ensures management controls outcomes, not market randomness.
- Without clarity, companies fall into deal fever and opportunistic transactions.
- A defined strategy provides a clear North Star for corporate development teams.
- It enables rapid filtering and focused allocation toward aligned strategic targets.



THE NORTH STAR: STRATEGY BEFORE EXECUTION



1. What Is an M&A Strategy? (Part 2)

M&A Strategy as a Governance Tool

- In practice, M&A strategy is decision tool for executives and Board.
- It provides objective criteria to evaluate potential deals.
- Firms like McKinsey use frameworks aligning leadership before commitment.
- The strategy document, Strategy Deck, serves as mandate for deal team.
- It quantifies growth gap and explains why organic growth is insufficient.
- This document authorizes teams to pursue approved sectors.
- By defining boundaries, the Board ensures disciplined management focus.
- This alignment prevents pursuing financially attractive but strategically irrelevant deals.

The Deliverable of This Course

- In this course, you will build strategic framework.
- The output is comprehensive M&A Strategy Deck for Board presentation.
- Decks articulate rationale defining targets and setting financial guardrails.
- Understanding this process transforms you from analyst into strategic growth architect.
- You will learn to answer why we buy, not how much.
- Robust strategy is the primary defense against value destruction.



M&A Strategy as Board-Level Control System

Step	Core Question	Governance Outcome
1	Why M&A	strategic rationale approved
2	What to buy	target universe defined
3	Constraints	financial and risk guardrails
4	Strategy deck	mandate for deal team
5	Deal execution	DD, valuation, negotiation aligned