Transaction analytics

Better answers to complex capital agenda questions
We operate in the age of big data, posing significant opportunities and challenges for business. Data that is misunderstood, misanalyzed or simply overlooked, creates unmeasured risk and missed opportunity. Finding greater clarity at optimized speed among increasing complexity is critical for business decision-makers.

**Big data = big disruption for business**

Digital disruption is blurring industry lines. The pace of change is rapidly accelerating and customer buying power is increasingly fueled by broader access to products, services and price transparency.

EY's transaction analytics can help drive fact-based decision-making and better inform investment strategies that are being impacted by this abundance of disruption and new data. Improving speed of delivery and the depth of insight, EY can confidently address some of the fundamental issues relating to executive's capital strategy:

- **Buy or build?** Which option is best to enable transformation?
- **Is organic growth alone enough** to keep pace with change?
- **How can divestments offer the opportunity to reshape and future-proof portfolios?**

Ultimately, transaction analytics helps provide better answers to complex capital agenda questions. Executives want to apply more sophisticated analytics in their buying and selling processes, yet there is a worldwide shortage of skills to provide business and industry-specific analysis to aid executive decision-making. EY offers deep experience and a broad breadth of analytical skills.

The number one reason for reducing an offer price or walking away from a deal is a lack of confidence in information. Executives need to be able to draw the right insights from new data sets, powered by new technology and more statistical methods to model investments, deal scenarios and ROI.
Fact-based decisions at speed

Transaction analytics uses data, technology and advanced quantitative analysis to drive more accurate observations and insights. In other words – the use of knowledge to replace speculation.

Transaction analytics can help provide executives with better answers to important questions about an acquisition, a divestiture or alliance:

- What do customers really think about the business I am acquiring?
- How can I swiftly understand the target’s financial position relative to competitors?
- How can I gain confidence in projections when data is inaccessible and takes too long to analyze?
- How can I maximize the number of potential buyers and purchase price of assets I plan to divest?
- How do I best accelerate synergy realization and overall business case for an acquisition?
- How can I identify the tax risks and opportunities of a transaction?
- How do I know which data to focus on given the sheer volume of information available?

EY and the capital agenda

At EY, transaction analytics combines leading technology with human insights to drive the capital agenda. Our analytics tools and assets can transform the transaction lifecycle, delivering faster and higher-quality data preparation and analysis using unstructured data sets. This results in predictive and prescriptive models, enabling clients to more quickly unlock opportunities and reduce critical risk.

This means companies can:
- Better understand their competitive positioning
- Better understand customer, financial and operational trends
- Make better informed and more rapid valuation and transaction decisions

Analytics: importance vs. effectiveness of capabilities

While organizations are placing increasing importance on analytics, few believe they have advanced analytics capabilities.

<table>
<thead>
<tr>
<th>Analytics is important in assessing business unit performance.</th>
<th>Our analytics capabilities are very effective.</th>
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<tbody>
<tr>
<td>Predictive modeling (e.g., price elasticity, workforce analytics, sensitivity to market changes)</td>
<td>56%</td>
</tr>
<tr>
<td>Commercial analytics (customer segmentation, market share, size and growth)</td>
<td>50%</td>
</tr>
<tr>
<td>Model multiple scenarios</td>
<td>39%</td>
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</tbody>
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Source: EY, Global Corporate Divestment Study – Learning from private equity experts at extracting hidden value, 2016
What you can expect from EY

Data intelligence: to provide efficient analysis of data for more accurate understanding of large complex, unstructured data sets

Data visualization: to enhance our insights by identifying data trends and value drivers through data visualization tools and techniques

Advanced transaction analytics: to use new and existing data, and advanced quantitative analysis to generate deeper insights and drive better and faster decision-making across the capital agenda

Social media analytics: to extract insights from billions of data points publicly available online and on social media

Benchmarking: to leverage market data for comparative analyses of operational and financial metrics across sectors and industries

From strategy through execution, transaction analytics brings clarity to complexity at optimized speed to give executives confidence that value will be delivered across the whole capital agenda.