Case Study
AK Investment

Leveraging process automation to manage more deals more often

In the fintech era, technology has arguably become just as important as people when it comes to the quality of financial services traditional banks can offer.

“A bank cannot survive without investment in technology, IT, and digital talent, as well as partnerships with fintech companies and technology suppliers,” according to Mert Erdoğmuş, CEO and member of the board of directors at AK Investment.

The Turkish bank is offering customers mobile, web, and desktop applications, high transaction speeds, and robo-advisory to improve investment decisions. “Differentiating on technology is now a must-have,” he says.

Technology has become integral to the entire M&A process, and it’s vital that deal teams prioritize technology harmonization at the start, in order to resolve any complexities quickly and accurately, continues Erdoğmuş.

“By leveraging increased automation in our processes, we are more able to manage many deals simultaneously in a more dynamic manner, which leads to better outcomes for all parties.”

AK Investment is the 100%-owned investment banking and capital markets affiliate of Akbank, one of Turkey’s leading banks.

Mert Erdoğmuş
CEO and member of the board of directors at AK Investment

AKInvestment

Data rooms and tools for better dealmaking

During the preparation phase of the deal, AK Investment uses data and intelligence platforms to identify targets. During valuation, bankers rely on platforms for market data. Starting from the due diligence phase until closing, they work with a virtual data room provider to facilitate document sharing and Q&A sessions, he explains.

Increasingly sophisticated functions such as analytical tools and flexible reporting capabilities provide a better understanding of the sensitivities any potential investors may have, as well as other pressure points, he adds. In the meantime, big data-enabled tools and reporting mechanisms enable more predictability on the potential negotiation points in the share purchase agreement (SPA) and shareholder agreement (SHA) processes.

> **"Our hope is that the data room will evolve from a data platform into a deal platform, so that multiple investors can structure deals on a collaborative basis – like they currently do for venture capital-type transactions. Such a platform could also allow for the content, structure, and submission of non-binding and binding offers, as well as investor selection criteria automation and contract negotiation processes," notes Erdoğmuş.**

Competing on a global scale

The Turkish M&A market is busy. According to Deloitte, 2021 saw 390 transactions worth a combined $10.1 billion, reflecting 28% and 12% growth on the previous year in terms of deal number and deal value, respectively.

Inbound investors (representing 58% of deals, according to Deloitte) are showing a renewed interest in the Turkish market, attracted by the strong economy and strong inorganic growth. Corporates have deleveraged and private equity firms boast solid liquidity, while tech and gaming start-ups and growth companies offer international growth potential, he says.

Other hot sectors, adds Erdoğmuş, include industrial manufacturing, food and apparel, energy, and infrastructure, all of which are attracting foreign investors.

Meanwhile, outbound deals are aimed at attaining 'know-how', diversifying product lines, reaching export markets directly, and competing on a global scale.