

# DRUVEN

BUSINESS



## CLIENT USE CASE

### Effective Use of MOUs in M&A Deals Saves Time and Resources

The use of a binding MOU (Memorandum of Understanding) offered several benefits:

- First, it provided a **structured framework** within which both parties continued to deepen their understanding **without committing to important, but undefined terms prematurely**. This allowed for the thorough due diligence.
- Secondly, the binding MOU helped **secure financing** by demonstrating a formal commitment to the transaction.
- Finally, it fostered a **collaborative atmosphere** by clearly establishing the intentions of both parties, thereby reducing misunderstandings and conflicts during the negotiation process.

## CONTEXT



An aggressive entertainment industry client targeted a series of focused acquisitions in quick succession. Naturally, all had a budget and a tight deadline.

## CHALLENGES



The challenge facing our client, and one we've found with many in the same position, was **ensuring clarity and commitment without binding themselves prematurely**.



The early stages of discussions are fraught with **uncertainties**, including due diligence findings, negotiation of terms, and potential regulatory hurdles.



Our client needed to those uncertainties carefully to **maintain flexibility while demonstrating serious intent and establishing a framework for negotiations**.

## WHAT WE DID

A **binding Memorandum of Understanding (MOU)** served as a critical tool. It outlined the key terms and conditions upon which the parties agreed and set the stage for further discussions. Key terms like **confidentiality, exclusivity in negotiations, price, payment terms**, and others were all identified clearly.

A binding MOU serves as a **stronger commitment from both parties to proceed in good faith**, based on the outlined terms, and can include remedies or penalties for breach, thus mitigating risks associated with the negotiation phase

## WHAT WE ACHIEVED



As a result of using binding MOUs, the client **successfully and rapidly moved through the series of acquisitions**. Druven's Transaction team was able, in working with the target's counsel, prepare the definitive acquisition agreements as well with a minimum of revisions, **saving both time and resources**.

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Commercial consulting firm based in the US and Europe founded on an ethic of impeccable service and unmatched expertise. We specialize in devising customized, actionable strategies for the leadership of growing, privately held companies.

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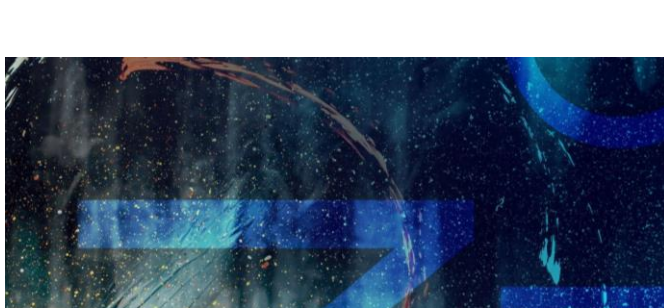


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ADVOCACY



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