Q&A

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Career journey and navigating the deal room

Looking back at your career, what do you consider your 'defining deal' – the one that tested you the most or reshaped how you view your capabilities?

A defining deal came early in my career. At the time, our team was appointed to perform a financial due diligence on a large group of companies that supplied various products to the building industry. Before this particular project, I had always been under the wing of the partner in charge. A formal kick-off meeting was set up by the transaction advisor, which included investors, the target and advisors. A full day of site visits, Q&A and networking were on the agenda. The night before the meeting, the partner in charge called to tell me he had tested positive for COVID and so could not attend the meeting. Although I am sure I had butterflies in my stomach at the time, this unanticipated proverbial push out of the nest boosted my confidence and reshaped the way I viewed my own capabilities. Throughout the process, it also helped to know that there was a strong management team back at the office to guide me and step in if I went off track.

Another interesting aspect of this deal was our team's involvement post closure. We did the IFRS technical opinions and technical valuations for the management share options, as well as the purchase price allocations. Being part of the entire transaction lifecycle helped me understand how the commercial and legal decisions that were made during the deal process impacted the ultimate financial position of the combined group.

Stepping back and looking at how my capabilities were shaped from a broader perspective, I can't emphasise enough how simple observation has moulded my growth. One of the best aspects of this job is the access to the highest levels of management in the South African corporate environment, and I was lucky to have mentors and bosses who involved me in all client communication and meetings from the start. Even in the early stages, when my involvement was passive, the wealth of knowledge it allowed me to build was invaluable. As my career has progressed, I have tried to ensure that I implement the same approach in the team to assist in building the 'knowledge bank' of those working with me.

How do you balance the technical, analytical side of valuation with the deeply relational side of managing client expectations?

By nature, I am a very technical and detail-oriented person. I find myself getting lost in the minutiae, and often need to remember to pull back and see the big picture. However, at the core of my job is great client service, and critical to the sustainability of my career is creating continuing client relationships. In my career, I have found that bamboozling a client with technical jargon and overly complicated modelling does not result in a positive outcome for our team or for the client.

The qualitative and quantitative aspects of a valuation are equally important, and I believe no one knows the qualitative aspects of their business better than the management. Ignoring management's key insights in a valuation is sure to result in an incorrect valuation – even when the most advanced and sophisticated modelling has been used. It is remarkable how often the CEO's 'gut feeling' about the value of their business aligns with the value determined through a formal valuation process.

Therefore, I believe the most effective way to approach a valuation is to work collaboratively with the client. Recognising that their insights and expertise are essential to arriving at the right answer helps build trust and leads to a more informed valuation process. By clearly explaining how the valuation model works, and demonstrating how the information they provide influences the outcome, you can achieve a more accurate valuation while also enhancing the overall client experience and satisfaction.

If you could go back to the very first week of your career, what is the single piece of technical or professional advice you wish someone had handed to you?

When I was fresh out of audit articles, I had a misconception that the most important skill I needed to demonstrate to clients and senior team members was my technical ability. I wish I had realised sooner that I was a service provider working in a client-centric business. However, I soon came to realise that clients are humans, and they care less about one's technical abilities than you might think. What they ultimately care about is how you treat them, how you interact with them, and how you guide them through the process. This is particularly important when working with clients who are not frequent participants in transactions. Every client has a unique set of circumstances, including varying levels of transaction experience and technical knowledge, and it is essential to tailor your approach accordingly. Taking the time to understand their specific needs and adapting your communication style can significantly enhance both the effectiveness of the engagement and the overall client experience.

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