

Cold Chain Target Diligence Case Study



PE firm conducts diligence on acquisition target in cold chain shipping and logistics market

Objective

Conduct diligence on a potential acquisition target in the cold chain shipping and logistics market to inform a private equity client’s perspective on the deal thesis and target valuation.

Approach

BCE constructed a market forecast tool for the cold chain shipping and logistics market based on open source and primary research inputs. Additionally, we conducted interviews with the target’s existing customers and competitors to understand strength of value proposition & offering, elements of differentiation, and overall market position.

Outcome

BCE identified potential customer and market risks to monitor and recommended a series of mid- to long-term opportunities to grow the target’s top line and support period growth objectives.



CLIENT is best suited to the Segment A market, though there is likely significant upside across end markets

	Segment A	Segment B	Segment C	
Price	✓	Product Availability ✓	Product Availability X	<ul style="list-style-type: none"> CLIENT would likely require a broader portfolio of advanced System A and potentially qualification/verification services to be competitive in Segment B CLIENT can expand access to the total Segment C opportunity by prioritizing strategic channels (e.g. Customer As and Customer Bs)
Sustainability	X	Brand Recognition X	Brand Recognition X	
Adjacent Products/ Services	✓	Adjacent Products/ Services X	Price ✓	
Product Availability	✓	Temperature Maintenance ✓	Temperature Maintenance ✓	
Temperature Maintenance	✓	Product Durability ✓	Product Durability ✓	
Product Durability	✓	Price ✓	Adjacent Products/ Services ✓	
Brand Recognition	X	Sustainability X	Sustainability N/A	
Share	~5%	Share ~2%	Share ~3%	
Opportunity to increase penetration of Meal Kit competitors through aggressive marketing.		Must improve brand recognition in the near-term and close adjacent product/service gaps in the long term.		
		Requires a deeper understanding of price position and customer prioritization.		

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