

Developing a market-entry strategy for a leading European clearing & settlement service provider

Challenge

The client's objective was to strengthen its market position in Germany through inorganic growth within the corporate clients segment. Due to its leading position within this sector, finding a suitable acquisition target that could add value was proving difficult. For this reason, the client wanted to examine the feasibility of acquiring a clearing and settlement provider that offered specialised services for securities trading banks and brokers. This was an area where our client had no existing customers or specific market knowledge.

Approach

Based on a detailed market analysis, the team was able to form the basis for a management decision, where growth opportunities and possible acquisition targets could be evaluated – despite the non-transparent nature of the market. After the client had acquired a mid-sized service provider, the team developed a market strategy and mid-term plan. Our activities comprised:

- Detailed examination of regulatory general conditions, relevant markets and trading systems, clearing and settlement processes and functional demands
- Creation of future scenarios based on current trends and developments
- Evaluation of market capacity and market potential
- Segmentation of the customer base – based on qualitative and quantitative criteria – into homogenous groups according to customer value
- Identification of existing and potential new competitors for comparison via benchmark
- Creation of competitor profiles detailing strengths and weaknesses
- Development of a market-entry strategy, including future target positioning, and a sales strategy for general market development
- Identification of internal weaknesses, in particular in risk management
- Creation of a plan to fulfil new demands

Results

Based on the results of the market analysis, the client was quickly able to gain the necessary transparency of the market and exploit opportunities presented through a targeted acquisition. By tackling the market with a new partner, our client was able to win new customers and position itself as one of the three leading providers of clearing and settlement services in the securities trading banks and brokers segment.

For more information, please feel free to contact us.