LEMMA
ADVISORS

VENDOR COMMERCIAL DUE DILIGENCE

Client: A TECH PUBLIC-POLICY ADVISORY FIRM

THE QUESTION

“"Are the target's market and competitive edge strong enough to underwrite an equity investment?”

i **CONTEXT**
the mandate

Vendor commercial due diligence on a **boutique technical public-policy advisory firm** — advising tech/internet and telecoms/satellite players on regulation, market access and advocacy — being taken to market by its owners. I led two of the workstreams: **key market drivers** and the **competitive landscape**. The buy-side audience was a prospective financial investor.

ii **COMPLEXITY**
what made it hard

The addressable market did not exist as a published figure — “technical public policy” straddles law, lobbying, strategy and engineering, with no analyst coverage, no comparable, and the target was competing at the **overlap of seven different competitor types**, each of which measures itself on a different axis. So both halves of the investment case — **how big the market is** and **whether the moat is real** — had to be explored bottom-up and made to withstand an investor challenge.

iii **APPROACH**
where the rigour lived
(For workstream I led)

Anchored both workstreams in **primary research** — direct interviews with the target's own clients and with independent industry experts across five regions — to corroborate the market outlook and, critically, to read the target's perception in the eyes of its customers.

Market Drivers: isolated ~12 macro and practice-line trends (5G, IoT, GDPR-equivalents across 100+ jurisdictions etc), evidenced each individually, and then translating into a specific revenue opportunity rather than a generic tailwind.

Competitive Landscape: a technology- vs. policy-specialism map plus a named competitor database graded firm-by-firm across three service lines and four regions — interview signals synthesized throughout to separate evidence from management's own narrative.

iv **OUTPUT**
the salient findings

A defensible investment case: Addressable market **~GBP 0.7Bn growing ~12% p.a.**, target growing **well above market (~26% revenue CAGR, ~30% EBITDA margin)** on <2% market share — long runway.

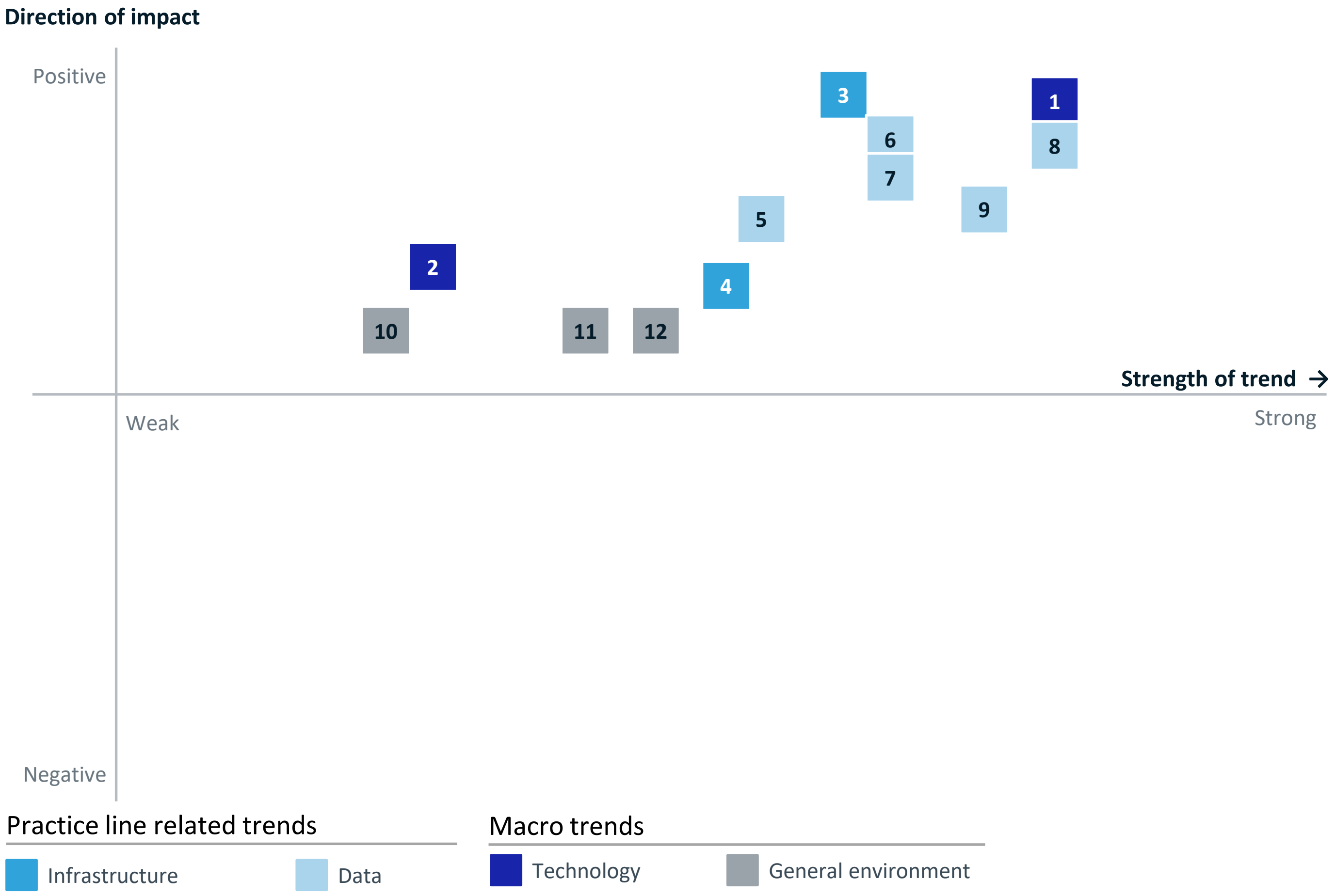
Market Drivers: all ~12 trends pointed the same way — a broad, durable tailwind. **Competitive Landscape:** only one peer worldwide matched the target's hybrid technical + public-policy span — a finding independently confirmed by experts. **Customer perception:** clients rated the target **8.9 / 10**, market-leading on the purchasing criteria that mattered most (policy + technical expertise, regulator network), with low churn and a high share of non-competitive, recurring wins. Delivered in a **~3-week sprint.**

OUTCOME *This VCDD supported a **successful equity investment** in the target by a UK venture capital fund four months later.*

SIGNATURE ANALYSIS

ILLUSTRATIVE SANITISED CONTENT

Key trends in the relevant markets are *largely positive for Target,* and will generate revenue growth for the business



Source: Secondary research, Expert interviews

THE TWELVE TRENDS

1. Technology outdating regulation
2. Bigger role of trade associations
3. Launch and adoption of 5G
4. SatCom industry more competitive
5. Greater focus on data in non-tech
6. Proliferation of GDPR equivalents
7. Increasing fines for data breaches
8. Big Tech asking to be regulated
9. Focus on trust and fairness
10. China shaping tech standards
11. Digital trade conflicts resolution
12. Building consensus on digital tax

*All twelve trends sit on the positive side; the **strongest** (5G, tech-outpacing-regulation, Big-Tech regulation) are also the **most material** to the target.*

ILLUSTRATIVE SANITISED CONTENT

SIGNATURE ANALYSIS

Across four core service lines, *only one peer* matched the target's full portfolio

	CORE COMPETITION							
	The Target	Public Policy (tech)	Technology Advisory	Public Policy (non-tech)	Law Firm	Strategic Comms	Generalist Consultancy	Lobbyist
Lobbying & policy shaping — US (Congress)	Limited	Limited	Limited	Limited	Moderate	Moderate	None	High presence
Multilateral advocacy & policy shaping (ex-US)	High presence	Limited	Limited	Limited	Moderate	Limited	Limited	Moderate
Policy / compliance / regulatory advisory	High presence	High presence	Moderate	High presence	Limited	Limited	Limited	Limited
Technical advisory	Limited	Limited	High presence	None	None	None	Limited	None

High presence | Moderate | Limited | None | Core competition set

No single competitor archetype is strong on all four lines. The target (and one peer) is the only profile present across the full span — law firms and lobbyists own US lobbying but lack technical depth; technology advisors own the technical line but lack policy reach.

Source: Secondary research, Expert interviews