

Guest Article: The Finer Elements Of Cross-Border Direct Investing

Mark Selinger, Partner at McDermott, Will & Emery, April 13, 2015



Expanding on a trend that Family Wealth Report has been following in recent months, Mark Selinger of McDermott, Will & Emery outlines some of the finer elements of direct investing.

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As the mid-market private company transaction market heats up, family office investors will find themselves competing for deals with strategic acquirers and private equity funds, not to mention independent sponsors and other family office investors who have entered the market in recent years. This may compel some of the most sophisticated investors to look abroad for investment opportunities.

Investing abroad is not, however, for the weak of heart. While unusual opportunities may indeed be available, at attractive valuations, conducting the due diligence and implementing and operating those opportunities present unique and, for some, unsurmountable challenges.

There are those investors who say that cultural considerations are overrated and that in the increasingly flat, inter-connected world we live in, analyzing a cross-border transaction is no different than a domestic transaction. This may be the case, as far as financial models are concerned, but an Excel spreadsheet cannot tell you how your actions will be perceived in a different culture.