



PROA GLOBAL PARTNERS

**CAPITALIZING ON GROWTH IN EMERGING MARKETS WHILE
MITIGATING RISK**



The Firm: International Transaction Advisory and Litigation Expert Witness Services

Transaction Advisory Services

Our **Transaction Advisory Services** focus on the design and execution of cross-border investment and trade deals utilizing a data-driven, financed-based approach. We first *calibrate the drivers* of the commercial opportunity-risk tradeoffs that will characterize such transactions into or from high-growth emerging markets; we then help *structure* the deals to maximize risk-adjusted rates of return.

We work closely with our clients to search for and exploit new '*opportunities for arbitrage*' that arise from significant misperceptions of risks and rewards, which are pronounced in emerging markets. These misperceptions, on both sides of the risk-reward ledger, are both far more common and larger than conventional approaches reveal.

Unlike other similarly focused consultancies, who generally rely on *extrapolations of rear-view mirror data* that are often assessed in the *aggregate*, our expertise centers on *unbundling* the *on-the-ground* market determinants of *prospective* investment conditions and assess the functioning of the multidimensional dynamics that will drive them.

This skill derives from *our extensive field-level investment and operational experience*—both in the C-suite and on the factory-floor—working in *more than 75 emerging markets across 5 continents for more than 3 decades* implementing complex cross-border transactions, transforming corporate governance incentives, and assessing ways to reduce exposure to risks, including those arising from FCPA-related matters.

It is also rooted in our work over the years *advising emerging market sovereigns* on the design of their policies toward foreign investment. Equally important, we have deep experience in developing and *executing the regulatory regime governing inbound foreign investment by emerging market businesses into advanced countries*, especially into the U.S.—for example with respect to the inner workings of the *Committee on Foreign Investment in the United States (CFIUS)*.

As a result, we provide hands-on transactional advice that is highly pragmatic for investment decision-makers.

Litigation Expert Witness Services

Either as a direct component of, or independent from, our transaction-related advisory services, we work hand-in-hand with senior management teams, C-Suite Executives, and Boards of Directors on the *execution of all phases* of a transaction. To this end, our firm provides independent **Litigation Expert Witness Services**—including *analytical reports, data and policy assessments, depositions and courtroom testimony*—in legal cases involving investment and trade disputes (including CFIUS matters); antitrust and regulatory issues; corporate governance and property rights; FCPA violations and corruption; and economic damages that may arise in prospective, existing or past cross-border transactions, especially stemming from the conduct of governments, rivals, and activist stakeholders.

Why We're Different

Put simply, in contrast to typical business advisory firms, including those with very well-known names, our function is to not simply deliver a strategy—the "*inputs*"—and then leave the implementation up to the client, who often asks: "What do I do now?" Rather, we are a vertically integrated service provider and focused on delivering "*outcomes*" in collaboration with the client.

Who Are Our Clients?

Our clients consist of corporations; private equity and sovereign wealth funds; investment banks; institutional investors, pension funds and endowments; and family offices. And, they cut across varying nationalities, sizes, sectors and ownership forms, both private and public.

Where We Are Located

Our firm is headquartered in Washington, DC and the team is comprised of select strategic relationships with senior professionals across a variety of disciplines throughout the emerging markets.

Our Market Perspective: Re-Balancing the Imperative for Business Growth

Management teams, C-suite Executives and Boards of Directors of businesses, whether large, medium or small—particularly those headquartered in advanced countries—tend to *dwell* on reducing exposure to risks.

It is thus no surprise that the main line of business of most transactional advisory and business investment strategy firms—especially those focused on emerging markets— centers on assessing risks and/or outlining steps their clients can take to decrease risk exposure.

However, our experience, shaped over many years of working across a wide array of geographies and industry verticals, is that enterprises that have the highest rates of performance sustained over the longest periods of time are NOT those who focus singularly on, or give undue attention to, risk reduction alone.

Rather, their success derives first and foremost from operationally adroit strategies that place *priority* on the *imperative to grow*. They are the enterprises that have learned how to focus on seizing new market opportunities *while* mitigating exposure to risk.

This is our firm's *raison d'etre*.

The Significance of Our Name

A "proa" is a multi-hulled outrigger sailboat, whose design traces back to Polynesia during the First Century. Owing to its unique structure, it has superior stability and remarkable speed.



Today's proas are epitomized by ocean-racing catamarans and trimarans, which hold sailing's speed records and literally fly over the water.



Like its namesake, Proa Global Partners collaborates closely in real-time with our clients as they pursue investments in high-growth emerging markets that generate large risk-adjusted returns.

We partner side-by-side with them to assist in both the design and the execution of operational strategies that provide the agility to quickly seize 'first-mover' advantages, withstand exposure to risks, and ensure durability of their investments.

Our Approach

Proa Global Partners utilizes a client-demand-driven approach that is both highly interactive and iterative, operating within specific parameters defined collaboratively with clients.

Our overarching objective is to produce engagements that inherently have the flexibility to evolve over time but that necessarily result in *building the internal capacity* of our clients.

We focus on helping clients discern rigorously and systematically the real drivers of **prospective** changes in investment conditions at the local, national, regional and global levels that can fundamentally improve the speed with which successful "go/no-go" *decisions* can be made on complex cross-border transactions.

There are four general thematic areas on which we work in close partnership with our principal client interlocutors to transfer knowledge.

Specifically, our aim is to strengthen our clients' internal abilities to make better investment decision matters through:

- Developing a concrete set of interdisciplinary analytical tools to **identify and robustly quantify unexploited 'first mover' investment opportunities for business growth** and the principal factors that will shape their sustainability (or perishability).
- Creating a framework to **systematically assess the nature and magnitude of risks**—commercial, policy, technological (e.g., cyber), and reputational (such as corruption/FCPA/UK Bribery Act); analyze the determinants of **how the drivers of such risks will likely change over time**; and develop well-defined markers and roadmaps to **calibrate the extent of such changes** as they occur.
- Devising and helping to execute on-the-ground **operational strategies that guide the mode of entry** into new (or the exit from existing) markets and deployment of new (or redeployment of existing) products and processes, with the agility to keep competitors as well as potential influential political/policymaker and other 'investment spoilers' at bay. For U.S. inbound investment for foreign entities, this will almost always include consideration of proactive engagement with CFIUS.
- Utilizing *bona fide* **independent assessors to measure rigorously over time the economic and social outcomes of the investments underway** to both strengthen relationships with local stakeholders and policy makers and marshal the data that will provide a real-time track-record of the net benefits of the investment to the local economy, which almost always are important data for investors to have at the ready to address potential policy concerns raised by government or non-governmental entities.

Our Service Offerings

I. Transaction-Related Services: We have developed a “menu” of (a) **Investment Assessment Services** and (b) **Core Transaction Services** that allow our clients to unbundle or phase-in over time specific forms of engagement with us related to identifying and executing transactions.

Investment Assessment Services. Some clients find significant value in (i) a one-off short series or (ii) an on-going monthly, bi-monthly, or quarterly series of Investment Assessments that comprise:

Customized Presentations, Roundtables and Workshops for C-suite Executives and/or Board Directors.

Highly interactive discussions focused on assessments of the opportunity and risk dynamics shaping economic and policy conditions in single or multiple markets/sectors. Lessons from case studies are presented, with implications for key operational decisions drawn out. Agendas are client-driven and focus on pre-determined geographies, sectors, or cross-cutting issues/themes. FCPA-UK Bribery Act/corruption risks and laws and regulations governing foreign investment are covered (CFIUS for inbound investment to the U.S.).

Core Transaction Services. Whether clients do or do not partake in our Investment Assessment Services initially, most work with us on a set of Core Transaction Services. These comprise one or more of the following:

Approaches to Competitive Market Intelligence. Equipping clients with cutting-edge techniques to analyze prospective demand and supply gaps; potential competition from incumbents and new entrants; business involvement by the state, whether explicit or implicit; availability of finance, including from MDBs/IFIs.

Optimization of Site Location Decision-Making. Helping clients with systematic modelling of field-level data across provinces/cities either within/or among countries for determining location of project sites that most effectively maximize returns and mitigate risks, including setting up intra-country competition for investment; access to preferential tax incentives; rates for and quality of service delivery from infrastructure providers; trade policies for imports and exports; and investment promotion programs.

Innovations in 360-degree Stakeholder Analysis of Governance and Corruption Risks. Working with our clients to introduce state-of-the-art approaches for gauging the relative importance of in-country and external influencers that could significantly impact the prospects for success (or failure) of a specific commercial venture, including corruption risks (e.g., FCPA and UK Bribery Act violations).

Forming Strategic Commercial Alliances (B2B Agreements) and Public-Private Partnerships (PPPs). Advising clients on how best to maximize mutual operational and investment-related net benefits through partnering, including structuring work programs to achieve joint goals; creative approaches for marrying private and public capital; incorporation of lessons to avoid design flaws in establishing and executing corporate social responsibility (CSR) initiatives; and creation of mechanisms for independent, third-party performance evaluation or audits to assess how well objectives are being met.

Execution and Presentation to Policy Makers of Assessment of Investment Impacts. Advising clients as to best-practice approaches to engage independent professionals to develop 'arms-length' quantitative and qualitative analysis of on-the-ground multiplier effects of investments' net benefits to the local community. Use of third parties is essential to ensure credibility and to facilitate dispassionate two-way discussions between the client and local policy-makers and stakeholders to advance mutually beneficial objectives and/or prevent policy 'backsliding' (or even worse, outright antagonistic moves).

II. Litigation Expert Witness Services: We provide an array of **Expert Witness Services** for legal cases focused on disputes in the international sphere that are associated with prospective, existing or past export/import or cross-border investment transactions.

These typically involve matters regarding (i) **trade law**; (ii) **investment treaties**; (iii) **antitrust or competition policy laws**; (iv) **regulation of infrastructure service providers**; (v) **state-trading rules**; (vi) **valuation of economic damages**; (vii) **property rights**; (viii) **corporate governance**; (ix) **FCPA/UK Bribery Act** and (x) **CFIUS**.

Our expert witness services include (i) **testimony**, (ii) **depositions**, (iii) **analytical reports** and (iv) **data and policy assessments**.

Samples of Past Engagements, By Sector and Geography

- Real-time scenario analysis for a large US **metals company's** newly planned multi-country supply chain strategy of increased exposure to risk of targeted trade policy actions by **China**, especially charging the company with dumping imports.
- Development of a location decision-making optimization framework as well as design of local execution strategy for undertaking a multi-plant investment by a global **agricultural equipment firm** across several of **Russia's oblasts** and regions.
- Conducted off-the-record one-day interactive workshop for entire C-suite of a very large European-based global **beverage company** on the impacts of dollar appreciation, variability of oil prices, regulatory regime uncertainty and trade policy changes on their planned **Western Hemisphere** investment, production, distribution, and production strategy.
- Intensive hands-on assessment of drivers of the local regulatory environment, including the disposition of the competition policy agency, unions, suppliers, and NGOs, for a global **retail mass merchandise firm's** unprecedented acquisition in **South Africa** and in several neighboring countries. Developed and helped execute the client's on-the-ground negotiation strategy with all critical stakeholders.
- Developed a financial model and entry strategy for a US **alternative energy company's** large greenfield production plant in **Brazil**. Facilitated innovative competitive bidding scheme between several Brazilian states to attract the investment. Also assisted in negotiating financing terms with development agencies.
- Executed extensive field-level reputational due diligence and assessment of corruption risks associated with the largest, highly strategic acquisition target for market entry into **Myanmar** by an iconic global **retail and consumer firm**.
- Year-long operational and strategic advice to devise, negotiate and implement a Public Private Partnership (PPP) for a new **freight railway** business in **West Africa** for a global Fortune-10 firm.
- Financial and business model assessment in **Indonesia** for development and execution of a new ASEAN-wide export-oriented investment in state-of-the-art production plant for a European-based global **industrial paper firm**.
- Development of a new business model for direct sales (rather than through dealers) in **LATAM** for a **Japanese office machine firm**, including bespoke market intelligence on competitors' strategies, pricing, and performance.
- Assessment for a large US **machine tool firm** of the market and trade policy risks and acquisition opportunities arising from the **Eurozone crisis**, based on innovative scenario planning and sensitivity analysis.
- Bespoke research developing original cohort business cases, followed by a two-day workshop, for the C-Suite and Board of Directors of an international **State-Owned Oil and Gas Company** to develop a 5-year blueprint for major upstream acquisitions of gas supplies in **Africa**.
- Field-level independent quantitative and qualitative economic and social assessments in **six Asian and nine Latin American countries** of the multiplier impacts of a series of investments by a US-based global **consumer goods firm**.
- Litigation expert witness work on valuation of economic damages arising from an **Asian-based** Limited Partner's investment in a U.S. private equity firm.

Contact Details

Proa Global Partners LLC is headquartered in Washington, DC and comprised of a team that includes select strategic relationships with senior professionals across a variety of disciplines throughout the emerging markets.

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