

When big money is on the line, do you know everything you need to know about your potential business partners?

Commercial real estate investments. Institutional lending. Corporate procurement. Mergers and acquisitions. What do all of these have in common? They all require enhanced, end-to-end due diligence.

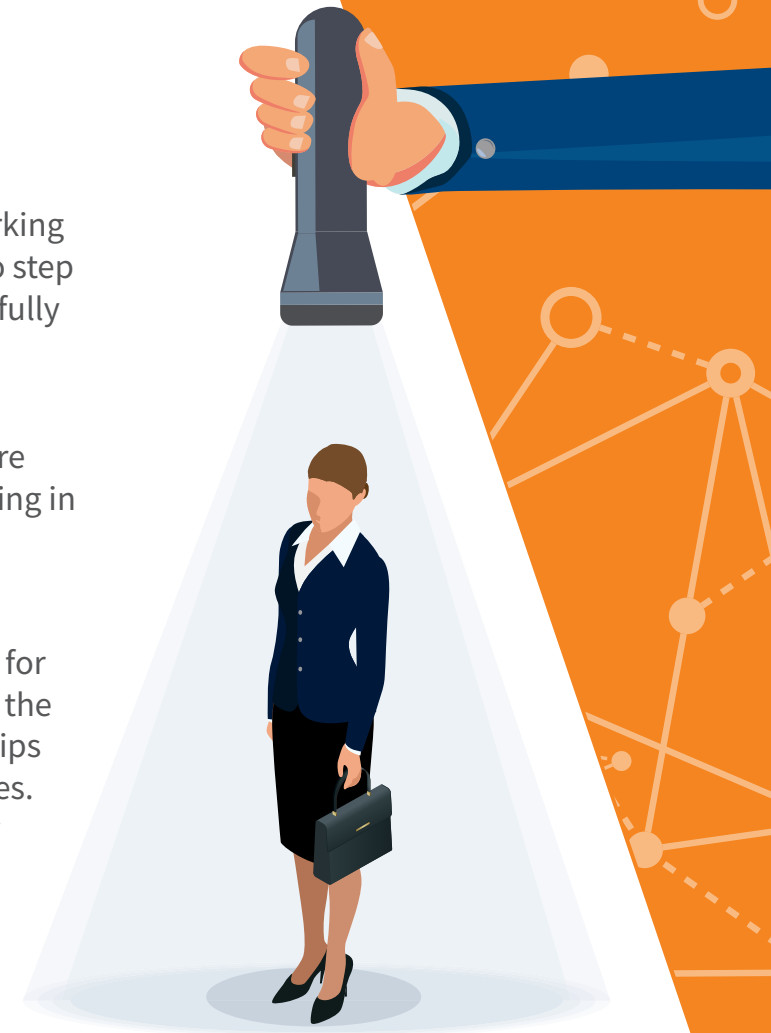
Due diligence is a given in any business relationship. When you're working on a big deal that involves substantial capital investment, you need to step it up. To protect your business and preserve your profits, you need to fully understand who you're doing business with.

Enhanced due diligence digs deep to deliver the most comprehensive information available. That means you can size up your partners before wasting resources on a deal that can't move forward, or worse, engaging in a bad deal that could be a setback for your business.

What type of due diligence are you doing?

If you're relying on a sprinkling of online resources or piecemeal tools for commercial due diligence, you could be missing much more than just the big picture. You could be overlooking an underlying web of relationships and buried information that are beyond the resources of most searches. Not only that, by the time your commercial venture closes, previously vetted information could have changed.

Don't let this happen to you.



The message

What you don't know could hurt you financially, legally and reputationally. Protect your business with enhanced due diligence.

BUSINESS NEWS

Overhyped financials and a persuasive personality duped seasoned investors



Investors lost millions of dollars when healthcare startup Theranos proved to be a hoax. Not only did they fail to review audited financial statements, they also overlooked signs that founder Elizabeth Holmes presented a personal risk.¹



1. 4 Startling Insights Into Elizabeth Holmes From Psychiatrist Who's Known Her Since Childhood, Peter Cohan, February 17, 2019, Forbes.com, <https://www.forbes.com/sites/petercohan/2019/02/17/4-startling-insights-into-elizabeth-holmes-from-psychiatrist-whos-known-here-since-childhood/#686aa205366b>

When your due diligence doesn't measure up

Superficial due diligence might check some boxes, but it doesn't uncover what you really need to know. Poorly performed due diligence can put your business at risk for financial, legal and reputational liabilities; cause delays in deal closure; and generate expensive rework.

Here are seven common due diligence roadblocks that could get in your way.

- 1. Not knowing what isn't declared.** Applications often don't tell the whole story. Most people aren't willing to reveal derogatory information, like criminal history, bankruptcy or bribery. That's crucial information for you to have.
- 2. Insufficient resources to thoroughly investigate.** Deep investigations require time, money and expertise that your firm might not have available in-house.
- 3. Widely dispersed documentation sources.** Remotely located documents and court records often cannot be obtained on a timely basis.
- 4. Difficulty accessing hidden, hard-to-get information.** Google and other internet searches don't go deep enough to reach all the information that could impact your business relationships, including court filings and other documentation that isn't easily accessible.
- 5. Failing to keep up with changes.** Evolving circumstances among clients and partners could potentially have adverse impacts on your business, if you're not aware of them.
- 6. Dealing with global differences.** The increasingly global nature of business means cultural, regulatory or language differences could interfere with your ability to get the information you need.
- 7. Difficulty identifying relationships between businesses, and between businesses and individuals.** Connections between entities can be obscured or deliberately concealed.

In commercial ventures, time is not on your side. Time is of the essence in the commercial diligence process.

The longer a deal stretches out toward closure, the greater the likelihood that circumstances will change or that regulatory deadlines will bring the process to a halt, and you'll have to start all over again. You need a timely and thorough due diligence process.



Commercial due diligence is especially important for:

- Commercial real estate lending and investment
- Commercial big-ticket lending and asset management
- Corporate procurement and supply chain management
- Anti-bribery and corruption investigations
- Mergers and acquisitions

The message

Don't let common due diligence roadblocks keep you from properly vetting your business relationships. Apply enhanced due diligence to pave the way to informed decisions.



What does effective due diligence look like?

Expert access to critical filings and documentation on business entities and associated people creates the foundation for effective due diligence. This information is essential to making informed decisions and reducing your exposure to risk, throughout the lifecycle of any commercial relationship.

Anytime you're involved in a significant commercial venture, you should be thoroughly informed about whom you're doing business with, on both a business and personal level. And, you want to make sure you're keeping up with any changes in circumstances that could impact your deal.

Here are some questions to ask about your commercial due diligence process:

- Are you looking at pending and satisfied public records, including litigation, liens, judgments and bankruptcies?
- Can you validate and thoroughly research all guarantors?
- Can you get results with the most up-to-date information?
- Are you able to monitor previously vetted information, and review new documents as they become available?

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Did you know... ?

Britain's largest construction bankruptcy jeopardizes thousands of jobs

The failure to heed warning signs and a flawed bidding process led to the collapse of a partnership between a large construction firm and the U.K. government.² According to the BBC, the bankruptcy left U.K. taxpayers with a bill of \$196 million.³



2. The four contracts that finished Carillion, Simon Goodley, January 15, 2018, The Guardian, <https://www.theguardian.com/business/2018/jan/15/the-four-contracts-that-finished-carillion-public-private-partnership>
3. Carillion collapse to cost taxpayers £148 million, June 7, 2018, BBC News, <https://www.bbc.com/news/business-44383224>

The message

Don't leave due diligence to chance. Make sure you have comprehensive and up-to-date information so you can keep the deal moving forward.



Due diligence can be complicated. We make it simple.

LexisNexis® Business Assurance brings together seasoned research analysts to lead the investigation process, and retrieval specialists to locate the information you need to make efficient and confident business decisions. You get research results in an actionable report that includes the details behind the filings—so you can make smarter business decisions.

Get relevant, up-to-date insights from:

- Court and administrative filings, such as bankruptcies, judgments, liens, felonies, misdemeanors, litigation and UCCs.
- Business records, such as articles of incorporation, corporate records and comprehensive reports from commercial bureaus.
- People-related information, such as professional licenses, OFAC background checks and comprehensive person reports.
- News, such as media reviews and negative publicity.
- Public records, such as vehicle registrations, marriage licenses and other publicly available information that is not confidential.

Let us do the due diligence so you can focus on your business. We provide:

- Easy, real-time access, delivered the way you want it.
- Automated archiving for an immediate audit trail.
- Fast delivery of simple reports in minutes.
- Detailed reports within two to four days.
- Research on domestic and international entities.
- Responsive and attentive customer service.

A nationwide network of expertise—in one actionable report

Your business success depends on knowing who you're doing business with, whether at the start of a new deal or in an ongoing relationship. We give you that assurance.

Our Business Assurance solutions draw from a deep well of official filings, documents and other resources. We enhance these resources with investigative expertise, then put the specific information you need to thoroughly vet your current and potential partners at your fingertips, all in one easy-to-access report.



What sets us apart from the competition

- **Better entity resolution.** Our robust content sources and superior linking capabilities allow us to make the connections you need to know about.
- **Deep insight.** We use our comprehensive data sets to better identify direct and indirect risk related to business entities.
- **Volume.** We perform nearly 100,000 investigations annually, across verticals and use types.
- **Network.** We have more than 700 field researchers and hundreds of automated processes to ensure speed and accuracy.
- **Expertise.** Our experts have an average of 16 years of investigative experience each.
- **Trust.** Our clients include 8 out of 10 of the largest commercial real estate firms, 6 out of the top 15 automotive lines, and hundreds of financial services and other institutions.
- **Experience.** We've served clients in this arena for more than 20 years.

We make due diligence easy for you, so you can focus on making your business successful.



Let's talk.

To find out how we can deliver better results for your organization,
contact us at 800.897.1644 or risk.lexisnexis.com/SMBRisk.

About LexisNexis Risk Solutions

LexisNexis Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX Group (LSE: REL/NYSE: RELX), a global provider of information and analytics for professional and business customers across industries. RELX is a FTSE 100 company and is based in London. For more information, please visit www.risk.lexisnexis.com, and www.relx.com.

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