



CASE STUDY | JULY 2022

# How M&A Advisor sbLiftOff Transformed Target Lists with udu





# INTRODUCTION

With the help of udu's curated target lists, sbLiftOff's private equity clients have closed four deals to date. "It's been astonishing to see how well udu works," says sbLiftOff COO Cornelia Kiley.

sbLiftOff is a lower middle market M&A advisor specializing in founder-led businesses and government contracting companies in the United States. sbLiftOff also provides buy-side services to select private equity firms, identifying acquisition targets that fit each firm's strategic investment themes.

Historically, generating these target lists required an extraordinary amount of time and energy. sbLiftOff turned to udu to streamline these efforts and provide proprietary, highly curated opportunities to their clients. sbLiftOff clients have closed a total of four deals sourced with udu to date. More are in the pipeline.

"Before we found udu, creating target lists was like trying to land a lunar rover on Mars with my kitchen toaster. We had so few tools," says Kiley. "When we found udu, the world opened up. What's more, udu just continues to get better as I get better at using it."

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— Cornelia Kiley, COO of sbLiftOff



# CHALLENGE

## Identifying Proprietary Deal Flow

In today's competitive deal environment, identifying proprietary deal flow is both singularly important and increasingly challenging. Deal databases (and the internet more broadly) make it relatively easy, if time intensive, to find companies in an investor's sector of interest. However, the long target lists that result can be a double-edged sword.

sbLiftOff once relied on tools like ZoomInfo or BloombergGov to create their target lists. They used SIC or NAICS codes to search for companies in their clients' areas of interest, often uncovering 500 results or more. To narrow this list, the team would spend countless hours manually sifting through each result to determine its relevance and ultimately produce a curated target list for their clients to consider. The process was time-consuming and inexact.







# SOLUTION

## Use udu to Produce Highly Curated Target Lists

Today, sbLiftOff uses udu to share shorter, but more relevant target lists with their private equity alliance partners “Our old way of doing things seems like the dark ages now,” says Kiley. “Thanks to udu, we don’t waste anyone’s time.”



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– Cornelia Kiley, COO of sbLiftOff

The udu platform leverages AI to generate tailored data and intelligence for deal sourcing teams. sbLiftOff can create specific search parameters for each investment thesis and define upfront what makes a good or bad match. Then, udu searches thousands of data sources on the internet to deliver targets that fit these preferences.

udu can sort based on basic facts readily accessible online, like industry and geography, but can also determine whether companies fit other, less obvious criteria. This is particularly helpful for lower middle market companies that may have relatively small online presences. Even if specific information isn’t explicitly listed online, udu can use related data from a variety of sources to fill in the gaps. For example, to determine a company’s size, udu might consider the number of reviews of the company during a given timeframe, the size or number of warehouses they use, or the number of executive team members listed on various websites. udu can also track multiple data points over time to determine whether a company has matured to an appropriate level for a given acquirer. This is the type of work that can be difficult if not impossible for humans to perform consistently, but at which AI excels.

## Upfront Effort for Ultimate Success

Onboarding to udu was straightforward for the sbLiftOff team, but there was an initial learning curve in terms of figuring out how to apply the udu search parameters specifically to each project. After nearly a year of using udu, Kiley and the sbLiftOff team have become experts at refining udu models. She estimates they have performed nearly fifty searches.

The udu developer team has also proven extremely helpful with any questions or troubleshooting issues that come up. "I've been in the finance business for my entire career, and I've had a lot of vendor relationships. The team at udu is truly a partner in our business. That's not hyperbole," says Kiley.





# RESULTS

## Closed Deals and Repeat Clients

- ✓ Four deals closed in the past year
- ✓ Significant contributor to firm revenue
- ✓ Enables work across a range of industries
- ✓ More repeat PE alliances
- ✓ Better conversions from marketing campaigns

udu is now fundamental to sbLiftOff's buy-side and sell-side work with private equity firms. "udu is not the only tool we use, but it is a significant contributor to our revenue. Our business model would be impossible without udu," says Kiley.

**With udu's help, sbLiftOff's clients have closed four deals in the past year.** A udu deal produced one of largest fees this year— a huge boon for this lower middle market advisory firm.



*Our business model would be impossible without udu.*

— Cornelia Kiley, COO of sbLiftOff



## RESULTS

Closed Deals and Repeat Clients

Closed deals are undeniable proof points that udu's algorithms work. But they are far from the only results that sbLiftOff has seen since adopting the udu platform.



### **MORE REPEAT ALLIANCES:**

"PE firms are proactively coming back, asking us to find more opportunities for them. For us, this is the ultimate success story" says Kiley.



### **MORE RANGE ACROSS INDUSTRIES:**

The four deals that sbLiftOff has sourced with udu so far are spread across the medical staffing, aerospace and defense manufacturing, and ABA clinic spaces. Two additional deals, in the power generation and produce distribution sectors, are ongoing. "This range is what makes udu so important for us. If we didn't have udu, we would likely focus on one sector in order to be as efficient as possible. udu allows us to work across and build knowledge in multiple sectors," says Kiley.



### **MORE INDUSTRY KNOWLEDGE:**

udu's carefully targeted lists provide an ideal jumping-off point for the sbLiftOff team to develop expertise across sectors. "With udu, we can find 50 websites that are highly curated to what we're looking for. Our team can review those sites and see the nuanced differences in the business structures and footprints of each company. Between what our PE partners say and what we're learning with udu's help, our research process has become much more comprehensive and efficient."



### **IMPROVED RESPONSE RATE TO MARKETING CAMPAIGNS:**

This research and resulting industry knowledge has enabled sbLiftOff to be more detailed and targeted in their marketing campaigns — which has paid off in the form of conversions. "It helps bring a level of authenticity to our outreach because the targets are germane to the content of our communication. I would estimate at least 65% of the people who engage with us tell us outright that they did so because of our marketing content. Given the digital din in people's lives — especially for owners of private companies in an attractive sector — that's extraordinary," says Kiley.

*For more information please visit [udu.co](https://udu.co)  
or contact Salvatore Gallo at [sal.gallo@udu.co](mailto:sal.gallo@udu.co)*