

NKP BEST PRACTICES:

## **CONDUCTING AN EXPERT INTERVIEW: INTERVIEW GUIDE TEMPLATE FOR PRE-DEAL EVALUATION OF INVESTMENT OPPORTUNITY**

Copenhagen, July 2018

## CONDUCTING AN EXPERT INTERVIEW

August 2018

### Introduction

This example interview guide was written to help clients - especially those new to the concept of expert interviews - prepare for expert interviews and to secure mutually meaningful discussions. Every project and client request is unique, so this should be used as a framework for inspiration, and not as a plug-and-play user manual.

The guidelines are based on findings from the many expert interviews we facilitate on a daily basis, however they are by no means exhaustive. We would like to point out that many of the interviews we facilitate are carried out successfully without any interview guide or detailed scope - it is by no means required to have an interview guide, and we can help you structure the discussion with the expert in all cases.

We recommend you also read our guidelines on HOW TO SCOPE AN EXPERT INTERVIEW REQUEST:

<https://www.nordicknowledgepartners.com/how-to-scope-a-request-for-expert-interviews>

## Interview guide template: pre-deal evaluation of investment opportunity

Relevant expert profiles could be (all former) CEO, VP Sales, VP Marketing, Managing Director, General Manager, Head of Business Development and Chairman from the target company.

### Introduction

Hi **[first name]**,

Thank you for accepting this interview on such short notice, that is highly appreciated. We are trying to get a better understanding the current trends and future outlook for the market for **[product/service]**. We are mainly focused on **[geographic scope]**.

Before we get started, could you provide me with an introduction to your own background so I can tailor my questions accordingly?

Note: The goal of the introduction is to set the agenda and getting the expert comfortable.

### Part A: market trends and outlook

1. What is driving demand for **[product/service]** now and in the future?
2. Which players do you think will be the long-term winners and why?
3. How much do you think total demand will grow? Price and volume
4. What are the biggest risks and threat to companies operating in the **[product/service industry]**?

Note: If you already have a basic understanding of the industry, you might want to leave out Part A to focus more on the other parts. Alternatively you might have one expert interview covering the basics of the industry and another interview going in depth with the target.

### Part B: the customers

1. Who are the main customers of **[product/service]**?
2. What is driving demand now and in the future for **[product/service]**?
3. What is important to the customer when purchasing **[product/service]**?
4. What are the main distribution channels used?
5. Can you walk be through the key elements of the value chain?

## Part C: positioning of target vis á vis competition

Note: when asking about the target company, we recommend you ask about comparable companies at the same time, i.e. as a peer group. There is no reason to state which one is the target company.

1. Can you describe the key vendors (players) in the market?
  - a. How is each player positioned, in terms of product portfolio, pricing etc.?
  - b. What are the strengths and weaknesses, respectively, of the key players?
  - c. How would you describe the level of competition? Is it increasing or decreasing in general?
2. What does the economics and business model look like?
3. What are the barriers to entry for new companies?
4. In your view, what are the 2-3 core unique selling points (USP) of the following companies? (see table below)

| Company          | First USP | Second USP |
|------------------|-----------|------------|
| [Competitor #1]  |           |            |
| [Target company] |           |            |
| [Competitor #2]  |           |            |
| [Competitor #3]  |           |            |

5. *If each of these vendors were to launch a new product tomorrow, which one would you think you/customers were most likely to buy? (see table below)*

a. *Who are most consistent and reliable in developing and bringing to market new products?*

|                  |  |
|------------------|--|
| <b>Company</b>   |  |
| [Competitor #1]  |  |
| [Target company] |  |
| [Competitor #2]  |  |
| [Competitor #3]  |  |

6. *How do you see the mentioned suppliers/brands/companies developing in terms of growth in the market over the next 5 years? (see table below)*

a. *Who will be the winners, and who will be the losers, and why?*

|                  |  |
|------------------|--|
| <b>Company</b>   |  |
| [Competitor #1]  |  |
| [Target company] |  |
| [Competitor #2]  |  |
| [Competitor #3]  |  |

7. What are the main purchasing criteria when customers in the market are buying/deciding on a new supplier? (see table below)

| Importance | Criteria |
|------------|----------|
| First      |          |
| Second     |          |
| Third      |          |
| Etc.       |          |

8. From 1-5 how would you rate the following companies/brands/suppliers on these criteria? (see table below)

| Company          | First | Second | Third |
|------------------|-------|--------|-------|
| [Competitor #1]  |       |        |       |
| [Target company] |       |        |       |
| [Competitor #2]  |       |        |       |
| [Competitor #3]  |       |        |       |

### Conclusion:

*Now before we hang up, imagine you were a potential investor in this market - would there be other discussion points you would want to inquire about?*

*Thank you for your time.*

Checklist:

- Have an agenda ready and know which estimates and answers you must obtain
- In general, strive to ask open-ended, probing questions
- Let the dialogue develop, i.e. going slightly off topic or changing the order is ok
- Be an active listener, make sure to let the expert know when something is clear or unclear
- Communicate your appreciation during the call, i.e. "this is helpful", "this is very interesting for our study" etc.
- Do not be afraid to interrupt if you feel the expert is beating around the bush instead of answering your questions
- If you feel the expert is evading key topics, an alternative to asking open-ended questions is to make a statement and ask for his view e.g. "Ok, so the best players in the industry perform at an EBITDA margin of max. 10%, do you agree?"

## NORDIC KNOWLEDGE PARTNERS IN BRIEF

### ABOUT NORDIC KNOWLEDGE PARTNERS

Based out of Copenhagen, Denmark, Nordic Knowledge Partners is a specialized knowledge services firm which connects professional clients with leading industry experts.

We work to accelerate professional knowledge-sharing and empower better business decisions across all sectors. Industry leading corporations, top-tier consultants, and investment firms rely on Nordic Knowledge Partners' ability to identify and provide access to the best industry experts in an efficient and expeditious manner.

We deliver access to the highest-quality experts across all geographic markets, while we focus on serving client teams operating in or out of the Nordic countries.

### HOW DO WE DO THIS

We connect you with subject-matter experts through direct confidential micro-consulting engagements - typically one hour on the phone. These individuals may include former executives of a specific company such as an M&A target, customers and competitors of a specific company, as well as function-, or geography-specific experts.

Most of the experts we engage with are not working as consultants nor are they actively looking for consulting work. As a result, we operate a high-touch personalized service model to ensure that all engagements are meaningful, saving time for both our clients and expert advisors.



**Andreas von Buchwald**

### CEO & FOUNDER

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line and a small flourish.