



Metallurgic manufacture and trading

Providing support around options analysis and a blueprint for a four-way joint venture



Client challenge

Our client, a large metallurgical manufacturer and trader, wanted to assess the options around obtaining precious metals through e-waste recycling technology. One of the options was a four-way joint venture (JV) with a financial institution, an automotive OEM and a technology start-up to operationalise new technology to extract precious metals from e-waste. Our client wanted an objective assessment of this option compared to the other options available.

KPMG was tasked with evaluating the JV opportunity and the other options available. This included assessing the strategic and operational contributions of the partners and creating a high-level operating model for the potential JV.

Our approach

We worked with our client to define the assessment criteria, including strategic alignment, ability to execute and financial return. We then conducted the assessment process, giving the client the information it needed to objectively shortlist its options (JV vs other options).

We evaluated the various JV structures to arrive at the optimum deal structure, and assessed the strategic ambitions, contribution and operational limitations of the other JV partners. The financial model of each option was adjusted to make sure the benefits could be objectively compared.

To help us achieve these outcomes, we conducted individual senior stakeholder interviews with all partners, organised alignment workshops on multiple levels (within the client's organisation as well as between the JV partners) and applied our rapid blueprinting methodology.

Benefits for the client

Our options analysis enabled the client to focus on the most viable options available, while our high-level JV operating model blueprint provided a stronger, evidence-based approach to its discussions with the other parties.

Our work made the benefits of partnership clear, as well as articulating the effort and resources required for creating and operationalising the JV. As a result of the knowledge and insights we provided, all parties agreed to start negotiations for the establishment of a JV.

KPMG added value in terms of accelerating the pace of the client's internal discussions and alignment, as well as in negotiations with its counterparties. We created an environment based on transparency, trust and objective analysis, that enabled the partners to agree on a mutually beneficial way forward.

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CREATE | CRT151062A | September 2023