

ISSN 2835-9771

# FINANCIAL SERVICES REVIEW



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LATIN AMERICA SPECIAL

**MERGERS AND  
ACQUISITIONS  
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EDITION

STREAMLINING  
**M&A**  
**TRANSACTIONS**

**BZS**  
**CONSULTORES**

Bernardo Zapata,  
Co-Founder &  
Transaction Partner



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## Certificate





# BZS CONSULTORES

## STREAMLINING M&A TRANSACTIONS

By Jeff Rodriguez

In recent times, foreign direct investment (FDI) in Mexico has soared to new heights. The proximity to the U.S. and the trade liberalization policy across the Latin American (LATAM) region are the two primary factors driving this growth. Amid this golden run of the nation, one problem that lingers for investors is navigating the laws and regulations of Mexico during M&A transactions, especially for regulated industries, such as telecommunications and financial services. They must follow a special approval process and comply with relevant Mexican laws and regulations for tax, customs and labor matters.

Two visionaries—Bernardo Zapata and Sergio Jácome—have taken the onus off the businesses, helping local and international investors navigate the regulatory space for successful M&A transactions.

“We offer specialized transaction advisory services, helping clients deal with the complex regulations. We are known for the ability to

provide assistance at the right time at a fair and reasonable price,” says Zapata, co-founder and transaction partner, BZS Consultores.

### How Did Everything Start?

While working at the Big Four, the two partners noticed a gap in the market for advisory services, particularly for middle-market companies. During this period, they witnessed that big firms primarily focused on serving larger companies. BZS Consultores was formed to fill this gap and provide affordable advisory services to SMBs that were previously inaccessible to them.

Serving a diverse range of clients, from SMBs to multinational corporations, BZS Consultores offers specialized consulting and advisory services for successful M&A activities. The founders of the company have built a strong team of financial, accounting and tax advisors, who have been part of recognized national and international firms. Specializing in financial and tax advice, due diligence and business valuation, this multidisciplinary team maintains transparency and continuous communication



We are expanding our team to meet the growing demand for comprehensive post-transaction services, fostering growth for our firm as well as clients



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throughout the M&A process and takes a hands-on approach from project initiation to conclusion.



## We offer specialized transaction advisory services, helping clients deal with the complex regulations. We are known for the ability to provide assistance at the right time at a fair and reasonable price

Based on practical and proactive leadership from partners and directors in projects, this hands-on, entrepreneurial approach begins with understanding the negotiation interests of both parties. The team then communicates the expected level of involvement, execution plan, required resources, timeframe and respective responsibilities. This helps set clear expectations, specifically for clients unfamiliar with the M&A process, by helping them understand the assessment result and its impact on transactions. BZS Consultores' transaction experience and understanding of what purchasers require allows it to create due diligence reports that benefit the process and provide clients with confidence in the key aspects of the deal.

All the information is gathered through simplified Q&A documents without technical jargon and follow-up discussions on topics like working capital to efficiently obtain the crucial details without leaving room for misinterpretation. The team then develops a customized working plan that outlines achievable milestones and timelines, providing clients—reluctant to invest in a transaction without assurance of its conclusion—with a sense of security.

The consultants also provide necessary insights into the general tax environment and potential limitations in the financial information quality of the Mexican and LATAM markets to foreign businesses lacking local investment experience. They use milestone-driven progress tracking to ensure accountability

and facilitate effective project management for both parties. Constant updates on any changes or advancements in the project ensure timely progress and results. The approach is highly cost-effective as it allows clients to control advisory fees.

### Supporting Beyond Transactions

BZS Consultores' commitment to serving clients goes beyond supporting them throughout their transactions to delivering post-transaction services, including tax and payroll assistance and financial reporting. Appreciating its methodology and approach, most M&A clients show interest in BZS Consultores' post-transaction services, leading to many future transactions.



The firm continues to support clients with accounting services, like internal audits or advisory services for the implementation of international financial reporting standards (IFRS), post-closure price adjustments and ongoing oversight for smooth progression of operations post-transaction. These additional services augment its core offerings, ensuring the optimal performance of the acquired company through transactional follow-up support.

Based on the industry and client's specific requirements, BZS Consultores engages specialized teams for IT, HR or strategy due diligence to comprehensively assess the transaction. It has built a network of professional, who also have training or proven experience in industries to adapt services to specific needs. The firm recently assisted a local private fund that required financial and tax due diligence surveys from a group of companies based in Monterrey, Mexico. BZS Consultores conducted the survey, identified areas for improvement and shared these results with both parties. Analyzing the outcomes, the group approached



Bernardo Zapata,  
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Transaction Partner

BZS Consultores to help them design a remediation plan to address the identified issues. Today, it supports the group with accounting, financial advisory and tax strategy, streamlining their overall business processes.

Monitoring the financial metrics and covenants between due diligence and closing ensured the company's performance aligned with the regulatory requirements of the banking space. It provided follow-up services to the client post-transaction and worked on many other upcoming projects.

The effectiveness of its flexible and collaborative approach was illustrated recently when BZS Consultores overcame the threat of deal cancellation while assisting a private equity fund from New York in the acquisition of a local Mexican company. The firm encountered unexpected tax issues with the target company by the end of the first week, challenging its initially designed five-week working plan and threatening to derail the deal. Through transparent communication and collaboration, the team quickly mitigated the situation and prevented significant financial repercussions for the client. This testifies to BZS Consultores' reputation for exceptional service delivery and excellence in challenging timeframes due to its ability to adapt, maintain open lines of communication and commit to working closely with clients for successful and seamless transactions.

### Envisioning a Future with Endless Opportunities

After five years since the firm was founded and more than 100 projects executed, the firm has a proven track along this time record advising clients across the countries on relevant

professional consulting services based on high ethical and confidentiality standards while delivering bottom-line results, service excellence and value-enhancing solutions. Within those 5 years, there is a year drastically affected by the pandemic, as well as a year of full post-pandemic recovery, which made the beginning difficult, but also opened the opportunity to raise awareness among customers to explore more efficient solutions without sacrificing quality in service at a more affordable price.

The firm aims to extend its reach to the northern regions of Mexico and the frontier with US, which are currently experiencing a stable environment suitable for clients seeking acquisitions or new ventures in the area. As numerous family offices, businesses and private equity firms prepare to exit, they choose BZS Consultores as their ideal partner for due diligence. Recognizing its capabilities, the clients entrust the firm with larger projects, allowing it to serve clients previously out of its scope. The firm is also focusing on expanding its network by engaging with advisors from international firms.

BZS Consultores expects to experience accelerated growth by bringing in people with a shared vision and committed to client success in the LATAM region.

"We are expanding our team to meet the growing demand for comprehensive post-transaction services, fostering growth for our firm as well as clients," says Jácome, quality partner at BZS Consultores.

As a trusted advisor, it continues to maintain its reputation for exceptional service by finding the right and appropriate solutions for every client and build long-term relationships across markets. **Is**

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