

# THE BOEHLY CENTER

FOR EXCELLENCE IN FINANCE

CAREERS IN FINANCE PODCAST

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## EPISODE 21: MERGERS & ACQUISITIONS

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### Jeffrey Rich

Welcome to Careers in Finance, presented by the Boehly Center for Excellence and Finance at William & Mary's Raymond A. Mason School of Business. This podcast will explore various areas of the financial services industry, career paths in finance, and other practical insights that will help students better understand and prepare for professional success in the field of finance. Be sure to subscribe to the podcast and catch future episodes as we explore the field of finance. And now your host, Morgan Hutter.

### Morgan Hutter

Well, welcome back to the Careers in Finance podcast with the Boehly Center here at the Raymond A. Mason School of Business at William & Mary. I am really looking forward to today. We are greeting MBA graduate class of 2001, Samira Imamverdiyeva, who is the M&A controller for American Express. So welcome, Samira.

### Samira Imamverdiyeva

Thank you – my pleasure to be here today with you, Morgan.

### Morgan Hutter

Good. Well, thank you for taking the time. We appreciate it. So to get us started, let's just hear a little bit about yourself. Can you describe your career path after graduating from William & Mary, and what were some of the key drivers for your career choices that you made?

### Samira Imamverdiyeva

Sure. Absolutely. I graduated from the MBA program at the College of William & Mary in 2001, and my focus during my studies was on finance. I graduated with the concentration in finance. I took numerous accounting classes as well, and immediately after the graduation, I really wanted to accomplish two objectives. I wanted to find a job which would allow me to use both my accounting skills and my knowledge of finance, and I was able to immediately after the graduation continue with my previous employer, Pricewaterhouse Coopers. However, I've continuously strived to find an opportunity with PwC, where I could apply my MBA skill set in this specialty of finance in particular, and I was able to transfer to the PriceWaterhouse Coopers in New York and join Transaction Advisory Services in New York, which allowed me to have this opportunity to not only apply my accounting skills but also my financial analytical skills and knowledge of investment banking and finance as well, working on transactions in mergers and acquisitions as well as capital markets, helping companies to go public and raise equity and debt and capital markets in New York. So this was a very exciting opportunity for me that I was able to accomplish my key goal of focusing applying my MBA knowledge and finance in this job.

## Morgan Hutter

Sure sounds like a nice transition that you can kind of come from the consulting side, get that experience, transition into the corporate side. So thanks for sharing that. So since today's podcast is about mergers and acquisition, sometimes people say M&A right. We hear that. So what is M&A, and what does your role being an M&A controller entail?

## Samira Imamverdiyeva

M&A does stand for mergers and acquisitions. As M&A controller at American Express from the corporate perspective, my key focus is to support our corporate development department within Amex from the controllership perspective on deals. And as it sounds, we Amex look for targets in the market to acquire to complement our business model. And we also have transactions where we sell parts of business. So that is divestitures primarily. Over the years working for Amex, I was involved on acquisitions as a controller in the M&A space. My key goal is to address controllership risks on a deal, and this involves supporting CFO and corp dev on helping negotiate the deal in a way that would minimize or cover any risks related to financial results of Amex. Focusing on what is the impact of the transaction of the acquisition on earnings per share and EPS is one of the key metrics that Amex as a company is focused on. Therefore, when advising as a controller on a deal, I need to be able to articulate what will be the impact of the transaction on the earnings per share of American Express at closing of the transaction on day one as well as on day two. What will be the ongoing impact of the deal of acquiring the target on EPS of Amex day two? So this is the primary goal as an M&A controller. We also support on deals with respect to areas such as purchase price allocation, figuring out what is the correct price to pay for a target, and valuation of the target. So working on the valuation of the target, working on discounted cash flows projections. Of course, we would not do it in-house. We would usually use a consultant to help us do the valuation. Once we figure out the valuation, we would allocate the purchase price to specific acquired assets and liabilities of the target, and we will estimate what will be the day two PNL implications of this assets and liabilities that we acquired. One of the area of focus for us as M&A controller includes things like assessing working capital adjustment, negotiating the peg on the working capital, and figuring out any of balance sheet risks. So we are looking at the transaction at the target company, analyzing their historical financial results, analyzing their projected financial results, and dissecting their balance sheet, looking at their balance sheet exposures to understand if there are any unrecorded liabilities or any guarantees or contingencies that are hiding from the plain sight that we need to uncover and bring to the attention of the deal team as part of the deal diligence to ensure that when we acquire the target, there are no surprises after the fact.

## Morgan Hutter

Sounds like an incredibly important role. So I'm going to break this down a second because, for our listeners, this is all kind of new to me, I'll be honest. This is really fascinating to be able to learn this. So I'm hearing a lot of terms that our students and listeners probably know, right? You mentioned EPS, DCF, valuations, diligence. You've mentioned risk, so you mentioned deal team. So it sounds like you're kind of is it fair to say, I'm not sure the deal team is really this answer. But are you kind of the project manager of all of this to make sure that these things are still happening, or what's the relationship between you and those other teams?

### Samira Imamverdiyeva

It's an excellent question, Morgan. There is usually a project management operation on any deal. The project management is done by corp dev. Corp dev is essentially our invest. You can think about it as an in-house investment bank. The job of corp dev is to pull for the targets in the market and find the optimal target for Amex to acquire, and the way they do it, they work with the business. They work with the consumer business, commercial business, our merchant, and network business to understand what are their needs and what are the potential areas where we need to grow through acquisition. Once they identify the target, the diligence and bring it to the table. If the target is approved by the senior leadership, then the diligence process begins. It's a financial diligence process—commercial diligence, technological. So there are different facets and angles of diligence that need to happen between the point in time when the target is identified and when the agreement is signed, and there are multiple teams involved. One of these teams is my team, which is controllership, and my responsibility is to cover all of the risks of the acquisition with respect to accounting, financial reporting, and financial risks from the EPS perspective, as mentioned earlier. There are other teams like those who are doing human resource diligence, commercial diligence, technology, dissecting the target technology, and figuring out is it synergistic for us. How are we going to use their technology to plug it into existing Amex technology? There is, of course, legal diligence team. There are risk compliance, regulatory diligence teams. It's actually a pretty significant operation, and I'm only coordinating from the controllership perspective. So within controllership, there are multiple teams that there is a tax accounting team. There is SEC reporting team. There is a technical accounting team. My job is to coordinate from the controllership perspective. But corp dev, as our quote, unquote in house investment bank. Their job is to coordinate across all of the facets and all of the deal teams involved in the transaction.

### Morgan Hutter

It's huge. It sounds like there's. First of all, anytime you read in the Wall Street Journal about some acquisition, it's not just, oh, check, right. I mean, you just clarified how much work and homework is going into making sure it's the right fit for both sides. How many in a given week, a month, a year. Right. However, you would like to calculate it. Are you working on one of these? Are you working on 50 of these? What's the scope that you're sitting here with?

### Samira Imamverdiyeva

It depends on the size of the target if it's a small target. For instance, in 2019, Amex acquired two companies. We closed the transaction and launched by the transaction. Both were relatively small size acquisitions, maybe in the range of \$100 million to \$200 million. Those smaller acquisitions usually take less time to diligence and close. And those are so-called tuck-in acquisitions, where we acquire a company purely because it's the technology of the target. Let's say, in the case of Resy, it was a small company which has a super amazing app on restaurant booking management, and we thought that would be complementary to our credit card customers to have access to this restaurant booking app as part of the Amex app. So those are smaller acquisitions. There could be more than one, maybe two or three per year. However, if it's a larger target, that in the case of acquisition of Kabbage, which we completed last year, that transaction took us at least six to eight months to complete. We started diligence in March, and we close it in October, and that was the only large transaction that we completed in 2020. So it really depends on the magnitude of the deal and the size of the target that we are acquiring.

## Morgan Hutter

Thank you. That's so helpful. I know I threw you for a loop, maybe with that question. So thank you so much for going off-script. So I'm going to ask too. I mean, I know we kind of talked that M&A means mergers and acquisitions. Can you just give me the 15 to 30-second pitch on what's a merger and what's an acquisition? So those that are listening kind of understand the difference.

## Samira Imamverdiyeva

I would say that merger does not really exist anymore. From the accounting perspective, there is always an accounting acquired. There's always a party that acquires control of the other party. I think historically, there was this concept of in the accounting world a pooling of interest where two parties come together as equals, and then the management teams of both sides then have equal say, post-close in managing the company. That doesn't happen really anymore. So to me, mergers are more of kind of a non-existent event now. And it's more of an acquisition that's happening where one company really acquires control of the other because there's always at the end of any transaction, there's always one party that emerges as the controlling party. And essentially, that is what the acquisitions refer to.

## Morgan Hutter

That's really helpful. Thank you so much. So you shared so much about the what, and you shared so much about the timeline and who you're working with. But what's a typical day in the life, and what's the most challenging and maybe most rewarding parts of your current role?

## Samira Imamverdiyeva

Sure. That's a great question. Actually, that's the question that I was thinking about a lot, and I was trying to see what are the most rewarding parts of my job, I think for me, and it's not for everyone. It's just for me. Specifically, I really enjoy the adrenaline rush of the deal. Working on the deal, being always on my toes and ready to go and meet the need of the day. So I think the most rewarding part is seeing the deal closing or seeing the IPO happening when the transaction is announced in the news when the press release is issued, and all the congratulations start pouring. And that is the most rewarding for me working on a deal. And also the other aspect of it is just working with my team and the camaraderie that develops and builds when you work with corp dev and other deal teams in the trenches and always working sometimes long hours after hours on weekends and just being in the trenches with the team and feeling this kind of shoulder to shoulder comradery is also very rewarding to me. In terms of the challenges and the difficult side of the deal is just the hours, and sometimes the hours can be brutal. And when I took the M&A controller job at Amex, I was told that it is tough. The hours are tough and corp dev again, as your in-house investment bank are very demanding, you cannot say no. You have to be there available on your cell phone at all hours, and you need to be able to advise the deal team real-time. The turnaround is very short, usually 24 hours or less. So you need to really bring the value to the table within a very short time span, and it has to be the right answer. It has to be close to the right answer. There is a very little room for mistake or for incorrect answer because the answer that you give will end up in the deal doc. And if is not correct, then it may have an adverse impact on the deal. So I think that is the toughest part of transaction work that I do.

## Morgan Hutter

It just sounds like so much responsibility, and you've got to be organized, and you've got to be educated, and you've got in what's going on right now. The market know what all those pieces of the deal might be. And I always find too, when you take breaks or remove yourself, things kind of get lost. So that probably makes sense of why you kind of always have to be on because you could be asked at any point or something. Wow, so thank you for sharing that. We talked a little bit about kind of the life cycle of slightly about how long these some of these acquisitions might take. But are there typical targets you look for to acquire, or what is that typical lifecycle from your vantage point?

## Samira Imamverdiyeva

Yes. So the typical targets that we look to acquire are usually companies that are complementary to our core business offering, and they are usually a smaller size financial technology companies that are somewhat mature but not quite fully grown. I would say. So they are not early-stage companies. They may have hundreds of millions of revenue, but usually, they don't have any profit. So when you dissect the company or analyze it, there is no earnings, there's no profits to look at, or no EBITDA to assess. You pretty much looking at discounted cash flow model to do the valuation of the target, or you focus on the technology. So oftentimes, we acquire these smaller fintech firms for the technology, their innovative technology that they bring to the table. And sometimes it's more to get access to their customer base or use their technology to penetrate our existing customer base or to grow our SMB customer base. Like, for example, in the case of Kabbage, it's a combination of access to Kabbage amazing technology. Their app super smart app that allows us to get access to SMBs and offer them a full suite of financial services. So it really depends. But there is a typical profile of companies that will look at when looking at targets.

## Morgan Hutter

Sure. How do you feel that you came from the consulting side? You switch over to the corporate side. How are you feeling that understanding of the consulting side helped you on the corporate side when it came to deal requirements?

## Samira Imamverdiyeva

Yes, this was quite a transition for me. I spent my entire career in consulting space. I worked for twelve plus years at PwC in the Transaction Advisory. Then I worked two years at Alvarez and Marcel, which is the New York boutique restructuring firm also supporting on transactions for private equity clients. And I was always on the side of revenue-generating side of the equation. As a consultant, my job was to advise my clients and, in a timely way, bring value to the table and really meet client expectations. It was from the consultant perspective. At Amex, the role that I do here is different. I'm no longer a consultant. I'm essentially in a back office as someone in the back office, not generating revenue but supporting corp dev. I need to really understand myself and my team. What are the needs of corp dev? What are their expectations from M&A controller and meet their expectations? So that would be, again, focusing on the risks of the deal from the financial reporting perspective, from the EPS perspective, and understanding what their needs are and bringing to the table value from that perspective is what I need to focus on. And that was an interesting transition for me. No longer being a consultant, but more as a

servant to corp dev and giving them value that they need. Understanding what their needs are and delivering the value.

### Morgan Hutter

You kind of just shifted your value proposition, right. On the first one, it sounds like it's still relationships, building trust, being prepared on this side. You still have to build relationships just internally. Really. You still have to be trustworthy. You still have to be prepared, as we've already talked about. So you're kind of just shifting your impact, but the skill sets sound actually like there's a nice overlap.

### Samira Imamverdiyeva

That's right, Morgan. Yeah, it's the same skill set, and foremost is the fact that I'm always perceived as a subject matter expert in my field. That is the expectation. We have an SME at the table, and they look to me to bring value in this area. And that is what I bring to the table in both cases. In the case of working for corporate finance for Amex, it's more focused on, specifically, again, very EPS focused and more narrow. While as a consultant for a private equity firm, it could be much broader. It could be doing additional work for our private equity clients when I was a consultant and being more in the trenches of running a diligence model, and doing more of the number crunching. We have less of that in a corporate world.

### Morgan Hutter

Well, you're the SME we're bringing in to talk about this. So we're really glad that you're on the podcast. So thank you so much. We talked a little bit about being in the trenches. You've mentioned that word a couple of times now. I know you've got an amazing family with two boys, and you're balancing work, and I'm sure activities at school and soccer practice and everything else that comes with that. So how are you able to achieve that work-life balance or work-life blend that everybody keeps searching for in your personal wellbeing while trying and obviously being a very successful professional?

### Samira Imamverdiyeva

That's an excellent question. I'm still trying to figure it out. I'm still trying to figure out if work-life balance actually exists. Someone used the term of work-life harmony, meaning there are ups and downs there are peaks and valleys, and sometimes I have to be fully 100% on the deal and working long hours, putting the extra time when I really don't have time for the kids, and I'm lucky to have a support system, I have my family to help me in those moments. But then once the deal slows down or it is signed, then it's important for me to switch gears and provide time and attention to my family to my kids and spend more time with them, take them for a soccer game or take them out to the movies or sit down with them and read books together and spend some time like bonding time with them to compensate for the time that I couldn't spend with them when I was working on a deal. And the other aspect of it is the finding time, not only for the family but also for myself, for my personal wellbeing. This is something that I've been historically neglecting because I thought, will I find happiness. I love my work and my happiness, and my wellbeing is in my work, doing my work, having this adrenaline rush of working on a deal and all of the excitement there, that's it. That's where my well-being, but that's not the case, actually. And now I find joy in things like exercising or listening to my favorite podcast, or watching my favorite shows. One of the hobbies that I recently found that I

truly enjoy is playing a guitar. So I started to take guitar lessons, and I really enjoy it a lot. Running is my passion. And I started running back in 2018 when I trained for the marathon for New York Marathon, and I absolutely loved it. And I completed New York marathon twice in 18 and 19. Two years. Thank you. And it is great to have these other things that could make me happy, and I truly enjoy outside of work.

### Morgan Hutter

Nice. I think we all aspire to have that, and it's so easy to not take care of ourselves. Right. We see this all the time, and I'm sure many listeners are sitting here saying, I totally agree. Congratulations on marathon. I have to say that my partner and I went for the first time to a movie theater this week since COVID, and it was really fun to be back in the theater and be in that experience. So it's fun when you mention movies to kids. We just kind of forget that we can go back to some of the stuff, and the marathons are starting back up. I love the guitar lessons. Good for you. Are you feeling like you're pretty solid? Like, are you ready to come to William & Mary for homecoming and be on stage and play for one of these events?

### Samira Imamverdiyeva

Not yet, Morgan. I must say I have a long way to go, but I'm working very hard, and it's actually not easy to play guitar, and it's one of the hardest instruments to master. So I'm still trying to figure out how to do it well, but my teacher is telling me I'm making progress. So let's see what happens. Maybe a few more months.

### Morgan Hutter

At William & Mary, I had one credit burn, and I took guitar and spent a semester. I think it was an hour a week trying to do guitar, although you're better than I am because I was supposed to practice in between, and I would show up, and I hadn't practiced. And sure enough, I'm still not playing guitar 15 years later. So I'm glad to hear you are more dedicated to that process. So good for you. I know we were chatting be the end of this podcast, and obviously, you've been incredibly successful. And I know that an area of interest for you and passion is obviously women in finance and that network. Can you talk about some of the initiatives that you've worked on and led, I believe, at American Express?

### Samira Imamverdiyeva

Absolutely. One of the most rewarding and fulfilling experiences for me was to work with fellow female colleagues at Amex and through the Finance Network and organized events together, especially during the COVID time when we were all 100% remote, and we really didn't have this social interaction aspect. It was so important to organize some of the events that we did. For example, we have this so-called connection circles or mental health check-ins, which we were organizing every three months, every four months, where we would break up into groups of five to six women, get on calls and just talk about life. It doesn't have to be work-related, just we would tell each other how we were coping with COVID, how we were adjusting our lifestyles to working remotely, and what it meant for our families, for our kids. And it was really good to hear other female colleagues to share what they were going through. And I think mentally. It meant a lot to have this interaction, non-work related with your colleagues, and share some of the things that you're going through in your life in general. I think that was one of the very good events that we organized. The other example of an event is the job shadowing

program, which we organized for women colleagues, more junior like manager level or director level shadowing, more senior women, more experienced women like vice presidents and joining them in the meetings and observing them in action and learning from them some of the leadership skills and negotiation skills, communication skills. I think this kind of a job shadow program I thought was very helpful. I did one where I shadowed a more senior leader, and I learned a lot from those meetings and those conversations.

### Samira Imamverdiyeva

There was another program where a more junior colleague shadowed me like she's a manager and I'm a VP, and she would shadow me on our meetings. And we also had a separate like coaching sessions outside of the meetings and the chatting sessions.

### Morgan Hutter

It just sounds how kind of rare but also fortunate to be able to be in the room, right. And for those that want to lead and grow and get that experience, to be able to have that open environment, safe environment to be able to learn and become leaders. That sounds really fantastic. And I think you also mentioned one of those topics or one of those events was about emerging through the pandemic and women's resilience through this process. I just think that would be something I was thinking about our Women's Stock Pitch. So every spring, we have our Women's Stock Pitch and Leadership Summit, and we're always looking for topics that impact specifically women and doing leadership topics. And as you said that the other day, I was thinking, gosh, that would be such a terrific conversation for our students and students from around the world because of the pandemic and things of that nature and just resilience in general for women in the field of finance happens no matter where you are. Thank you so much for sharing that. So as we continue into this for any listeners, male or female, how do you say you build a successful career in mergers and acquisitions? Or how do you get into this career? What should students kind of look for and any advice that you might have?

### Samira Imamverdiyeva

I think this career in M&A or in deals is not for everyone. As I mentioned, it's something that I truly enjoy. I enjoy the strive in environment of uncertainty, ambiguity, and I like this kind of environment where I have to be ready and on my feet to be agile and work with deal teams and working on transactions. It's not for everyone, but to be successful generally in the space, in finance in general, and M&A space in particular, which is somewhat male-dominated. It's a bit tough environment, though it's changing. I see more and more females in M&A space now, which is very good. I think you just need to have your own value proposition. Like what is your brand? Just be able to articulate to yourself, what's my brand? What do I bring to the table? Let's say, in my case, I'm a trusted adviser. I'm a result-oriented subject matter expert. And so, once you define that for yourself, then you have this confidence to bring to the table. And of course, you have to be confident. You have to know your subject matter well. You have to always be prepared and just be very consistent with your delivery. Just consistently deliver, consistently perform, show up to the meetings. Listening is very important when you are in this meeting, so listen to what all the players at the table are saying and speak up when there is something of value to share with the group and see what the reactions are and just really always think from the perspective of what value do I bring to this deal? Also, it's important to make sure that you have the right mentorship and sponsorship around you because without that's really hard to progress and be successful. Like find the sponsor, find multiple mentors. I always had several

mentors to speak to and ask for advice. Ask for feedback. I really like real-time feedback. So after the meeting, I would go to my leader and say, well, can you please give me some feedback? Real-time? How can I improve next time? What I did well and what I did not do too well that I can improve next time.

### Morgan Hutter

We talk about mentorship and how important that is the alumni network that you're a part of. And I'm glad to say I'm a part of and we want to pay it forward, right? We want to help students. It doesn't just have to be an online network. Like you said, it could be somebody in your company or your great shadow program American Express has. Put yourself in situations to learn. We tell students a lot to do what you say you'll do. And that kind of reminded me of what you said being consistent, right? Make sure you've done your work. If you say you're going to follow up, make sure you follow it up. Your word becomes who you are in your brand. You can be trustworthy, and people know you're going to put out a good product. You get asked to be involved with more. So I think that was great. I loved that you mentioned being agile, but you're also in a tough environment. You have to be able to handle that. So thanks for sharing that. So wrapping up here, one last question. Also, as you've learned, I asked one question with five follow up questions. But as we kind of wrap up here, where do you see yourself for the next five to ten years? And what are your career aspirations?

### Samira Imamverdiyeva

I had a really fulfilling career, very challenging career over the years, and I learned a lot. I have amassed ample experience. I've seen different companies in different industries, learned a lot around soft skills and also business. I think my ultimate goal is to continue to grow and learn and develop is hopefully at one point down the road to become a chief financial officer or chief accounting officer of a mid-sized company. And I think it's because this kind of role gives me a bird eye view of the company overall from the finance perspective and be able not to only look at the technical accounting or reporting, but also financial analysis and forecast and investor relations. So it's much broader role the role of the CFO. So I think I have to grow more to get to that CFO-ready state. But ideally, I would love to become a CFO at some point in the future, say, five years from now. That's the goal.

### Morgan Hutter

Well, hey, we'll be cheering you on, and when that happens, I feel confident that we'll have you back for another Career in Finance podcast to talk about that experience and that preparation you went through. Well, this is just fantastic. I know for me, I learned so much. This is kind of a different direction we took this specific podcast to really learn about it in the market in a specific field. So, Samira, thank you so much. Thank you for joining for today's mergers and acquisitions podcast here at the Boehly Center for Excellence in Finance, Careers in Finance podcast. And we look forward to seeing you hopefully back on campus in the near future, if not next time we're visiting. I'd love to meet you and see you in person, but thank you to our listeners and until next time.

### Samira Imamverdiyeva

Thank you so much. Morgan, thank you for having me today.

## Jeffrey Rich

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