

## Interest from non-traditional buyers spurs on M&A in capital region June 10, 2010

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By Kevin DeSanto, KippsDeSanto & Co.

For many commercial technology and services companies, the last couple of years have been spent taking a very close look at operating expenses and slashing them wherever possible. Due to the economic issues plaguing the market, and slower organic growth, companies were cutting expenses, streamlining the workforce, and taking other steps to preserve cash.

The end result of these actions is a surplus of cash. As the economy improves, commercial technology and services companies are looking for ways to supplement their organic growth, and that surplus cash is enabling them to do so through strategic acquisitions.

Many of these companies looking for acquisition targets are finding them in a rather unexpected place, the federal market. That's because the federal market is home to some very hot sectors, such as cybersecurity, intelligence, C4ISR, and healthcare information technology. They are especially drawn to the companies that feature crossover technologies that can be exploited in federal and commercial markets.

It's for this reason that federal market acquisitions by commercial and other diversified companies has grown by 15% since 2008.

In a [recent article](#) by [KippsDeSanto & Co.](#), we take a deeper-dive into the reasons why these acquisitions are increasing in volume, and the effect that it may cause on the larger federal market. It's just further evidence that the capital region is, and will remain, a hotbed for corporate growth today and in the future.