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First 100 Days: Successfully Integrating IT

{ Meet Today's Speakers. }



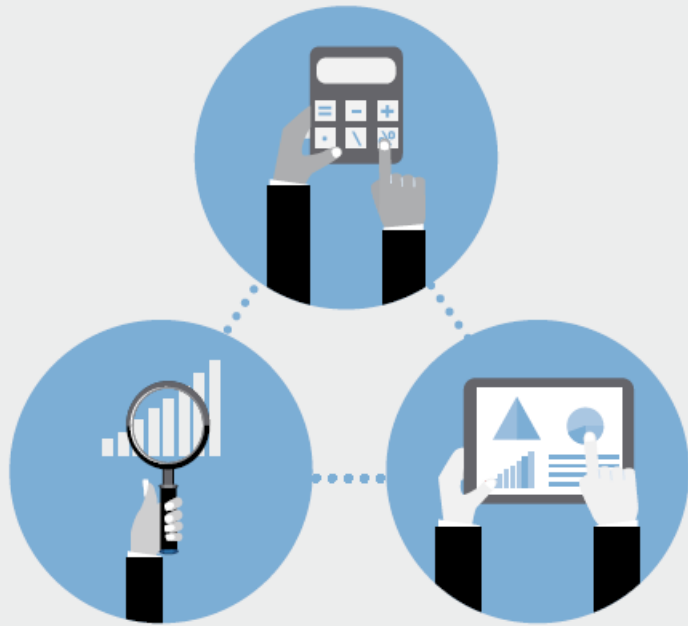
Dennis Bagley | IT Consulting Practice | Partner

Dennis has more than 20 years of experience in management consulting for commercial, private equity, public sector, and healthcare client organizations. His experience includes assisting clients in information technology and operations improvement initiatives involving business and process transformation. He has served in project director and manager roles for major technology and transformation initiatives including: enterprise systems evaluation, selection, contract negotiations and implementation; process redesign; information technology strategic planning and strategic sourcing evaluation (such as business process outsourcing, IT outsourcing and shared services) and technology due diligence. Dennis has expertise in contract negotiations, technology strategy, project management, IT governance, enterprise resource planning (ERP), enterprise content management (ECM) and customer relationship management (CRM). He holds a BS degree in Computer Science from the University of Michigan-Dearborn and an MBA from the University of Michigan. As part of his MBA, Dennis completed courses at the Rotterdam School of Management in The Netherlands.



{ About Plante Moran. }

Audit, tax, consulting, & wealth management leaders



Plante Moran is one of the nation's largest accounting, tax, and management consulting firms with alliances throughout the world, with more than 2,200 professionals in 22 offices. We have a team of experts assisting private equity clients and their portfolio companies in building value throughout the lifecycle of the deal. We have built a strong reputation working with private equity groups and their portfolio companies and in the last year alone completed over 200 deals nationwide.

For more information visit, plantemoran.com

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{ Meet Today's Speakers. }



Craig Zampa | IT Consulting Practice | Principal

Craig has over 20 years of experience in Enterprise Resource Planning (ERP) operations including assessment, integration, enhancement, and implementation. Prior to entering the Professional Services industry, he spent 17 years managing corporate technology and operations in mid-market and large enterprise organizations reaching the role of Chief Information Officer (CIO) for a mid-market distributor. Craig specializes in operational technology, business intelligence, data structure, and other enterprise tools such as SQL database, VMware, and Warehouse Management Solutions. Over the past four years, Craig has managed or supported more than 75 ERP selection, assessment and/or implementation projects. In addition, he's led or participated in an additional 30 IT due diligence, transition and IT assessment projects with acquisition targets that ranged from \$5M - \$110M in EBITDA. Craig's educational background includes a BBA from the Detroit College of Business.



{ Discussion points. }

- IT due diligence
- The first 100 days
- Special carve-out considerations
- Case studies



IT Due Diligence Part 1

Precursor: IT Due Diligence

{IT Due Diligence Questions.}

1

GAPS

2

RISKS

3

COSTS



{IT Due Diligence Scope.}



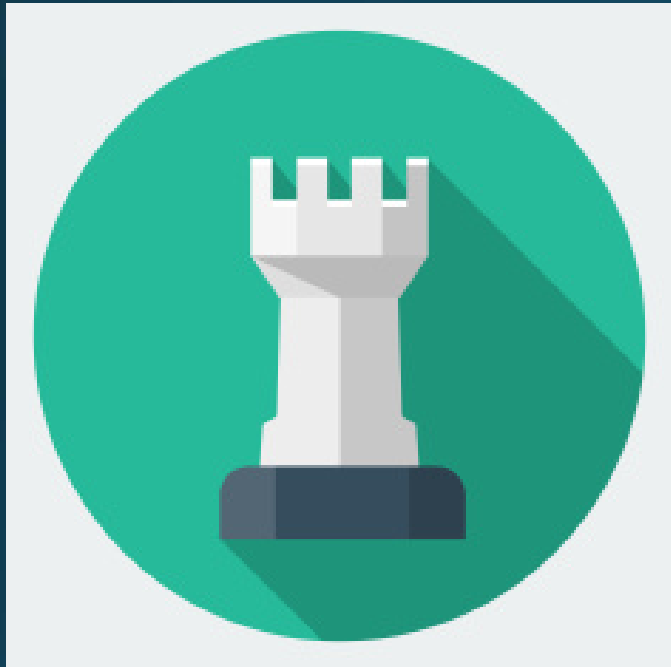
ORGANIZATION



ADMINISTRATION



TECHNOLOGY



IT Due Diligence Part 2

The First 100 Days: Establish Strategy

{The First 100 Days: Strategy & Planning.}

- ✓ Align IT with NewCo strategy
- ✓ Leadership gaps
- ✓ Evaluate diligence gaps
- ✓ Prioritize Projects
- ✓ Governance



{ The First 100 Days: Augment Staff. }

- ✓ External service providers
- ✓ Identify new staff
- ✓ Modernize existing staff



{ The First 100 Days: Carve-Outs. }

Gaps larger for NewCo carve-outs:

- ✓ Enterprise software
- ✓ Central staff
- ✓ Central infrastructure
- ✓ Central contracts
- ✓ Transition Services Agreement (TSA)





IT Due Diligence Part 3

The First 100 Days: Case Studies

IT Due Diligence Part 3

Case Study



{ \$45M Engineering & Manufacturing Services. }



ISSUE

- US based—
Six international
- Multibillion dollar parent
- Diligence to include initial steps of software selection



APPROACH

- Multi-phase approach
- Phase One—
Conduct IT diligence
- Phase Two—
Conduct ERP selection



SOLUTION

- Four week diligence
- Adjusted offer based on updated EBITDA
- Ten week ERP selection

Carve Out

IT Due Diligence Part 3

Case Study



{ \$120M Consumer Goods & Industrial
Products Manufacturer. }



ISSUE

- Five billion dollar parent company
- Two week diligence
- Leverage existing tools



APPROACH

- Conducted IT diligence
- Generated TSA recommendations
- Evaluated existing strategy
- Expedited software evaluation



SOLUTION

- Negotiated TSA
- Five year comparison of enterprise software costs
- Increased capabilities
- Transitioned NewCo to independence

Carve Out

IT Due Diligence Part 3

Case Study



{ \$60M Component Designer | Manufacturer. }



ISSUE

- Canadian based
- Acquisitions not assimilated
- Identify gas, risks and costs to assimilate



APPROACH

- Request content
- Phone interviews
- Site visits
- Compile analysis
- Provide report



SOLUTION

- Five week project
- Unsupported software with licensing gaps
- Consumer level infrastructure
- Adjusted offer and required licensing resolution

Total Acquisition



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ACG 2016 | Thank you.





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