



## CASE STUDY

# DEVELOPING THE OPTIMUM TECHNOLOGY PLAN FOR A DIVESTITURE

TRANSFORM

A Strong IT Enablement Plan and TSA Align with Strategic Intent

### THE BUSINESS CHALLENGE

Our client saw an opportunity to **improve enterprise performance** by creating a new market-focused company **via divestiture**. The executive team had been working on the finance, legal and SEC planning elements of the spin-off for two years and was **ready to start planning operational elements**. How would “NewCo” work, what processes would be needed to stand up that structure, what were the technology layers required, and **what kind of support would NewCo need** from its parent until it could stand on its own? These questions were complicated by an **in-process ERP evaluation and selection** for NewCo. Our client needed answers to all, as well as a plan that mapped out the best transition path and a strong governing agreement.

### AGSI'S HIGH-LEVERAGE SOLUTION

AGSI's **divestiture experience and related intellectual property were key accelerators** in driving value for this transaction. The client team had assumed they'd need only to focus on selecting a good technology platform and designating available hands to manage the transition, but AGSI knew far more would be needed to make the spin-off successful.

We first provided guidance on the ERP selection, **bringing decision-making tools and process rigor** that ensured the chosen platform would optimally meet NewCo's needs and produce substantial savings. After collaboration with our client, we created a two-page statement that **clearly defined the strategic intent** for the divestiture, and that document became the guide for every planning step that followed. Methodology from AGSI's proprietary Enterprise Integration Framework™ and our M&A experience drove development of **a detailed IT Enablement Plan (ITEP) that laid out the optimum transitional services approach** along with required projects, roles and responsibilities. The ITEP in turn provided the basis for **a well-structured Transition Services Agreement** that established exactly what our client and NewCo would expect from each other.

Each phase supported the client's goal of **quickly standing NewCo up in a self-sustaining model** so that the resulting company could be successful in that model or an attractive acquisition target.

### VALUE TO THE ENTERPRISE

AGSI's ERP selection services alone resulted in five-year **savings of more than \$10M**. Even more important to the transaction, our ability to **take a surgical approach to the process, meaningfully challenge the status quo, and address stakeholder needs without political or emotional agenda** resulted in a divestiture support plan that optimizes value and accomplishes the organizational goals intended.

### IN BRIEF

#### CLIENT:

NYSE-traded Energy Company

#### ENGAGEMENT:

Divestiture Planning

#### CHALLENGE:

In preparation for a spin-off, establish the required level of technology support and a related plan to help “NewCo” effectively transition to an independent entity

#### OUTCOME:

A detailed IT Enablement Plan and Transition Services Agreement – aligned with the transaction's strategic intent – address all technology processes, hardware, infrastructure, software and human capital required to help NewCo successfully transition and stand on its own