



Divestments with SAP

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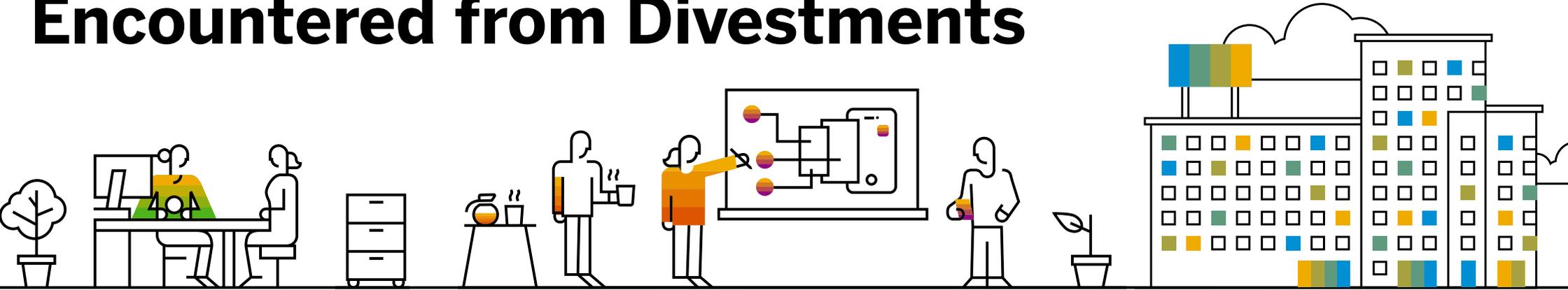
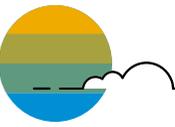
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Most Common Challenges Encountered from Divestments



Separation From a Business

Divesting subsidiaries of a parent company can lead to problems in understanding how to split their current systems. Having to break away from a tightly integrated system can not only be costly, but can also delay the divestment itself. It is important to identify early an appropriate technology landscape to support with this process.

Divestment Agility

According to McKinsey, "On average, separations completed within 12 months of their announcement delivered higher excess total returns to shareholders than those that took longer." By having a delayed divestment, this can have a major impact on the company's shareholders finances. It's vital that a company brings in an organised structure to support with an efficient.

Managing Disruptions

During the divestment, employees may be asked to complete their usual daily tasks whilst also having added work load from the separation tasks. This can stretch employee resources & deflate employees. By having a function plan, this can help with mitigating these challenges.

Who Have We Helped?

In 2020, our team assisted 28 successful carve outs onto new SAP platforms. These companies were associated to a number of different industries, ranging from pharmaceuticals to aerospace and defence. We provided our private equity clients with bespoke industry expertise and SAP implementation partners to support you through your divestment journeys.

Avoiding TSA Penalties

It is important to utilise the TSA accurately by defining service levels, costings and specific exit plans. By not effectively conducting this, a company could be financially penalised through their existing TSA agreement.