

Generating value through rapid operational improvement

FasTrack

Many deals fail because the savings and operational alignment aren't pursued quickly and decisively enough or are too vague or unrealistic to be realised. We bring a practical, well-defined and fast-paced approach to developing and executing operational improvement plans for the new business, underpinned by clearly quantifiable targets.



What we do

- Build on the value opportunities identified in the first phase of the deal.
- Develop detailed and actionable plans for operational improvements in key areas from procurement and supply chain optimisation, overhead efficiencies through to sales and channel effectiveness.
- Implement the operational improvement plan.

How we deliver value

Our approach is built around generating real change and tangible value. Once the deal is signed we carry out a thorough appraisal of the acquired entity's operations, re-evaluating the opportunities identified in the pre-deal assessment and turn these into a detailed executable value driven operational improvement plan. We can then help to make sure that plans are executed against tight timelines to maximise the value and generate momentum for further improvements down the line.

What sets us apart

Our direct operational and deal experience covers a comprehensive range of industries. Our track record gives us credibility in seeing the full operational improvement potential in particular companies and sectors and how these can be executed in practice.

What it's like to work with us

Our approach is rooted in practical experience of what works in particular sectors. Most of our clients are private equity buyers and we understand their distinct value objectives and timelines for delivery. We work closely with management and operational teams to help make sure that targets are realistic, sustainable and realised, and where possible exceeded. This gives the management team confidence that they'll get the most from the deal whilst allowing them to remain focused on running their business.



Creating value together – Case study

Exceeding savings expectations

We helped a private equity firm to realise €190 million in savings following its acquisition of a large international advertising display group. This was €40 million more than the buyer had originally anticipated.

The widely-spread group had been built up through a succession of acquisitions, creating considerable opportunities for operational rationalisation. The buyer had identified €150 million in potential savings. This included a reduction in unprofitable display sites, as well as tackling resourcing, systems incompatibility and duplication of activities in sales, finance and other support teams.

Working with the buyer and group businesses, we were able to accelerate the process of achieving the original savings identified. This included negotiating with site owners to speed up and reduce the cost of terminating leases on unprofitable sites.

The team were able to identify and make a further €40 million of cost reductions that had not been initially seen by the buyer. Key sources of savings included setting and tracking more exacting performance targets for maintenance contractors. We were also able to further reduce support costs by identifying opportunities to streamline and automate finance and other administrative processes.

Delivering value together

We established a close working relationship with management. We sat down with them at the outset to explain the rationale for the savings, gain their views of what was possible, how this could be achieved and what the potential risks were that could impede the process. This buy-in and collaboration helped to build momentum and see the programme through to realisation. In what can be a potentially fraught relationship between buyer and management, we were able to give the management confidence that their views were being represented to the buyer.

We helped our client exceed expectations because of our deep understanding of deals and our insights and practical experience to know what works and where to capitalise on additional value opportunities. This was particularly brought to bear within our functional expertise, helping identify opportunities within IT, HR, tax and finance.

“We were impressed by the way the PwC team rolled up its sleeves and got stuck in. Without their input, the savings would not have flowed so easily and the magnitude of the savings would not have been as large as has been achieved.”

www.pwc.co.uk

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2012 PricewaterhouseCoopers. All rights reserved. “PricewaterhouseCoopers” and “PwC” refer to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL). Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgement or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm’s professional judgement or bind another member firm or PwCIL in any way.