

# Technology company swiftly divests seven non-core businesses to meet cash demands

## Client's challenge

A \$12 billion global leader in the electronic manufacturing and services (EMS) industry was in the process of divesting seven non-core businesses. The company needed the cash to service a fast approaching debt call by its primary lender and, therefore, was in the position of having to ensure a series of rapid and smooth divestiture transactions.

## PricewaterhouseCoopers' solution

PwC was engaged to support the company in achieving its divestiture and separation plans, assisting with the three largest transactions and the most complex and risky divestiture. PwC quickly performed initial operational and infrastructure analysis to structure and manage the "must-haves" for Day One. PwC then worked with company resources to develop functional workplans and focus the organization on executing high priority initiatives. PwC deployed a highly skilled team of transaction experts to solve the complex business needs for the separating entities.

After the client established its Divestiture Management Office (DMO), PwC partnered with the client to:

- Assess the infrastructure and operations of a non-core subsidiary company preparing for divestiture, facilitating development of functional action plans to support separation activities and envisioned Transition Service Agreement (TSA) requirements
- Perform due diligence on the IT costing component of the TSA for two separate transactions, bridging cost disparities and advising the deal team with important information for negotiations with the buyer
- Develop a plan to successfully service the TSA service level agreements post close
- Support the negotiation of an IT hosting contract with a third party in connection with the separation of a single instance SAP data structure

- Facilitate discussions with corporate functional and regional team leaders and members to introduce requirements for Stock Purchase Agreements, to assess separation and reintegration plan status, and to identify critical gating items and issues
- Identify and escalate potential contingent liability matters in the Sale and Purchase Agreement
- Project manage the effort across functions and geographies, including project reporting, issue resolution, and dependency coordination

### Impact on client's business

Within the critical first few weeks of PwC field deployment, the Divestiture Management Office was established, operational and functional Day One separation plans were developed, and transition teams were launched to execute separation activities. The company successfully closed five of the seven transactions by the debt call date, raising enough cash to successfully restructure its debt.

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