

# Carve-out Planning & Execution

We provide end-to-end leadership in the planning and execution of complex carve-outs, ensuring a smooth separation. We leverage our deep expertise to plan, coordinate, and execute activities.

Our carve-out methodology follows a sequence of vital steps to focus resources and capital on the appropriate areas in a timely manner:

## Buyer's Carve-out Planning (Diligence)

- Establish post carve-out strategy based on company's vision and value drivers for stakeholders
- Plan the carve-out and transition by identifying parts of the business to be separated and the level and pace of separation
- Design the future state operating model while considering new offerings (product/services) and markets, including strategic technology considerations
- Develop the carve-out financials (including standalone costs, shared services, etc.)

## Day One Readiness (Sign and Close)

- Get ready for Day One - plan and execute
- Set up the Separation Management Office (SMO)
- Create governance, appoint leaders, assign resources, structure regular communications
- Develop a transition plan, including the Transition Services Agreement ("TSA") outlining ongoing operational and associated technology systems provided by the seller post-close and negotiate favorable terms without creating operational risks
- Develop a plan to adjust New Company operating model, as needed

## Transition & Stand-up Execution (Post Close)

- Execute Day One activities and initiate transition plan
- Activate SMO to drive transition and eventual separation
- Implement New Company's future state by employing both shorter-term and strategic approaches for separating from the TSA and building the eventual optimal enterprise architecture

We deliver impactful outcomes and deliverables that are essential for the financial, operational, and sustainable success of a carveout.

## CARVEOUT STRATEGY & PLAN

A thoughtful strategy drives top-down alignment and aligns with the organization's goals. We ensure a thorough approach to considering what is required to stand up a fully independent organization post-close while also rapidly addressing strategic optimization opportunities.

## COMPREHENSIVE TSA AGREEMENT

A well-drafted TSA will ensure reduced operational risk, cost containment, and a smooth sunset phase. CBIZ PE Advisory invests the effort to establish the rigor and appropriate amount of flexibility through this document to minimize value loss during the transition.

## SEPARATION MANAGEMENT OFFICE

The CBIZ PE Advisory SMO will enhance the ability to address integration challenges, drive cross-functional communication and resolution of dependency-driven conflicts, and create visibility across all activities.

## Our Difference

**WE LEVERAGE NIMBLE TEAMS WITH DEEP EXPERTISE TO DELIVER IMPACT, RAPIDLY.**

**FLEXIBLE** — We tailor proven approaches and best practices to the situation at hand.

**EXPERIENCED** — Our consultants have a hybrid of deep expertise in private equity and M&A.

**AGILE** — We balance structure and discipline with an agile mindset which allows us to expedite value capture.

**RESPONSIVE** — We work closely with you, communicate regularly, and are responsive to your requests.

**PROACTIVE** — We identify and address blind spots before they escalate into issues.



**Paul Herman**

Senior Director

267.570.6088

pberman@cbiz.com

# Expertise In Action

## Sample Carve-out Planning & Execution Clients



**Private Equity Fund:**  
Nova Capital Management



**Private Equity Fund:**  
Sycamore Partners



**Private Equity Fund:**  
First Reserve



**Private Equity Fund:**  
Platte River Equity



**Private Equity Fund:**  
Lion Equity Partners



**Private Equity Fund:**  
Continental Grain Company



## Case Study

### SUCCESSFUL DAY 1 READINESS

**INDUSTRY:** Industrial Manufacturing

**SERVICE:** Carve-out Planning & Execution

**REVENUE:** \$75M

**ISSUE:** A private equity fund negotiated a carve-out of a natural gas equipment manufacturer and required rapid assistance in leading the separation effort for the newly divested entity. With six weeks until close, the client requested a rapid establishment of a separation PMO and senior leader, to lead the effort for the future entity and ensure Day 1 readiness.

**SOLUTION:** Our team conducted a rapid assessment of the separation conditions, placing a senior leader to lead the separation PMO and coordinate the supporting workstreams. Key activities included:

- Established a formal PMO, and worked with key stakeholders to determine and track the critical path to transaction close and beyond
- Reviewed TSA terms, technology requirements, and shared service requirements to understand Day 1 infrastructure and operational needs, and separation risks
- Created a project plan to reach Day 1 stability and post Day 1 TSA separation

**OUTCOME:** The PMO's ability to drive understanding of areas of risk and coordinate stakeholders allowed for a Day 1 event with minimal disruption to business operations. Additionally, CBIZ PE Advisory produced a strategic plan to wind down TSA reliance, and design the long-term infrastructure.