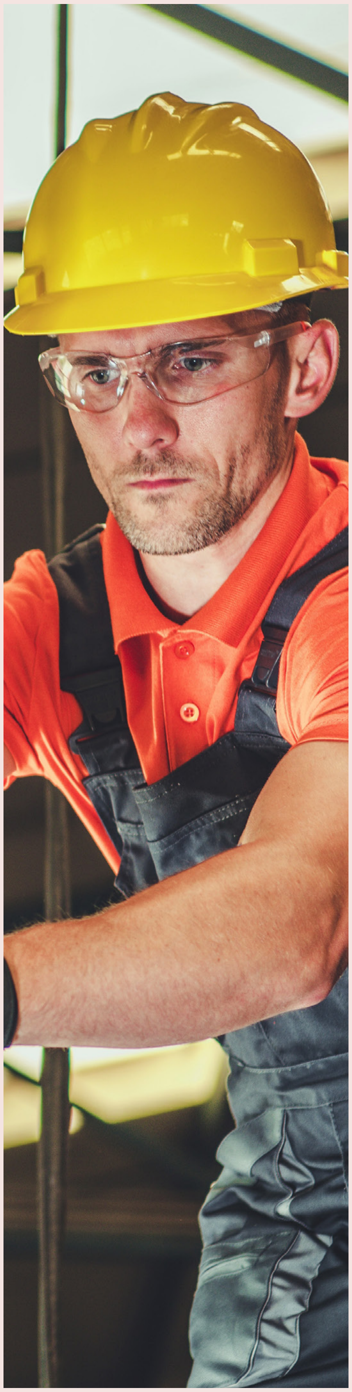
CASE STUDY



ELEVATING A SEAMLESS INTEGRATION

How Infosys BPM designed an integration roadmap for a potential merger

Abstract

With the imminent merger of two global leaders in the lifting solutions industry, Program Managers from the companies-to-be-merged sought expert guidance on integrating their shared services centres (SSC). They enlisted digital transformation consultants from Infosys BPM, who created a detailed roadmap with estimated synergy savings of $10 Mn and an additional $1.8 Mn in technology-leveraged savings.

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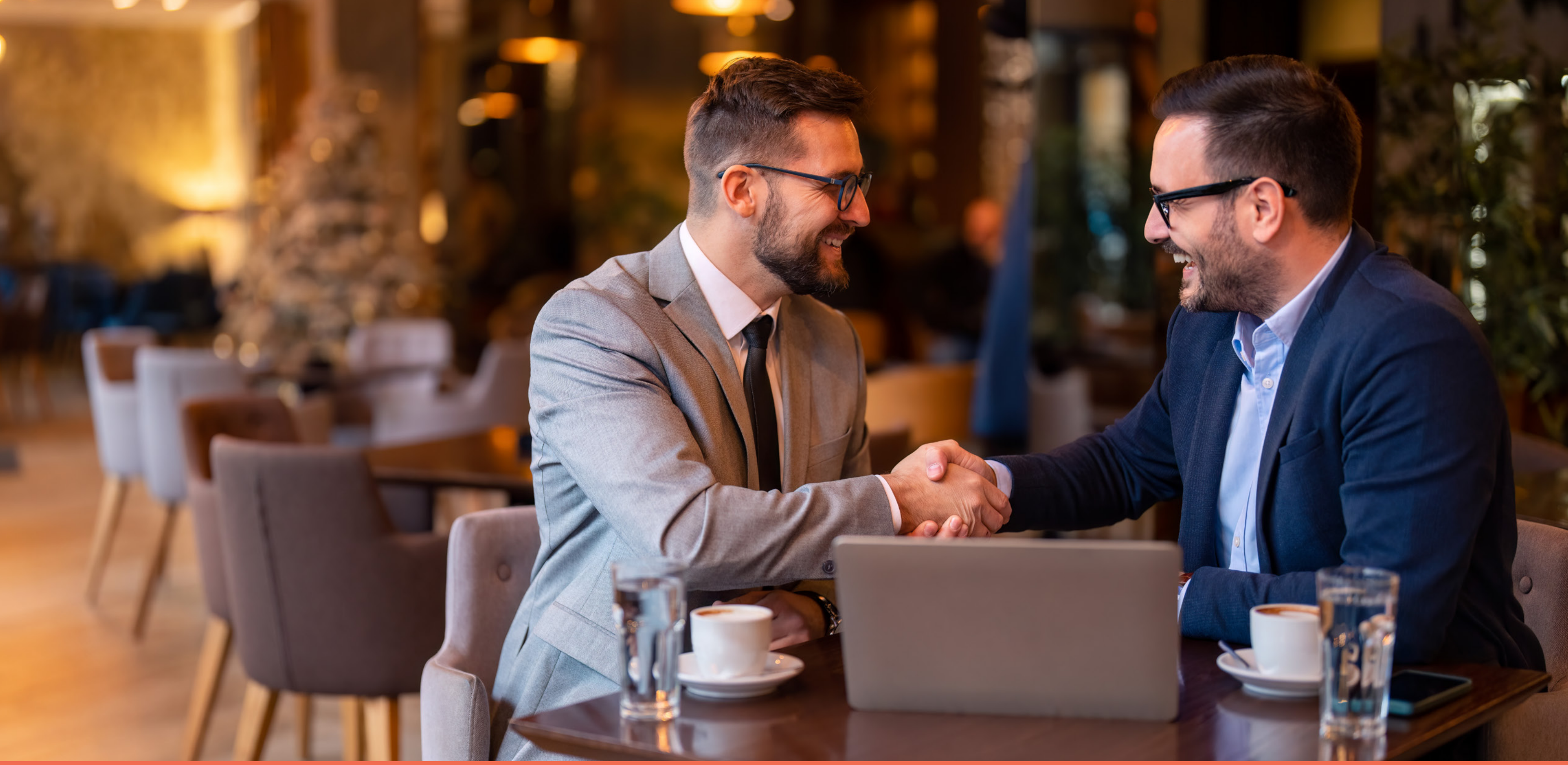


Preparing to operate as one

The lifting solutions industry was all set to witness an exciting development - the merger of two global leaders. Both headquartered in Finland, one was a $10 Bn elevator giant employing over 60,000 personnel across 60 countries, and the other a $4.8 Bn cargo handling specialist with over 11,000 personnel working across over 100 countries. The merger was expected to deliver superior quality solutions to their vast clientele by combining their operations, expertise, and more.

Behind the scenes, Jamie Smith and Carla Finn, Integration Program Managers from the two companies that were soon to be merged, were devising a strategy to integrate their respective shared services centres (SSCs). This step was crucial as it would help create a single, efficient, and effective organisation. However, Jamie and Carla knew integrating their SSCs would be difficult, given that different functions, such as finance and accounting, were centralised in various regional delivery centres. They also realised that their SSCs operated on different process maturity levels and supported different service catalogues. Diving deeper, they found that the SSCs had a varying technology landscape, such as the ERP systems and tools used. The number of employees and the location of each SSC also differed vastly.

To reconcile these differences and seamlessly execute an integration of this scale required the kind of expertise that neither company possessed in-house. And so, Jamie and Carla began looking for an external consulting partner to help them evaluate, estimate costs, and advise on an operating model.

After an extensive search, Jamie and Carla met with leaders from Infosys BPM. Infosys BPM's industry knowledge and experience in helping clients execute transformation initiatives gave them the confidence that they had found the right partner. Additionally, one of the companies had previously partnered with Infosys BPM, which added to their credibility. After several rounds of discussions and deliberation, the digital transformation team from Infosys BPM was brought on board in an advisory capacity to help the two companies unlock new synergies.

Gathering everything under one roof

Julian Bach, an experienced transformation specialist from the Infosys BPM, formed a team of consultants and met with Jamie and Carla to understand the requirements. Their brief for Julian was to conduct a fact-based evaluation of the SSCs and suggest the best possible means to integrate them. While ensuring business continuity remained a top priority, they also aimed to capitalise on the synergies of the integration. Along with a set of recommendations, Jamie and Carla wanted the Infosys BPM team to outline the savings expected from the integration within a three-year period.

Approach summary

Julian and his team focussed on assessing the financial shared services that had dependencies on sourcing and procurement (S&P), human resources (HR), information technology (IT), and the engineering function. The team set up a project baseline and then split the project into four phases. The initial phase involved a detailed assessment of the SSCs' feasibility, focusing on the footprint and services offered at each location, as well as the maturity and automation of processes and services.

The assessment helped Julian and his team evaluate which integrations could be performed in-house and which integrations should be outsourced due to their complexity. In the second phase, the team appraised the benefits that could be accrued from integrating processes and geographies. The team identified processes where the opportunity for efficiency improvement, using automation and other technology-based interventions, was high.

The team then consolidated their recommendations in a detailed implementation roadmap in the third phase and, in the fourth phase, worked on a high-level computation of the cost of integrating the SSC structures and potential synergy savings by a business case. At the end of each phase, the team submitted a report on the outcome of the analysis. Julian also ensured that all project documentation complied with strict legal and confidentiality requirements.

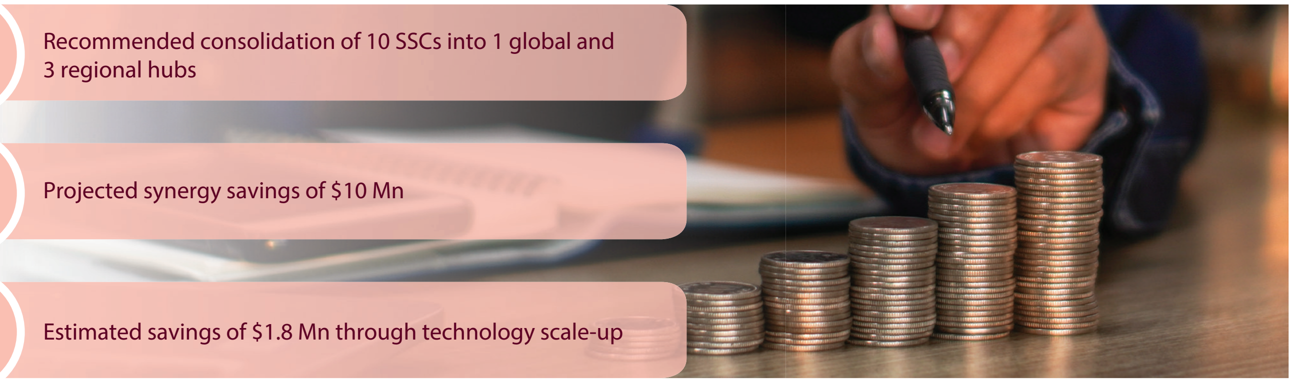
As Julian and his team progressed through the project phases, there was uncertainty surrounding future location and governance models since merger discussions were underway, and that affected the level of analysis and roadmaps. However, by collaborating closely with stakeholders from both entities, Julian and the team completed their assessments and recommendations in line with project timelines.

The benefits of being centred

After their thorough assessment of processes and costs, Julian and his team of consultants recommended consolidating the supporting functions operating from 10 SSCs into one global and three regional hubs. The team provided Jamie and Carla with four operating model scenarios that gave them the power to decide on a suitable course of action.

Key benefits

- Recommended consolidation of 10 SSCs into 1 global and 3 regional hubs
- Projected synergy savings of $10 Mn
- Estimated savings of $1.8 Mn through technology scale-up



The assessments further revealed that the synergy from integrating the SSCs could potentially save up to $10 Mn. Additionally, the new company could save around $1.8 Mn by scaling up its technology landscape.

After reviewing the detailed proposal, Jamie and Carla knew that they could now tackle the complex integration of their SSC structures. As they look to the future, they are confident of reaping greater synergies from the merger.

**Names have been altered to preserve the identities of the people involved.*

For more information, contact infosysbpm@infosys.com

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