

Case Study



Legal Support for M&A

Abstract

Growing organizations require business acumen to take them leagues ahead of their closest competition. What if you have the acumen but not always the resources to execute your plans?

On the backdrop of an acquisition, a merger, formation of three new entities, two changes of names and corporate status each, our client required thorough due diligence on all contracts to ascertain if these accommodated the restructuring.

This paper illustrates how we created a smarter ecosystem for the our client, offering access to a vast pool of highly skilled and experienced talent – ready to become your extended team from day one!

Legal Services for M&A – Engagement Snapshot

Our Client

A high-tech company dealing in next-generation networks with revenues of nearly US\$ 100 million needed to carry out due diligence on their contracts to facilitate a complex corporate restructuring initiative.

The Need

On the backdrop of an acquisition, a merger, formation of three new entities, two changes of names and corporate status each - there was a need to do a thorough due diligence on all contracts to ascertain if these accommodated the restructuring. Manageable if there is bandwidth or time – Challenging if you *don't* have both!

The Intervention

Infosys created a quick ecosystem of highly experienced domain experts to work as an extended team from day one, worked in partnership with the client's law firm, incidentally an AmLaw 100 firm, offered the best quality output with minimum client interaction and yet brought in innovation and project management expertise!

The Outcome

All contracts were reviewed in entirety within the short time frame and vetted by client's law firm for quality. Client achieved cost savings to the tune of 60%!

And yes, some innovation to make the whole experience and outcome a notch better than expected.

The Project

After assimilating the client's requirement and assessing the potential hurdles, we set about planning for the project and most importantly identifying factors critical to the success of the engagement. It is one thing to know your deliverables and quite another to be aware of why you might fail or succeed.

The foremost objective of the team was to bring in scale and efficiency from day one. With only short time in hand every strategy and tactic would have an impact on our ability to deliver not only on time but with 100% accuracy and predictability

Some of the key project management activities included the following:

Due Diligence of Data: The team categorized the contracts and informed the client about missing documents and expired contracts.

Capturing what matters: Contracts were examined to create reusable templates to analyze each contract in its entirety. In an M&A deal it is important to review every aspect of the contract and assess its implication in entirety. Therefore, it is important to drill down every contract to its minutest detail, create simple graphs, and make comments to indicate the receptivity or hostility of each contract towards the restructuring initiative.

Innovation in reporting: We introduced an innovative visual depiction method to make the deliverable easy to comprehend saving our client time and effort.

Sampling of deliverables: With limited bandwidth, the client was able to dedicate only a small portion of their time to reviewing our work. We benchmarked that at 10% and 50% levels of completion of work we would sample the work for accuracy. We were 100% accurate and were able to gain the client's confidence which made them do away with another sampling at 50% after the initial 10% check.

What made it Interesting?

In addition to the completion of due diligence within the proposed timeframe being non-negotiable, there were some other factors that made the project all the more interesting to work on:

Limited feedback cycles: Due to bandwidth restrictions the client had committed to reviewing only 10% of the analyzed contracts for Infosys' calibration exercise. The limited feedback cycles placed a greater onus on the Infosys team to get it right the first time.

Client relationship dynamics: With the client and its law firm being involved, we needed to work closely with both constituents to ensure their priorities were safeguarded without compromising on efficiency and output.

Different types of contracts: The range of contracts to be analyzed required very specific competencies, some of the contract types included Master Purchase Agreements, Master Sales Agreements, Software License Agreements etc.

Critical Success Factors

7 critical capabilities:

- **Ability to offer scale:** With bandwidth and timeline issues looming large in a high-skills domain, Infosys provided the client with the scalability it required to get the job done.
- **Highly specialized domain expertise:** The Infosys team included experts who had relevant Mergers & Acquisitions (M&A) experience to speed up delivery and adjust to the sharp learning curve real-time.
- **Flawless planning:** Robust project planning and management made it possible for the team to adhere to the crunched timeline and stringent turnaround times (TATs).
- **Superior communication:** Infosys' transparent methodologies, regular and clear communication on emails and calls, and quick response times ensured that the client was always up-to-date with the project status.
- **Benchmarked quality:** Rigorous workflow and process mechanisms in combination with double-layered quality checks and analysis guaranteed the highest quality output for the client.
- **Insightful Innovation:** The team's sense of ownership in achieving the client's goals helped them to create templates, vital for getting a high-level view of contracts.
- **Consulting Capability:** Infosys consistently went beyond the brief to provide a holistic solution. This was demonstrated when the team offered feedback on some contract clauses that would minimize the client's risk exposure and give the client an opportunity to re-negotiate specific contracts at the time of renewal.

Key Outcomes

- **Risk mitigation:** The client was able to perform a quick high-level analysis of its contracts and identify contracts that exposed it to unwarranted risk. This gave them an opportunity to renegotiate contracts that had been identified as adverse to them when they came up for renewal.
- **In-depth contract analysis:** Infosys analyzed not only key clauses such as Assignment and Change of Control that were in the scope of work, but also other clauses that pertained to the proposed restructuring. In doing so, Infosys presented to the client precisely what it needed.

Client Speak:

“We had a great experience partnering with Infosys and they have provided excellent service in terms of quality, expertise, planning & timeliness, and communication. We really couldn't have asked for more.”

“Infosys was very understanding and accommodating as the deliverables and timelines continuously changed throughout this high-pressure project.”



For more information, contact askus@infosys.com

About Infosys

Many of the world's most successful organizations rely on Infosys to deliver measurable business value. Infosys provides business consulting, technology, engineering and outsourcing services to help clients in over 30 countries build tomorrow's enterprise.

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