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## CASE STUDY: CORPORATE INTEGRATION

### **SITUATION ANALYSIS:**

A Private Equity portfolio company contacted Racca Solutions Group (RSG) to assist them with an integration. They needed a Project Manager (PMO) to develop, facilitate and administer a pragmatic 100-day project plan to ensure that all aspects of the integration were tracked and timely executed. The acquiring company goals were to increase top line revenue through cross selling synergies and bottom line savings resulting from back-office consolidation (reduction of excess SG&A costs).

### **IMPROVEMENTS IDENTIFIED:**

Racca Solutions Group, worked collectively with the executive leadership to develop an integration playbook to ensure deliverables were met. The scope of the PMO was to facilitate the consolidation of all back-office operations (HR and Finance/Accounting) and operating systems (ERP, HRIS, etc.) to produce bottom line savings. As part of the integration playbook, RSG created a streamlined internal communications and change management charter to effectively assimilate the two diverse operating environments/cultures.

Key drivers of the overall project were as follows:

1. The acquired company had little to no structured controls in place. It had no centralized business controls in multiple functional areas.
  - RSG discovered the acquired company's HR department was not within I-9 compliance regulations
  - Financials were deeply impacted by high, uncontrolled expenses/SG&A costs with little realized, material return
  - Credit and payment terms were misaligned creating large gaps in cashflow timing
  - There was no cadence or structure to internal communications to keep employees informed of company policies and updates
  - IT had no controls in place to effectively manage data integrity and security
2. The functional area directors had little to no prior integration experience, very little exposure to integration best practices and effective change management.

### **OVERALL RESULTS:**

Racca Solutions Group managed the comprehensive integration plan ensuring that all key deadlines were met. Staff reductions, cultural changes and client expectations were met or exceeded within budget. Teaching of best practices helped to develop the integration team leaders how to manage through the integration tasks and successfully lead change management. The bottom line savings and cross selling synergies resulting from the integration provided for a 5x return on their investment for the integration.