

POST-MERGER INTEGRATION FOR A GLOBAL PLANT ENGINEERING COMPANY

Capgemini Invent supported the PMI of several acquired companies and the creation of a new globally operating business unit.

Combining the expertise of several businesses

The client is a leading plant engineering company with ~4,000 employees and a revenue of close to €1 billion. In the past, the client acquired several small businesses. However, except for high-level steering from the parent company they were not integrated, continued to operate under their respective brands and used their own organizational set-up, processes and tools.

Capgemini Invent was selected to support the preparation, design and implementation of the integration with the objective of bringing the acquired companies and an internal unit together to create a new business unit. The main goal of the merger was to increase the competitiveness of the separately operating companies by combining their expertise to achieve a combined revenue growth of about 130% in the following five years.

Besides the integration of the smaller companies into existing IT systems, processes and structures of their larger parent company, Capgemini Invent was also responsible for developing a new location concept including a clear definition of responsibilities.

A detailed roadmap for integration

Capgemini Invent kicked-off the project by building an aligned integration vision and target picture of the new business unit together with the client. This included a functional set-up, a detailed organizational structure, strategic directions towards growth and a standardized KPI system in line with top-down guidelines.

Overview

Client: Multinational plant engineering company with close to €1 billion in revenues

Industry: Plant engineering

Location: Global

Client Challenges / Business Need:

The client needed support for the PMI of several companies and the creation of a new, fully integrated business unit

Solution-at-a-glance:

Capgemini Invent planned and designed the integration of the acquired companies with the internally existing unit and the formation of a new BU

Results:

Detailed target picture, new location concept with centers of excellence, integration roadmap and implementation plan, new organizational setup for newly established business unit

Our team continued by defining the future location concept and bundled the companies based on their current capabilities and areas of expertise as well as product development in centers of excellence. All roles, processes, interfaces and IT systems were aligned in accordance with the parent company. The new structure is expected to generate synergies between the merging companies due to their different levels of productivity, different cost structures and economies of scale. The synergies were expected to lead to an EBIT margin increase to 9-14 percent.

A detailed integration roadmap as well as a transparent communication plan were created to remain focused on the main milestones of the process and to ensure that all employees supported the merger. Clear communication including workshops and interviews with selected employees helped to keep the momentum for integration. Throughout the entire project, change and communication management measures were undertaken to reduce tensions and ensure a smooth transition.

Aligned processes ensure success

Capgemini Invent successfully created a common integration target picture and vision for the new business unit. Potential synergies and quick wins were identified, evaluated and realized through aligned processes, roles, IT systems and interfaces across the three companies and a successful integration into the parent company.

Our tailored integration roadmap and pragmatic implementation plan ensured a clear vision throughout the entire process and built the foundation of the project's success. The established organizational set-up and location concept with centers of excellence ensured that the business unit will form a stable part of the parent company's DNA in the future.

Capgemini Invent Contact:

Dr. Christoph Stich

Vice President Innovation & Strategy
Head of Manufacturing Industry & Life Science D/A/CH
+49 151 4025 0696
christoph.stich@capgemini.com

The Collaborative Approach:

Capgemini Invent has a proven track record with PMI and transformation projects. The tandem approach of joint teams with client members and consultants ensured high acceptance, engagement, fast progress and an effective coordination between central and local teams. Equipped with local and functional knowledge as well as transformation experience, Capgemini Invent team effectively helped the client to plan and execute transaction that has added value.

About Capgemini Invent

As the digital innovation, consulting and transformation brand of the Capgemini Group, Capgemini Invent helps CxOs envision and build what's next for their organizations. Located in more than 30 offices and 22 creative studios around the world, its 6,000+ strong team combines strategy, technology, data science and creative design with deep industry expertise and insights, to develop new digital solutions and business models of the future.

Capgemini Invent is an integral part of Capgemini, a global leader in consulting, technology services and digital transformation. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion. People matter, results count.

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