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Merger

Overview

A leading international mobile products company was merging with a competitor and needed to identify and select the optimal technology tools from both companies. The desired outcome was to rationalize and consolidate information technology applications to support the new business requirements.

Luco and Company, Ltd. was engaged to provide advisory services, project management, and oversight of all aspects of the merger. The advisory services Luco and Company provided included strategic planning, change management, workforce performance improvement, and technological enablement. The tangible results were: global name conversion to a new corporate identity, migration to a select set of system applications, a strategy to retire non-productive systems, and the archiving of data to meet regulatory requirements. The more intangible, or soft, results was acceptance and ownership of the outcome throughout all levels of the newly divested and merged organizations, a key ingredient for a smooth transition.

Client Profile

The client provides mobile products for individual users and business customers worldwide with annual sales in excess of \$1B. Its products include smartphones and handheld computers, which provide various business productivity tools as well as personal and entertainment applications. The client's 1,100 employees are primarily located in California and are engaged in supply chain management, engineering, sales and marketing, and general administrative services. The client is not subject to collective bargaining agreements.

Business Problem

As a result of the divestiture of a corporate business unit, the client needed to separate IT information systems and data access from the divested entity and, due to the acquisition of a competitor, had to integrate systems and data from redundant business applications operating on different software platforms.

The complex set of challenges the client was facing were: A) the need to rationalize its information systems infrastructure and workforce applications by determining which systems would become the systems of record and use, and B) the need to determine how to retire the redundant systems while retaining the data required to support business continuity and meet regulatory requirements.

Luco and Company, Ltd. was selected for this body of work because of the proven ability to be flexible, nimble, and responsive to changing requirements, and because of a demonstrated and verifiable history of outcomes that benefit clients above and beyond the limitations inherent in an agreement's statement of work.

Solution

The key to the success of the solution on this merger transition project was the collaborative approach that Luco and Company recommended and advocated. This approach allowed both the acquiring and acquired companies a voice in determining which systems would be used and which would be retired, greatly increasing acceptance of the outcome across and throughout the post-merger corporate environment.

Luco and Company led the transition team in developing a long-range plan that defined the technological requirements needed to support the business, which included a change management plan to close the gaps between current and future workforce performance requirements. The transition team collected and synthesized data and delivered executive presentations to first align the leadership and then to engage and align managers and employees.

The team developed an employee training program designed to transition employees from one system to the other as well as a management training and development program that focused on new reporting requirements and operational management.

The key to the project's success was the collaborative approach to plan development and the fact that the transition process actively engaged key stakeholders and decision makers. Both companies involved in the divestiture and merger agreed to and completely supported the resulting data migration and retention strategies. The successful transition to a fully functional integrated company took approximately two years to complete; merging corporate cultures and shifting technological platforms that enable workforce performance are significant efforts that require time, commitment, and sustained executive support.

The solution selection process was based on data that supported industry leading applications and applications that were business critical. This information was aggregated and

presented to the leadership team who made the final decisions on which systems to retain and which would be sunset. The transition team in conjunction with the functional business owners determined the business and regulatory requirements with respect to all data residing on the redundant systems. A sunset program was developed and implemented that defined which data would be archived, which needed to be immediately retrievable and which could be transferred to offsite storage.

The savings in operating costs were significant when redundant systems were eliminated or put into non-production modes. System support and maintenance roles were also reduced as a result of the overall redundancy management program.