Perform Partners Case Study

International Merger & Acquisition

The challenge

The customer had agreed to the purchase of 3 smaller US based gaming companies for £50M. This was based on the assumption that the parent company would obtain a US operating license and that the license application would take 9 months.

Perform Partners were engaged to lead the merger based on our proven track record to deliver complex projects within challenging timescales.

Our solution

Our approach to the programme was a three-stage process:

Understand, Organise, Deliver.

Understand

We held initial meetings with all key stakeholders to establish clear priorities and key deliverables.

The initial objectives were established as follows:

- to ensure the license application was successful whilst aligning as much of the 3 companies as legally possible, with as much permissible technical integration with the parent company as possible.
- Provide a plan to rebrand / further integrate key areas within 3 months of license approval and provide a longer-term integration plan for less revenue affecting areas to commence 3 months after license approval.

Pre-approval activity budget was constrained to £4M to mitigate financial risk to the parent company of not obtaining license and the subsequent deal collapsing. All work undertaken prior to license approval was done at risk, all 3 companies had to operate some areas as separate businesses. The combined staffing of all 3 companies was approx. 600 approx. 100 corporate roles and 500 retail customer facing roles.

High level due diligence reports as part of the initial deal had already been conducted to provide information on organisational structures, financial positions, legal, regulatory, environmental and technology in use.

Organise

Due to the complexity and short timeframe for license approval the first priority was to identify and gather all key employees across all three businesses, along with the relevant directors or appointed senior managers in the parent company and align these people into working groups.

A 2-day kick-off event followed by 2 weeks' worth of planning workshops were arranged. The kick-off event was focussed on introduction of our delivery team and how we would manage the programme, with provision of representatives for each business area: Marketing, Legal, Finance, HR, Corporate and Retail Operations, IT, Business Development and Trading.

The follow up planning workshops would initially be conducted separately by business area, and the programme team would identify any cross dependencies to create an overall roadmap.

Roles and responsibilities were established for each business area working group. The programme team would write and manage each business area plan and disseminate weekly tasks to the business area representatives.

Plan updates would be reported weekly into the programme, and subsequently reported weekly to Parent group COO.

Once roles and responsibilities and communications plans were in place, there was a short, intense period to build on the due diligence and firmly establish the as/is position in more detail for each business and business area using a team of business analysts.

In parallel due to time constraints, the same team working with the parent company executives, also conducted an appraisal of 'must haves' for license approval and 'must haves' for the first three months. Once identified, the individual business delivery plans were reviewed and adjusted to ensure all 'must haves' were prioritised for delivery and any subsequent risks or dependencies were highlighted.

Deliver

Key deliverables prior to licensing included:

- Ensuring all 3 companies were aligned to the same underlying gaming engine - one company had its own proprietary system which could be used by the other two.
- Aligning all hardware/software/business contracts for renewal post license approval.
- Negotiating new contracts with all vendors to be put in place once license and purchase was completed.
- Agreeing corporate office location and align dates to relocate.
- Ensuring all legal fillings were made at appropriate stages for license approval.
- Ensuring all relevant directors of the parent company were available when required by the regulatory commission.
- Developing new organisational structures and completing all interviews of existing resources.
- Introducing the parent companies' policies for financial controls and establishing real-time finance reporting with the parent company.
- Creating new parent company branding for US business.
- Creating all 'to be 'corporate policies aligned with the parent company values but adhering to local country laws and regulations.
- Ensuring the programme budget remained within £4M.

From a programme team of 2 Programme Managers, 3 Project Managers and 3 Business Analysts, Perform Partners managed:

- **9 Business workstreams delivering 52 separate projects.**
- **License approval granted within 9 months.**
- **Budget spend of £3.9M**
- **All of the above deliverables completed on time.**

In addition, within 3 months of budget approval the same team:

- Delivered a new retail screen system from concept to production within 11 weeks, deployed in over 70 retail locations.
- Managed the refurb of selected corporate offices and upgraded corporate desktop systems.
- Delivered first iteration of a new mobile product as first to market from concept to production subject to regulatory approval.
- Planned and delivered corporate rebrand to 100% of prioritised retail sites.
- Integrated parent company sports trading systems and corporate financial reporting and purchasing systems as well as setup of new integrated email system, Website and EPOS.
- Implemented new organisational plans and established parent culture in the new entity.
- Recruited and mentored permanent delivery teams for the new business and provided robust plans to ensure full integration would complete within the following 12 months.

Key Challenges

During the programme Perform Partners faced and successfully overcame the following challenges:

- Integrating 3 companies where people know there won't be 3 jobs for every role presents a challenge to keep people motivated.
    - Our approach to this was keeping all communication very honest and clear. People were motivated as we were introducing them to new techniques, new approaches and in some cases new skills. Most people responded to this in a positive way, and most wanted to prove their potential worth to the new company. We never asked people to do things we wouldn't do, and always kept people informed across the programme regarding what the objectives were and why they were doing certain things.
- The 3 companies were technically operating as separate competing businesses in the 9-month period before license approval. This was often a challenge where certain key information could not be shared amongst the other 2 companies for legal reasons.
    - We identified and established risk approaches to mitigate this as much as possible to ensure minimal effect on the critical path of the programme.
- Integration was in US. Initially for first 2 months the programme team (UK Based) were onsite constantly in US which caused some personal strain for the team and potentially working Visa issues.
    - Over time we established a workable 'rota' between UK and US providing US hours support from UK, so no tasks were interrupted. The remote working once established was as affective in a lot of cases as being on site. One of the supporting reasons for 2 Programme Managers was to ensure there was always on-site Programme Manager for anyone of the 3 companies to speak to.
- Ensuring everyone is on the same page – with large fast-moving integrations like this, it is vital the programme team are very closely aligned and deliver a consistent message throughout to everyone.
    - We spent a great deal of time on our communications plans and strategy to ensure everyone had the right information at the right time. It can't be understated how important this was to the success of the programme.

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Contract Value:
£750,000

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