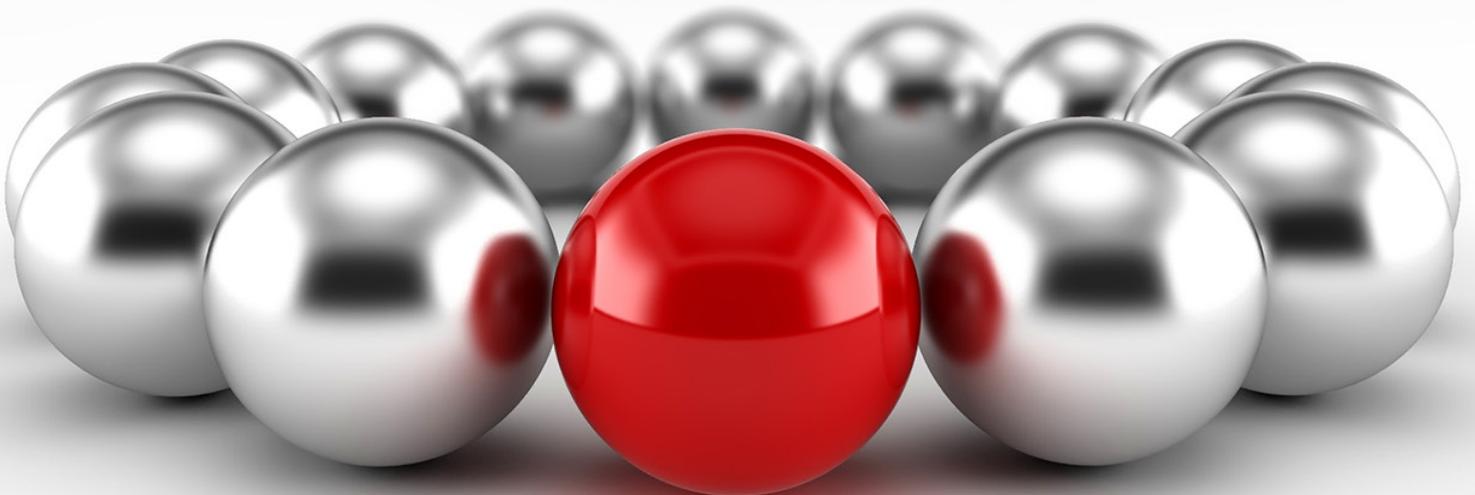


DIVESTING WITH FOCUS

**MULTINATIONAL
PHARMACEUTICAL,
CONSUMER HEALTH AND
CROP SCIENCES COMPANY**



CLIENT PROFILE

This multinational pharmaceutical, consumer health and crop sciences company is defined by a history of more than 150 years of continuous innovation. Its core competencies include research and development activities based on an understanding of the biochemical processes in living organisms; and finding innovative solutions to improve the health of humans, animals and plants. The company's mission is to improve the quality of people's lives by preventing, alleviating and treating diseases, and helping to provide high-quality, reliable supplies of food, feed and plant-based raw materials.

OPPORTUNITY

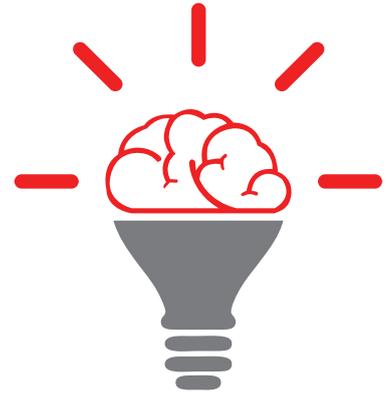
As part of an overall strategy to strengthen its focus on its core life sciences business, the company reached a definitive agreement to sell one of its businesses, with operations in 24 countries, that no longer supported its new strategy.

An overriding goal of the divestiture, which would generate more than €1 billion for the company, was to ensure business continuity for both customers and employees of the new entity during and after the transaction. This meant that from day one, the divested entity needed fully functional, standalone operations based on transitional service agreements (TSAs)—including a fully operational and integrated enterprise resource planning (ERP) system to support the business models localized for each country. The company would continue to distribute the divested business's products under a distributor services agreement, while transferring the profit (or loss) for an agreed period of time. To achieve these goals, the company chose to team with Accenture Strategy for its global reach, deep industry knowledge and experience in large, complex divestitures.

SOLUTION

To help the company prepare the business for sale to its new owner and execute a successful separation, Accenture Strategy assembled an experienced team—co-located with the client in the United States, European Union, and Asia Pacific—to provide support across four primary areas:

- **Planning advisory support:** Helping the leadership team review and guide the overall separation planning approach. Accenture Strategy's team reviewed the separation planning approach, including the project structure, governance and reporting, roles and responsibilities, and alignment of the separation plans. Subject matter experts helped bridge knowledge gaps and share leading practices, and supported key work streams such as IT, finance and contracts. In addition, Accenture Strategy helped design location-specific separation roadmaps to synchronize the divestiture activities that affected the global locations.



DIVESTITURE GOAL:

Business continuity
for both customers
and employees

- **TSA functional support:** Managing the development, review and completion of the TSAs specified in the business model. Accenture Strategy supported the overall TSA process in two key ways: by creating a TSA structure for each of the relevant countries; and by managing, tracking and validating the key transition deliverables. The Accenture Strategy team also helped define post-closing governance, roles and responsibilities that would be critical to managing TSAs on an ongoing basis, and helped identify stranded costs and high-level ways to manage those costs as TSAs expired.
- **Local country and functional separation planning support:** Designing and supporting each country's roadmap and implementation plan. The Accenture Strategy team helped coordinate separation activities and deliverables required on a per-country and per-function basis—considering the regulatory requirements unique to each country and leveraging local Accenture subject matter expertise where necessary. The team also took into account the post-divestiture impact on the remaining organization and helped prepare the company to thoroughly assess stranded costs, understand the one-time cost of separation, and ensure business continuity.
- **IT separation support:** Planning the disentanglement approach and driving the IT separation work across all the impacted business functions. In addition to ensuring strategic alignment with the overall program leadership and governance, Accenture Strategy helped develop a comprehensive IT infrastructure and application separation strategy and conducted workshops to successfully migrate data. Accenture Strategy also helped manage the IT team to provide continuity through the separation.

RESULTS

Working together, Accenture Strategy and the company addressed and overcame multiple challenges to meet the company's ambitious requirement. They achieved a legal close on day one of the new business entity's operations approximately six months after the deal was announced.

Three key approaches helped define the project's success.

- One was a staggered approach to separation, in which the highest priority was assigned to the countries with the greatest economic importance.
- A second was the use of standardized closing models with selective customization, which reduced overall complexity and IT separation requirements.
- The third was the development of comprehensive, integrated TSAs, which helped ensure a stable transition and business continuity across the 24 countries and more than 1,500 affected employees.

With the successful closing of the transaction, the company now can focus exclusively on its core life sciences business and providing more innovative products designed to improve the lives of people around the world.

The cash from the divestiture can enable the company to expand its research and development activities; supplement its in-house development portfolio via licensing agreements, partnerships and acquisitions; and strengthen its brands through product innovation and geographic expansion. In doing so, the company can position itself for more sustainable, profitable growth in the coming years.

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ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world’s largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With more than 401,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

ABOUT ACCENTURE STRATEGY

Accenture Strategy operates at the intersection of business and technology. We bring together our capabilities in business, technology, operations and function strategy to help our clients envision and execute industry-specific strategies that support enterprise wide transformation. Our focus on issues related to digital disruption, competitiveness, global operating models, talent and leadership help drive both efficiencies and growth. For more information, follow @AccentureStrat or visit www.accenture.com/strategy

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