



**CARVE
OUT FOR
COMPETITIVE
AGILITY**

**HELPING NXP SEMICONDUCTORS
FOCUS ON A HIGH-GROWTH FUTURE**

COMPANY PROFILE

NXP Semiconductors N.V. (NASDAQ: NXPI) enables secure connections and infrastructure for a smarter world, advancing solutions that make lives easier, better and safer.

As the world leader in secure connectivity solutions for embedded applications, NXP is driving innovation in the secure connected vehicle, end-to-end security & privacy and smart connected solutions markets. Built on more than 60 years of combined experience and expertise, the company has 31,000 employees in more than 33 countries and posted revenue of \$9.5 billion in 2016.

OPPORTUNITY

To best position the company for growth and maintain its competitive agility, NXP launched a bold “Secure Connections for a Smarter World” strategy.

In accordance with this strategy, the company decided to sell its Standard Products business—which made semiconductor components for the Discretes, Logic and Metal-Oxide Semiconductor Field-Effect Transistors (MOSFETs) markets. NXP could then focus instead on high-growth market segments that required High Performance Mixed Signal (HPMS) products for use in everything from smart meters to connected cars.

NXP knew that divesting the Standard Products business would be an important, but complex undertaking. The transaction was valued at \$2.75B. Complicating matters was the fact that NXP was also in the process of integrating its recent merger of Freescale Semiconductor. The company simply did not have the resources to manage the merger and divestiture concurrently.

NXP asked Accenture Strategy to help plan and manage the carve-out. Several factors influenced NXP’s decision to team with Accenture Strategy, including its responsive and collaborative approach, experience in divestitures, and deep industry knowledge of the semiconductor industry.

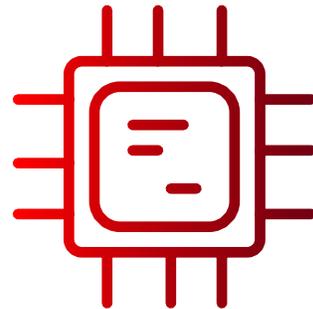
SOLUTION

Accenture Strategy quickly deployed a global team of carve-out specialists to help plan and execute the Standard Products divestiture over a period of just seven months.

Working closely with NXP's Integration Management Office and global business units, Accenture Strategy:

- Provided global functional support and carve-out expertise to NXP teams in the US, Europe and Asia. Support spanned across NXP's Integration Management Office (IMO) and all business functions, including HR, Finance, IT, Procurement, Countries, Supply Chain, Sales and Marketing, and Strategic Communications.
- Created cut-over plans, conducted business process simulations and readiness checks, and established a Cutover Command Center to support all affected functions and countries during the transition.
- Developed and executed the Day 1 customer-readiness strategy, which enabled NXP to transition more than 800 customers and 600 suppliers to the newly divested company.
- Scoped, priced and assessed the readiness of 50+ Transactional Service Agreements (TSAs) between NXP and the newly formed company.
- Supported Day 1 communications for the 11,000 Nexperia employees and alignment/awareness for the remaining approximately 30,000 NXP employees.
- Conducted and facilitated a Blueprinting Phase Workshop with over 100 attendees from around the globe to align on the master plan.
- Leveraged proprietary work products to develop Day 1 blueprints, carve-out roadmaps and other deliverables, including a tailored "lessons learned" guide and a customized divestiture handbook.

The success of the program was largely due to the quality of the collaboration that existed between Accenture Strategy and NXP from the very start. Accenture Strategy worked as an extension of NXP's Integration Management Office and teamed closely with NXP's global business functions.



“Our relationship with Accenture Strategy was high-impact. The team’s divestiture strategy, seamless implementation and collaborative approach is a text book example of how the power of a strong partnership can drive great outcomes for a client.”

Dan Durn, Executive Vice President and CFO, NXP

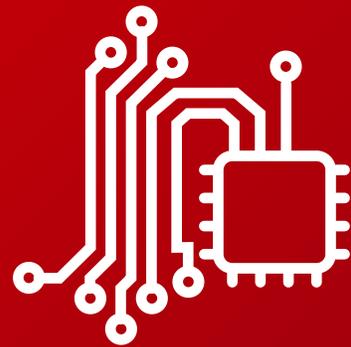
RESULTS

With Accenture Strategy's help, NXP successfully divested its Standard Products business, which was "customer facing" on Day 1 and now exists as a standalone company named Nexperia.

NXP will continue to be a major supplier to Nexperia and will also deliver functional support in accordance with the TSAs put in place during the divestiture process.

According to Karen Rapp, NXP's senior vice president of corporate development and director of NXP's Integration Management Office at the time of the divestiture, "The creation of Nexperia is an incredible team accomplishment and a major milestone for the Semiconductor industry. NXP and Nexperia will both benefit greatly from the transaction, and maintain a strong strategic partnership going forward. I could not be more impressed by Accenture Strategy's hard work, persistence and personal commitment throughout this journey. The collaboration I've witnessed should be a benchmark for all future industry M&A transactions."

Teaming with Accenture Strategy enabled NXP to maintain its focus on integrating its Freescale Semiconductor merger and pivot its focus to higher-value HPMS markets. With the Freescale merger and the divestiture of Nexperia, NXP had created strong growth potential for the company—attracting the attention of Qualcomm. Qualcomm announced its intention to acquire NXP in October 2016 in a deal valued at \$47 billion. The acquisition is expected to be completed in the fourth quarter of 2017.



"The collaboration I've witnessed should be a benchmark for all future industry M&A transactions."

Karen Rapp,
Senior Vice President of
Corporate Development
and Director of Integration
Management Office, NXP

JOIN THE CONVERSATION



@AccentureStrat
@AccentureComms
@AccentureHiTech



[www.linkedin.com/company/
accenture-strategy](http://www.linkedin.com/company/accenture-strategy)

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 approximately 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.

171998

Copyright © 2017 Accenture
All rights reserved.

Accenture, its logo, and
High Performance Delivered are
trademarks of Accenture.

This document is produced by consultants at Accenture as general guidance. It is not intended to provide specific advice on your circumstances. If you require advice or further details on any matters referred to, please contact your Accenture representative. This document makes descriptive reference to trademarks that may be owned by others. The use of such trademarks herein is not an assertion of ownership of such trademarks by Accenture and is not intended to represent or imply the existence of an association between Accenture and the lawful owners of such trademarks.