Deloitte.

THE RIPPLE EFFECT
Stories of purpose and lasting impact

A blue-sky approach to separation and transformation

A divestiture presented an opportunity to reimagine a company's lead-to-cash and record-to-report capabilities—and serve as a fresh start

TRANSITION SERVICE AGREEMENTS WEREN'T PART OF THE BLUEPRINT

THE SITUATION

Leaders of a data analytics company felt confident about the business's growth trajectory. As the need for data was growing across industries, so was the value of the insights it was bringing to market. The company had thrived as a line of business under a larger technology enterprise, but leaders believed it could operate more efficiently and accelerate growth as an independent business.

The company sought to identify a suitable partner that could help maximize its potential and found private equity firm Francisco Partners, which had a solid history of helping similar businesses achieve their long-term aspirations. Francisco Partners could enable the data analytics company to separate from the larger enterprise and focus on immediate growth as a stand-alone business.

Even for an established company, emerging from a larger organization means building the operational muscle from the ground up. The data analytics company had a successful business model but needed to establish its own core infrastructure—from go-to-market to operations. This presented an opportunity to focus on simplifying the business operationally to be more agile and efficient to position for growth.

Francisco Partners leaders shared the belief that this could be a fresh start for the data analytics company. They also recognized an opportunity to set up a company that's fit-for-purpose for its size, starting on day one. To help drive this fit-for-purpose strategy, the leaders wanted a collaborator that had helped Francisco Partners reach previous goals quickly and efficiently. And that was Deloitte.

THE SOLVE

Drafting and implementing a plan for rapid separation with minimal risk and without relying on transition service agreements (TSAs) hinged upon close collaboration between the data analytics company, Francisco Partners, and the technology conglomerate selling the data analytics company. Francisco Partners sought an additional teammate that could bring an outside perspective and help reach the intended goal—quickly and efficiently. Francisco Partners engaged Deloitte to help execute a separation and stand-up effort that focused on the data analytics company's finance and sales functions—primarily its lead-to-cash and record-to-report technology capabilities.

Deloitte shared the data analytics company employees' eagerness to do more than re-create existing systems. Collectively, Deloitte took a blue-sky approach to design and planning. The goals were to improve upon legacy business processes, which were often performed manually; make high-quality data more readily available; and modernize existing capabilities.

Choosing the right underlying technology is essential for agility and speed. To facilitate the creation of a customized technology program that could meet the new company's anticipated needs, Deloitte used its proprietary preconfigured Software-as-a-Service (SaaS)-based delivery accelerator, DigitalMIX™. With DigitalMIX built on leading software platforms used commonly in the software industry, the software selection process was greatly simplified.

Deloitte then helped modernize the complex legacy processes by incorporating industry-leading, fit-for-purpose business capabilities, which included automation of lead-to-cash processes, invoice generation, and delivery processes. Deloitte also helped implement a low-touch sales and renewal process geared toward boosting renewal rates.

Collaboration between Deloitte's Consulting, Advisory, and Tax practices—in the United States and globally—was essential, given the project's cross-functional nature and accelerated separation timeline. A structured Deloitte project management office coordinated these efforts and managed stakeholder expectations.

On day one, data analytics company employees celebrated the successful sale of their products as a stand-alone business. With no TSAs, and with greater operational efficiency and improvements in cash flow management and financial reporting, it was the beginning of a bright future for the newly separated business.

A **GOOD SEPARATION STRATEGY** LAYS A STRONG FOUNDATION FOR **DAY ONE**

THE IMPACT

Deloitte supported Francisco Partners' vision for a best-in-class business transformation, helping enable the separation and stand-up of the data analytics company's lead-to-cash and record-to-report capabilities in under five months. The collaboration helped maintain a smooth divestment process and resulted in favorable conditions for the new company moving forward. Among the most favorable? There were no TSAs.

Increased operational efficiency and ease.

Deloitte helped rationalize approximately 500 products across business units, streamlining operations and bringing greater clarity to the product line. Lead-to-cash processes, invoice generation, and delivery processes were automated and enhanced.

Reduced time, effort, and costs.

The automation, complemented by the integration of cash applications, saves time, effort, and IT support costs. The sales process—including deal approvals, quoting, and product launch—was simplified and order fulfillment and invoice-generation timelines were reduced by 50 percent.

Enhanced sales experience.

The data analytics company's customers benefit from standardized customer-facing processes, as well as faster product delivery, with reduced friction.

Finally, automated revenue recognition and forecasting can enhance accuracy and visibility into revenue planning—and allows the stand-alone company to focus on the future.

LET'S CONNECT.

Do these challenges sound familiar?

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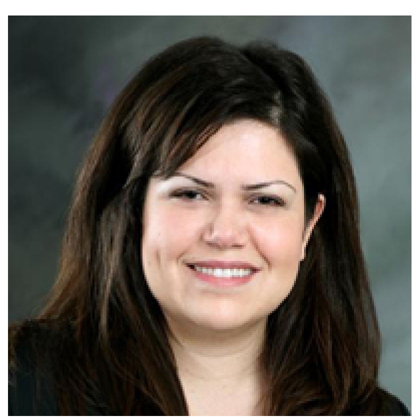

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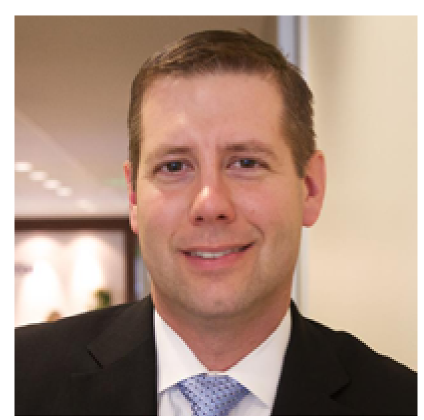

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