



GLOBAL  
UPSIDE

**Global M&A: A Path to  
Thrive in the New Normal**

# Speaker Profile

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**Andrew Wilson**

Vice President, Private  
Equity and M&A

Andrew has extensive experience in mergers, acquisitions, and spin-offs. He spent 10 years with PwC, working primarily in their M&A practice for the consumer goods, heavy engineering, and steel making industries. He worked on the client-side as a CFO. At Global Upside, he has led engagements in electronics, manufacturing, and software that involved the Big 4 accounting firms and several international law firms. His areas of expertise include international employment law, human resources, payroll and benefits, finance, and operations support.

# Speaker Profile

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**Garry Fielding**

Private Equity Operating  
Advisor

Garry is currently a member of the operating advisory team for Francisco Partners, a global private equity firm which specializes in investments in technology and technology-enabled businesses. He helps portfolio companies increase effectiveness via executive leadership initiatives and operational improvements. He has over 19 years of experience in human capital software and talent strategy. He has led and consulted in a variety of organizations from Fortune 500 corporations to small start-ups. Garry has extensive experience addressing the people and technological aspects of mergers, acquisitions, and divestitures.

# Speaker Profile

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CERIDIAN



**Brian Kelly**

VP, Co-Head Global Private  
Equity

Brian is a Vice President responsible for building the Global Private Equity Practice and managing Ceridian's relationships with the industry's top tier global PE firms. For almost 19 years, Brian was involved in investment banking and institutional account management providing equity, fixed income, and cash management transaction services. Responsibilities also included initial public and secondary offering access, PIPE, LBO, venture capital, and mezzanine capital opportunities through investment banking relationships. Prior to joining Ceridian, Brian successfully structured and launched the Private Equity Alliance program at Ultimate Software and spent time consulting at ADP.

# Francisco Partners

Founded 1999

50 Investment Professionals

25 Operating Partners

\$24 Billion Capital Raised

Offices in New York, San Francisco, London



## 100% TECHNOLOGY

### VERTICAL MARKET SPECIALIZATION

Healthcare IT	Hardware / Semis
FinTech	Vertical Market Software
Communications	Infrastructure Software
Security	Consumer Internet / Digital

### ACROSS OUR PORTFOLIO SINCE INCEPTION



**\$25+ Billion**  
Revenues



**100,000+**  
Employees

### DEEP EXPERIENCE



### FLEXIBLE CAPITAL

Divisional Car Out	Growth Equity
Take Privates	Partnering with Founders
Complexity	Structured Equity
Private Buyouts	Credit

# Current Global Environment

## Global COVID-19 pandemic causing numerous economic and societal impacts around the world



Pandemic worsening in some countries, leveled off in others due to varied response



Synchronized downturn in global markets with a global growth GDP projected at -4.9% for 2020



Limited global mobility



Shifts in working arrangements to largely remote work



Consumption and service output have dropped due to voluntary social distancing, income losses, weaker consumer confidence



Negative impact on labor markets; Decline in global work hours in Q1 2020 compared to 2019 Q4 (loss of 130 million full-time jobs)

# Current Global Environment



Civil unrest and protests concerning racial injustice and inequality



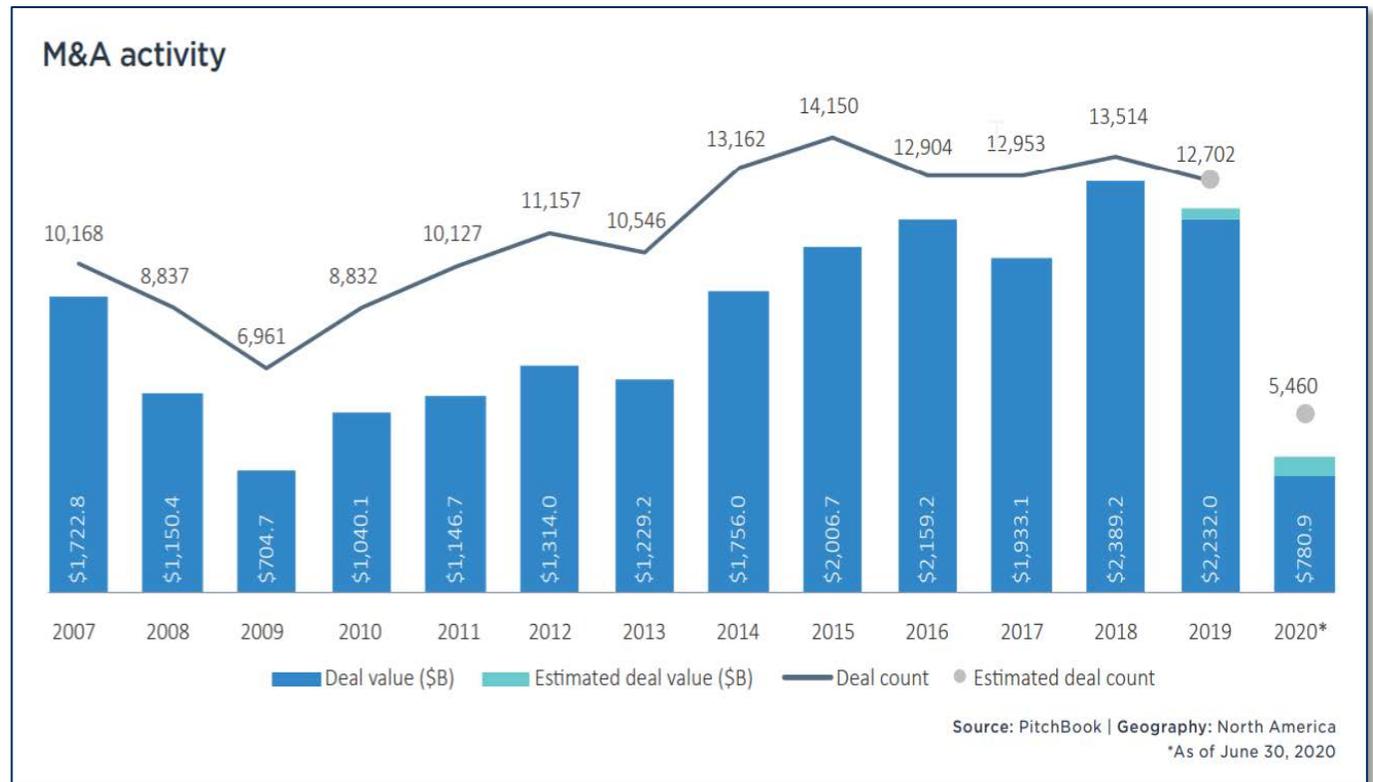
Looming election in the U.S. and political upheaval around the world



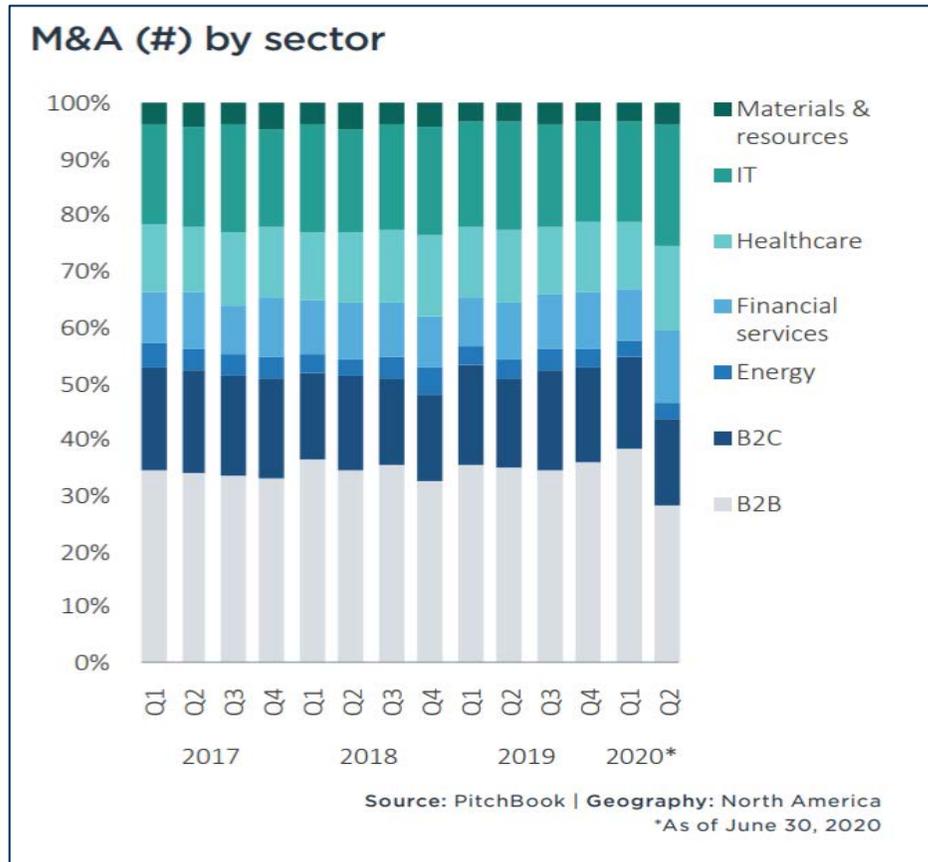
# Impact on M&A Activity - North America

Steady growth in M&A activity over the past several years; **13,000 deals worth over 2 trillion dollars**

Q1 and Q2 2020 have seen a YoY decline of **33.1%** and **26.7%** respectively



# Impact on M&A Activity - North America



**Buyers and sellers continue to grapple with uncertainty, but deals are being done**



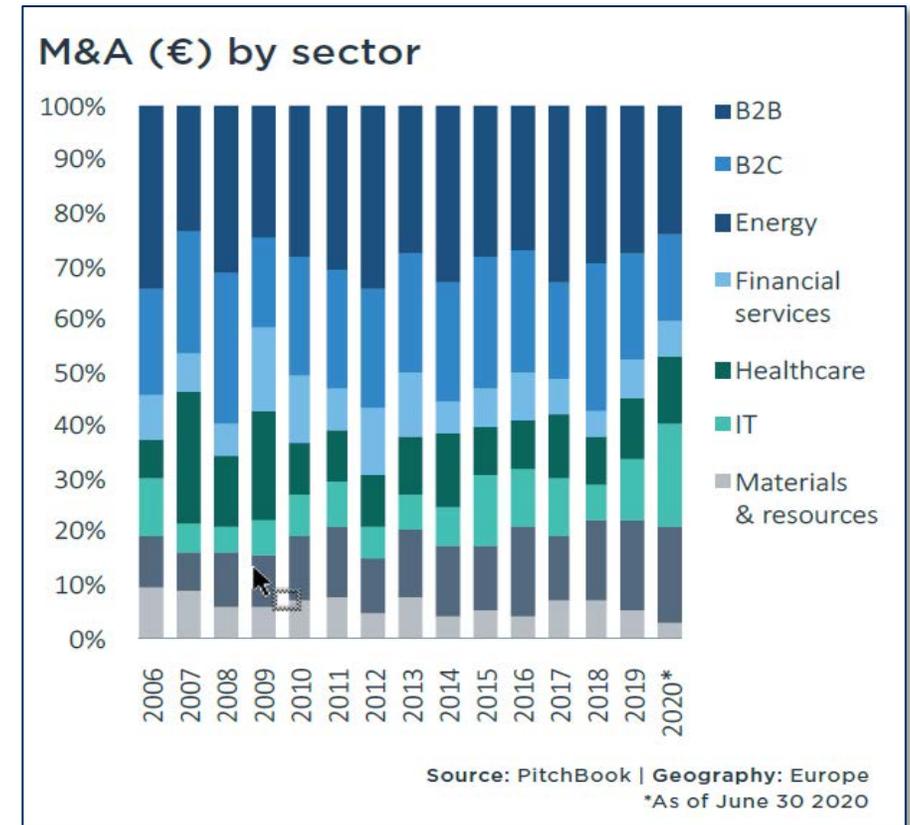
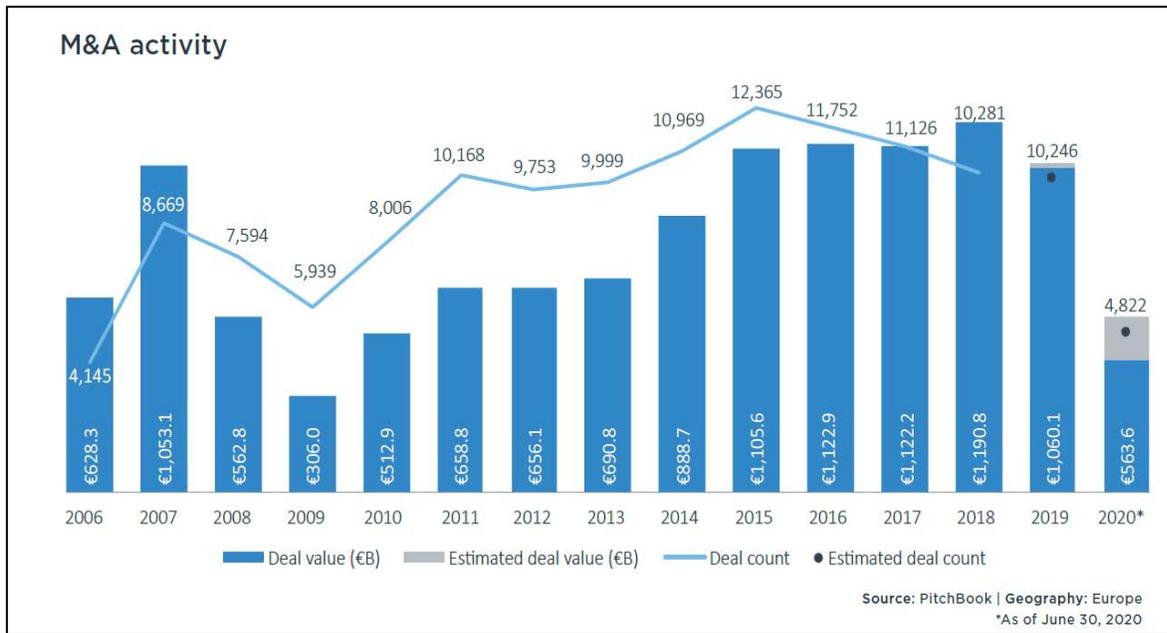
Healthcare and Tech sectors seeing growth and steady volume



Deals being done as a matter of survival in distressed sectors, such as Oil & Gas

# Impact on M&A Activity - Europe

The story is similar, but slightly different, in Europe



# Operational Success in M&A



Portfolio company executive buy-in and ownership



Documented repeatable process based on experience



Alignment of the deal thesis and goals of the M&A work to prioritize activities



Alignment of deal teams and operational advisory teams; tailor approach to the portfolio company



Cultural alignment of the companies



Strategic vendor partnerships



Assessing and understanding the abilities of the team



Providing additional support and resources as required

# M&A Success – Navigating Current Challenges

## Diligence on Target Companies

- Increase scrutiny in evaluating operational health of a target company
- Greater focus on analytics and data to evaluate

## Limited In-Person Connections

- Increase usage of video communications
- Add several virtual interactions to mitigate loss of in-person communication

## Divided Focus of Portfolio Company Leaders

- Accelerate assessment of business impact and creation of action plan
- Utilize consolidated resources to facilitate deals on PPE
- Provide operational and third-party support; COVID response guides

# M&A Success – Navigating Current Challenges

## Limited Talent Evaluation Methods

- Assessment tools and enhanced processes
- Deeper reference checking and more thorough video interviews/screening

## **New Normal:** Difficulty Building New Culture/Brand Identity

## Limited M&A Support (Resources and Staff)

- Supplement services with resources on M&A process
- Prioritize M&A work and complete in phases (in accordance to deal thesis)

- Build taskforce to find creative ways to address problems
- Methodical remote work processes/policies
- Build in flexibility

## Rapidly Changing Regulations and Laws

- Create a source of information for leaders (forums/knowledge bases)
- Regular discussions with top legal consultants for information and guidance

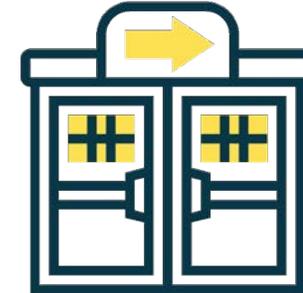
Supporting you throughout the investment lifecycle



M&A and Carve  
Outs/Spin-Offs



Current Portfolio  
Management



Preparing for  
Exit

# New Normal - Global Business & Govt Reaction



Many countries have existing social safety nets (Europe, Central and South America)

- Statutory leaves, sick pay, paid time off
- Unemployment pay and benefits



Central and South America have moved to strengthen employee protection and welfare assistance



Europe implementation/enhancement of employer short-time work and temporary furlough support



Asia has returned to normal much more quickly and hasn't required drastic action



Border closures, immigration, and long-term changes imposed as governments take advantage of the pandemic

# M&A and Carve Outs



**Due Diligence** – greater emphasis on regulatory/legal compliance, and employee transition issues



**PEO/EOR Services** – utilize indirect hiring to quickly transfer global employees while maintaining compliance



**Legal Entity Setup** – establish the legal infrastructure you need to efficiently transfer your employees and operations



**Preparing for Day 1** – seamless employment transitions; standing up HR, payroll, benefits, accounting, tax, and a consolidated enterprise system



# Human Resources

**HR performs due diligence and determines optimal employment transitions – direct or indirect – to avoid involuntary terminations**



Employment agreements due diligence



Company policies and T&Cs



Acquired Rights Directive and TUPE



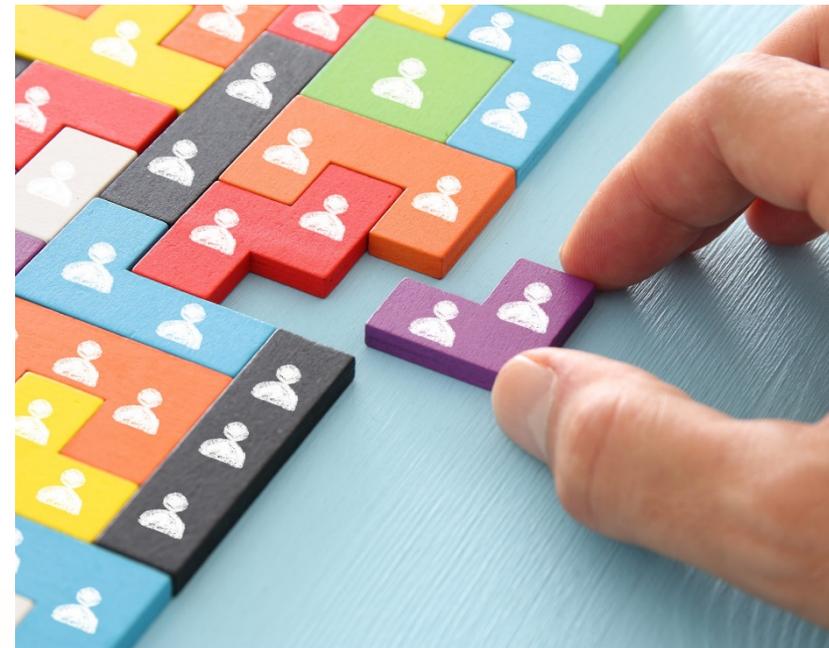
Proactive employee communications



CBAs, unions, and works councils



Immigration – work permits, visas, etc.



# Legal and Tax Structures

**Rapid setup of legal entities, branches, and non-resident employer registrations to facilitate direct transfer of employment**



Incorporations and registrations



Registered offices and resident directors



Income/indirect/payroll tax and statutory benefits registrations



Bank account setup and payroll funding



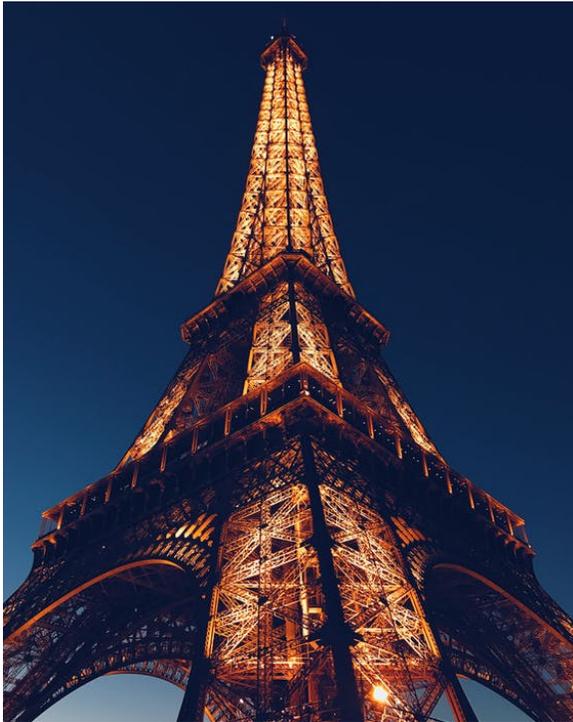
Immigration sponsorship and licenses



KYC and UBO

# PEO/Employer of Record Services

Establish HR, payroll, and benefits networks to seamlessly hire and onboard employees Day 1



Vehicle for immediate indirect employment



Potential issues with employment transitions – TUPE, ARD, CBAs, unions etc.



Human resources, payroll, and statutory benefits support to facilitate rapid transition



Supplemental benefits tailored to requirements or alternatives



Established payroll and benefits systems; payroll funding support



Immigration transitions can present problems

# Existing Portfolio - Day 1 Re-Evaluation - Human Resources & Employment



Should you continue to expand in growth markets, particularly APAC and Europe which are mostly stable?



Is this environment an opportunity to acquire new talent, or to diversify?



Do you need to support employees work from home requirements and global mobility needs?



Should you assess whether you are paying a premium for your PEO hires?



Do you have permanent establishment and tax nexus issues?

# Existing Portfolio - Day 1 Re-Evaluation - Enterprise Systems and Support



Did you inherit antiquated or patchwork systems – human resources, payroll, time and attendance, benefits, accounting, tax and compliance etc.?



Do you have different partners in different countries supporting each functional area and need to streamline?



Do you want to upgrade or automate your systems to achieve improved communication, efficiency, and cost saving?



Do you want to consolidate back office systems and functions into an integrated, centralized environment?



Can you reduce manpower and outsource more?

## Global Human Capital Management

**Ceridian** creates innovative technology that helps companies succeed by delivering quantifiable value.

The software and system solutions that Ceridian provides help customers manage compliance, make better decisions, control costs, drive employee engagement, and unearth value within their organization's operations.



Human Resources



Payroll & Tax



Benefits Administration



Workforce Management



Recruiting & Onboarding



Performance & Succession Planning



Compensation Management



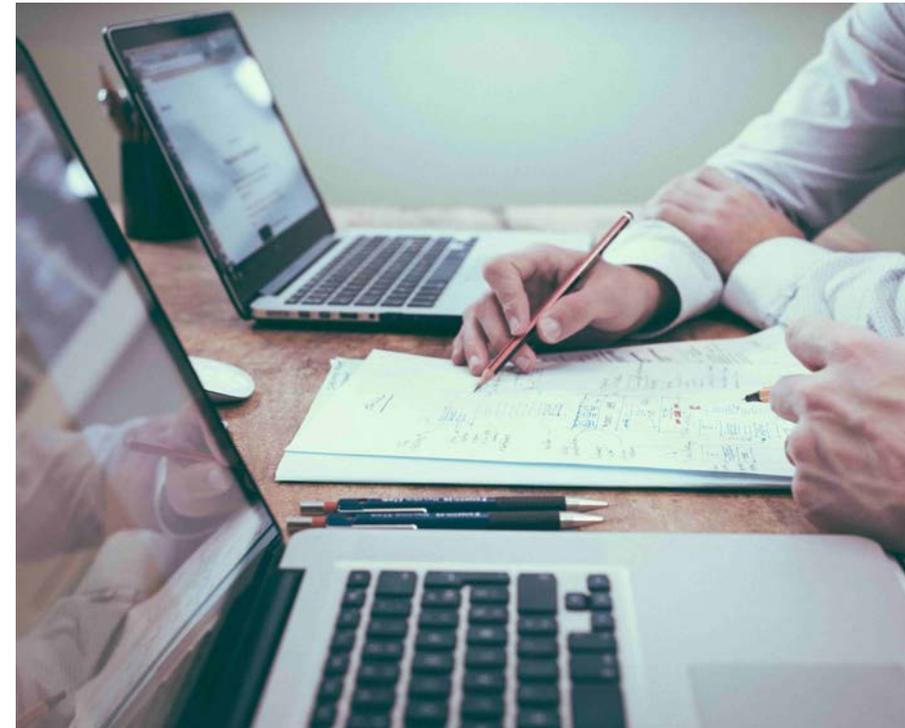
Learning Management



Reporting & Analytics

# Global System Challenges

- Fragmented solution landscape
- Outdated IT infrastructure
- Rigid technologies
- Variable cost impact
- Pace of regulatory compliance changes
- Inability to scale
- Disengaged employees



# Overcoming System Challenges



Consolidated technologies



Embrace technological change



Flexibility and agility



Control variable costs



Partnership excellence



Enable bi-directional scalability



Prioritize employee engagement



# Thank You

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