

# Mergers, Acquisitions and Divestments

**T**he oil and gas industry is characterised by on-going MA&D (mergers, acquisitions and divestments) initiatives. Whether these deals involve a few million dollars and a dozen employees or billions of dollars and hundreds of employees across multiple countries, they can determine a company's fate.

In financial terms, IT in a large acquisition and divestment is neither a deal-breaker nor a major expense. However IT can make or break the success of merger, acquisition or divestment. If not handled properly from the start, IT problems can delay a deal or lead to spiralling costs. IT is also part of changing how people work as a result of the deal with strong implications for human resources and future profitability.

## THE CHALLENGE

Over the years the oil and gas companies become complex global organisations, with many different regional and global businesses across their upstream and downstream portfolios and supporting processes and IT to match. In an attempt to optimise the operating costs, they have standardised global governance, processes, compliance, IT systems and support operations wherever possible. Each business therefore becomes so completely dependent on global operations that any attempt to acquire or divest business becomes a major undertaking.

On the top of the above complexity MA&D present organisations with a daunting set of challenges: stakes are high, timelines are short and fixed, scope changes rapidly, and rarely do operations groups have the bandwidth to take on the all the work required to execute a deal. Additionally, to be successful and deliver on the expected benefits the transition needs to be managed smoothly, with minimised business disruption, and in a very short timescale.

## THE ANSWER

At CGI we understand the complexity of these global businesses as well as drawing on our very own strong track record of internal M&A –successfully executed over 18 transactions in last 6 years.

We bring proven accelerators, robust frameworks and a dedicated team of subject matter experts and delivery leaders with the knowledge, skills and experience to lead, advise and support the successful delivery of your mergers, acquisitions and divestments initiatives.



## BENEFITS

- Maximise deal value by reducing risk through robust frameworks and structured performance of deal activities
- Increase 'potential' to deal value by maximising synergy opportunities
- Effective and extensive organisational transformation to benefit parties involved in the transactions
- Reduced cost and effort through efficient delivery of IT work streams
- Increased efficiencies and new way of operating that satisfies all parties involved

CGI helps buyers and sellers around the world meet their MA&D objectives by using our services, solutions and skills in the following areas:

- MA&D IT Strategy Advisory
- Due Diligence and Transaction Services
- Business Change Management
- Program Management of IT Divestiture and Acquisition work
- Technical Work streams Delivery
- Transformational Outsourcing
- Post deal cost optimization and performance improvement
- MA&D Internal capability development

### HOW WE DO IT

Using our very well established approach and acceleration framework, we reduce the costs, duration and risk profile of MA&D projects through:

- Rigorous project management and reporting practices to ensure IT is aligned and deal delivery is always in control.
- Accelerated project execution - focus on date, risk and costs
- Flexible solutions and resourcing to minimise impact of changing timelines
- Quick and clear separation or effective integration
- Leveraging innovation and transformation to minimise target operations model TCO
- Flexible / scalable IT solutions for smooth transition to new BAU support

### WHY CGI?

We have worked on merger, acquisition and divestment deals of every size in the oil and gas industry—from multi-million to multi-billion dollar deals—and in single markets as well as across entire continents. In fact we helped Shell divest more than \$5B of assets and 6,000 staff.

We identify the challenges and risks of every deal early on and employ accelerated analysis methodologies and tools to address them. We also prove and test our solutions early on to reduce risks and accommodate new or changing requirements. Our development tools are proven to increase productivity up to 40 percent. In addition, our platforms eliminate the need for upfront spend on hardware, as well as the cost of managing new environments.

Whatever the scope and risk profile of a deal, we are committed to the details and to its long-term success and provide our clients peace of mind pre –during –post transition period.

### ABOUT CGI

With 68,000 professionals operating in 400 offices in 40 countries, CGI fosters local accountability for client success while bringing global delivery capabilities to clients' front doors. Founded in 1976, CGI applies a disciplined delivery approach that has achieved an industry-leading track record of delivering 95% of projects on-time and on-budget. Our high-quality business consulting, systems integration and managed services help clients leverage current investments while adopting new technology and business strategies that achieve top and bottom line results. As a demonstration of our commitment, our client satisfaction score consistently measures higher than 9 out of 10. Visit [cgi.com](http://cgi.com) for more information..

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