

Client Stories

Company spin off and divestment

Situation

In 2009, an international financial services group decided to spin off its trust and corporate services division and sell it. The division employed 1000 employees in 23 countries. The CRH consultant received the mandate to support management through the spin off and divestment as well as manage the division's global Human Resources (HR) function with direct operational HR responsibility for 11 countries.

CRH's objectives were first to separate the spin off from the financial services group's ("parent company") employment conditions, then conduct the HR due diligence for the divestment of the company and lead the HR function through these changes.

Solution

Working with the management committee, CRH developed new employment conditions, HR policies and programs and addressed the issue of separating employee benefit schemes from those of the "parent company". Retention plans to retain key people, unique business skills and key talent were also designed.

To address the "cut off" of all IT systems decided by the "parent company", the CRH consultant installed a new global Human Resources Management System (HRMS). Together with an IT project manager, new software was selected, and within 3 months the business and functional requirements were defined, the customized version released, and user testing acceptance performed. The CRH consultant also supervised the implementation of an outsourced payroll solution covering more than 200 employees in the Netherlands.

CRH conducted the due diligence of the company's HR policies and practices by assembling and analysing data, preparing reports for the data room and responding to buyers' inquiries on human capital assets and liabilities.

Results

Within 12 months the trust and corporate services spin off had been sold. The main benefits were:

1. Full HR separation from the "parent company"
2. New employment conditions and HR policies accepted by all employees
3. New employee benefits schemes, offering improved benefits at lower costs
4. Installation of a global HRMS solution before divestment

Please refer to the page "Client Testimonials" of our website for client comments on this project.