

Divesting a Business: Human Capital Matters to Consider

The separation of a company's business through a divestiture enables investors, boards, and executives to realize better valuations, achieve higher bottom-line financial goals, and align the business to its strategic objectives.

The process of completing a separation is complex and requires consideration of many factors including financial, capital markets, legal, human capital, risk and tax. Issues that arise depend in large measure on the degree to which the businesses were integrated before the transaction, the extent of the continuing relationships between the businesses after the transaction, and the structure of the transaction.

Aon specializes in addressing all human capital issues that arise from a divestiture whether the sale is to a strategic buyer, financial buyer, or the business is to be set up as its own entity.

Aon's Expertise in Divestitures

Aon's Strategic Advisory practice has a deep, experienced global team focused exclusively on people, risk, and HR issues during a divestiture.

Our consultants have worked on thousands of engagements over the past decade with some of the world's most sophisticated companies and private equity firms, particularly in a divestiture or spinoff.

Our team possesses a unique combination of skills ranging from HR subject matter specialties (benefits, compensation, employment law, workforce transfer, HR service delivery and technology), organizational transformation capabilities (culture, organization design, change management, workforce planning), and business strategy/operations and risk solutions (operational process design, cost rationalization, transaction liability).

Through our divestiture expertise, we have helped our clients address the most critical human capital issues that drive success, with the goal of optimizing the value of the transaction both on the buyer and seller side of the deal.

We're here to empower results

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Specifically, we help with the following:



Business Valuation—Develop integrated strategy aligning human capital terms and conditions with the offering memoranda, human capital pro forma financials (including business standalone financial statement adjustments), Sale & Purchase Agreement & Employee Matters Agreement, management presentations, and negotiation strategy.



Leadership Engagement—Implement leadership incentive/retention strategy aligned with transaction objectives (e.g., successfully manage the business through transition; provide stability and continuity; maintain focus on customers; retain key personnel).



Internal Due Diligence—Identify population by country, employing legal entities, terms and conditions of employment (e.g. compensation and benefit programs), retirement and other liabilities (+ funding/book reserve status), workforce separation risks and obligations, and potential curtailment and other charges to gain/loss on sale.



Due Diligence Data Room—Collect and populate data room with corporate-sponsored HR, Executive Compensation and Compensation and Benefits programs and business-specific/country-specific programs as applicable/data room review and HR/risk assessment on behalf of potential buyers.



Sales Agreement Negotiations—Review “seller” initial purchase agreement covering reps and warranties, conduct of business between sign and close, employee matters provisions (including potential employee ‘lease’ arrangements), no-hire/non-solicit protections, and transition services. We also assist with purchaser or seller negotiations.



HR Operations—Assess the HR operational implications (e.g., HRIS, payroll, HR functional structure) of a divestiture, including the timing and alternatives to the existing structures and programs.



Communications—Develop announcement strategy and rollout, consider need for ongoing employee updates, identify country-specific communication requirements and implement process for addressing questions and concerns.

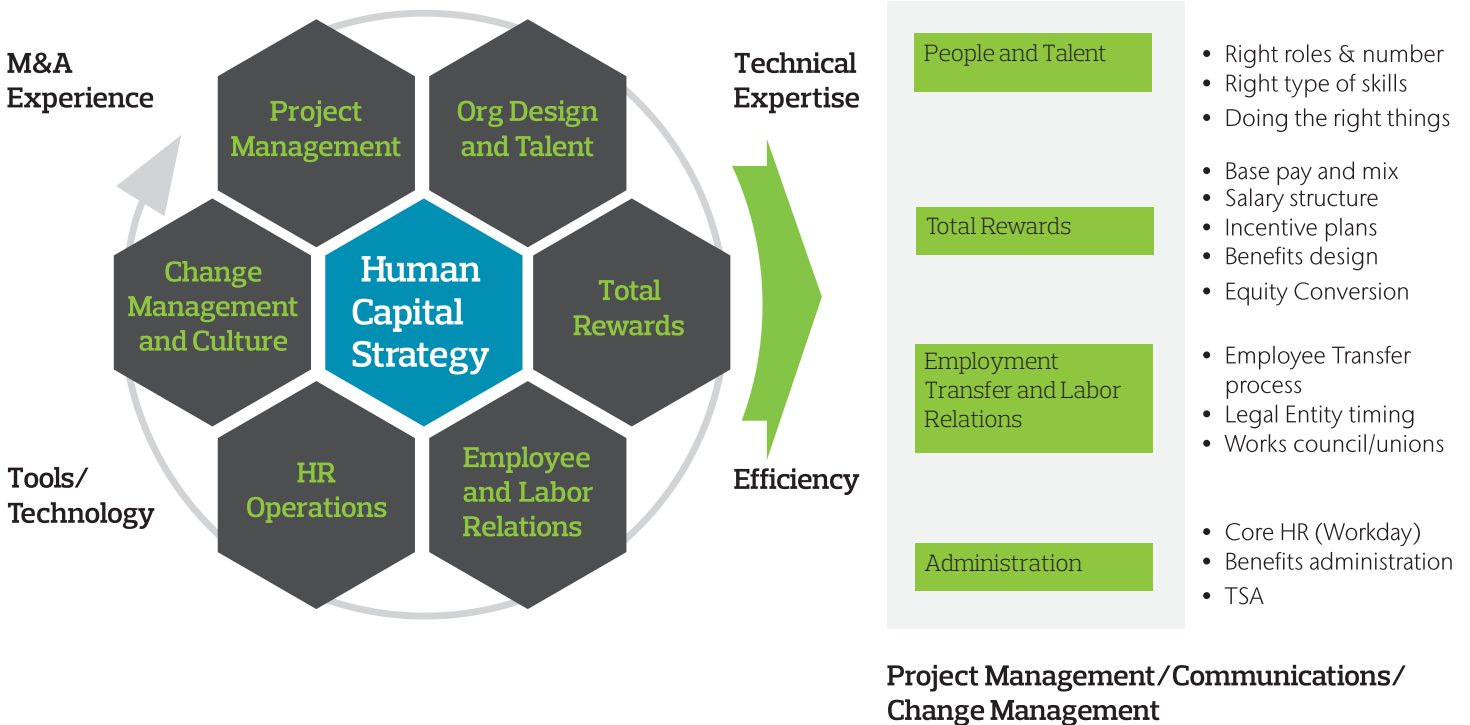


Transition Planning and Separation Support—Determine global HR separation issues (legal entity, compensation/benefit plans, labor relations/workforce transfer, HR operations), establish separation strategy and provide support for a seamless separation of divested business with necessary standalone setup (e.g., vendor identification/selection/implementation) or HR transition services agreements (TSAs), as needed.

A Successful Transaction

Aon's integrated approach helps companies achieve post-close readiness throughout the transaction lifecycle, from transaction planning through post-close support. We help your business identify key human capital challenges, develop strategic alternatives, assess pros and cons and quantify financial implications. Our integrated delivery approach provides an end-to-end solution from strategic advice to tactical execution.

Aon provides end-to-end HR M&A support including design, implementation and administration



Why Aon. We have an integrated global team of advisors with experience and depth across the human capital and risk domains. The factors that make us unique and most qualified to help you with your divestiture are listed below. But don't just take our word for it—we would be happy to put you in touch with some of our clients so you can hear firsthand “Why Aon”.



Significant Transaction Experience

We have supported thousands of transactions in the past decade including some of the largest and most complex global divestitures. Through these experiences we have developed proven methods and tools to drive deal success.



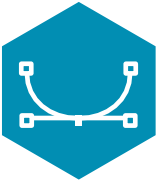
Highly Experienced Global Team

Over 300 dedicated M&A consultants who provide coverage in more than 120 countries. Aon has been delivering global HR consulting services for decades - we bring insights, innovation, creativity and rigor to all our projects, providing you with advice aligned to your business objectives, specifically tailored to your culture and to the unique needs and challenges inherent in a divestiture.



Tools & Technology

Aon's robust portfolio of surveys, tools, and technology help drive decisions and manage your transaction. Our leading edge TransAction Manager™ platform is a web based tool that provides collaboration & content management, project management with robust, automated reporting capabilities, and organization design and talent selection support including headcount synergy tracking.



Flexible Support Model

We recognize that a “one size” approach will not fit every client. Therefore, we have a flexible support model designed to provide you the type of support you need when you need it. This may include helping you build the M&A capabilities of your team, providing over-the-shoulder support, supplementing your team or driving the work in areas where you need it. Our support may span all areas of Human Capital or just one; it can cover all geographies or just a few. Bottom line, you tell us what you need and we will be happy to tailor our support to best meet your needs.



End-to-End Capability

Aon provides holistic end-to-end transaction support including strategy, design, implementation and administration across all areas of people and risk. We bring both breadth and depth of experience across the full spectrum of all people related programs including total rewards, organization design, talent selection, employment & labor relations, HR systems and operations, communications & change management and cultural alignment. Aon's breadth of expertise provides you with a single partner to help address all of your human capital transaction concerns.

About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance. Follow Aon on [Twitter](#) and [LinkedIn](#). Stay up to date by visiting the [Aon Newsroom](#) and hear from our expert advisors in [The One Brief](#).

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