



specific
people : projects : progress



Business integration support for Keepmoat

CASE STUDY

The Client

March 2012 saw the merger of two regional new build and property regeneration businesses, namely;

- Keepmoat – northern based social housing refurbishment, public sector new build, new build homes for sale to private buyers and social landlords, planned and responsive social housing property services. Trading under two legacy business names, FHM and Bramall Construction.
- Apollo Property Services Group – southern based social housing refurbishment, education sector new build and planned and responsive social housing property services. Trading under the Apollo brand name.

These two businesses had combined revenue circa £1Billion.

The Challenge

The merger created opportunity, in that while market overlap was limited, there was duplication of business support services. In addition there was combined buying power to be exploited, opportunities to reduce cost, overhead and supply chain, for the new group.

Keepmoat had completed the initial business integration activities, in particular, debt restructure completed to reduce the cost of borrowing and the divisional and regional management structure established. The Business support functions had been merged across the group (Finance, HR, IT, Health, Safety, Environment and Quality, Marketing, Supply chain management, Legal and Group property management).

James Thomson, Keepmoat Chief Financial Officer commented “we had made a great start on the business integration but knew we needed external help to complete the exercise. We chose Specific because of their previous experience in post-merger integration”.

The Solution

Specific deployed an Integration Consultant, to undertake the role of Integration Programme Manager.

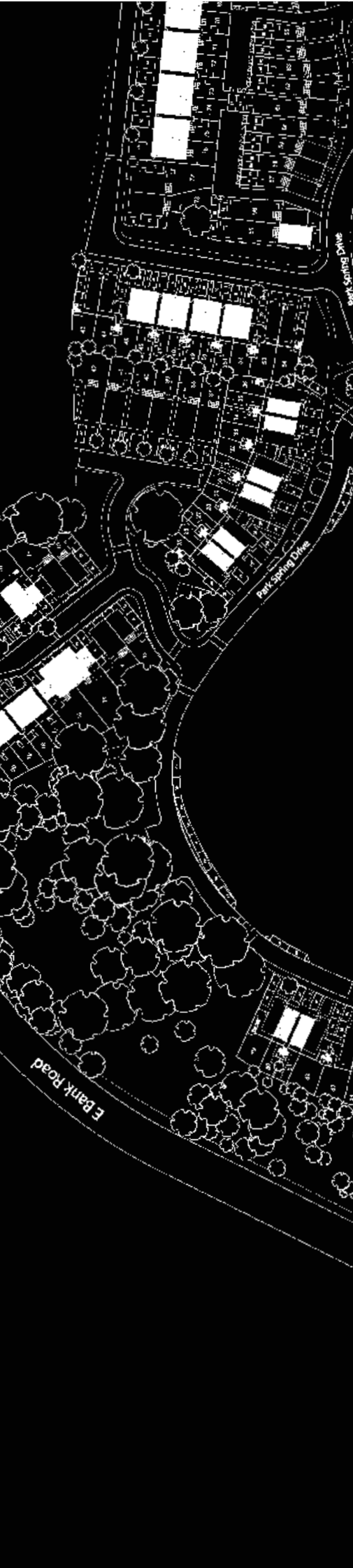
There were 4 areas where the Consultant was directly involved:

- (i) Internal and external rebranding to new Keepmoat group branding (buildings, internal communications, quality, standards and procedure documentation, Uniforms and PPE, vehicle livery, web site, sales materials and letterheads, business cards, email signatures.
- (ii) Corporate entity restructure to allow legal entities and financial reporting structure to reflect the new divisional structure. Also to rationalise, close and remove redundant corporate entities
- (iii) Launch new corporate identity internally and externally. This involved the aligning of staff employment and payroll to divisional structure, an internal communications programme and external communications to clients, partners and suppliers
- (iv) Track and assure synergy savings through the identification of management and staff cost reductions as a result of merging support services. Supply chain savings through increased purchasing power and improved procurement methods were also tracked, as well as the avoidance of discretionary project and marketing spend.

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James Thomson
CFO

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The Benefits

James commented “the programme, delivered the targets we set at the outset”, namely;

- Group trading entity structure rationalised to match entities to trading divisions
- Legacy contracting companies renamed to incorporate the Keepmoat name as a means to migrate all live client projects to the brand without the need for lengthy contracts novation to new entities
- All employees and payrolls migrated to the new company structure
- Employees hearts, minds and loyalty transferred to the Keepmoat brand
- All external presentation to clients and communities converted to the Keepmoat brand
- £12M per annum savings in overhead, sub-contract and materials costs delivered

“*Post-acquisition mergers have to be completed immediately after the transaction. With your businesses management team and the Specific method we can deliver it quickly, effectively and the business can then get on with running the new single business.*”

Stuart Crowther
MD Specific

For a detailed discussion about how Specific will deliver the progress you require from your next project, please get in touch:

email stuart.crowther@specificpeople.co.uk or call 07966 659936