

# WP Advisory

Case Study – Consumer Product Unit Divestment

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WP Advisory provides best-in-class management consulting services to middle market companies. We are a small team of senior executives with significant industry experience.

# Summary

- A healthcare and consumer products company was focusing on its higher margin healthcare business and sought to divest its global hair care and beauty unit.
- The unit had a long history with the firm including ties to the former Chairman and largest individual shareholder.
- The hair care and beauty unit was sold to a diversified consumer goods company. The over the counter and other health-related consumer products were retained.

# Role and Responsibilities

## Role

- Finance Project Lead responsible for planning and coordinating the execution of appropriate cash, asset transfers and financial reporting requirements of the transaction.

## Responsibilities

- Led the audit, data gathering, reporting and analysis required for the due diligence and divestiture
- Prepared and led transfer of cash and other assets
- Developed reporting packages for bidders, eventual buyer, and leadership throughout the transaction lifecycle from bidding to due diligence to transaction close
- Facilitated planning sessions
- Provided consolidated reporting to Operating Committee and Leadership team
- Oversaw risk/issues management; facilitated interdependency analysis

# Challenges

- There were people issues to manage because of the long legacy of the unit and associated brands. This included those who stayed with the company and those who departed with the divestment.
- It was the company's largest transaction in a decade and involved a learning curve with advisers to properly plan the transaction.
- The divestiture was the most complex to date with broadly distributed assets and facilities worldwide.

# Outcome

- Implemented requirements for deal closure
- Clean transfer of relevant human resources, physical facilities, and IT assets and service agreements by transaction close
- Successful legal closure on time and budget more smoothly than markets initially anticipated

# Contact

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