

How Empowered Leadership Can Accomplish the Impossible: Delivering an Accelerated Transition with no TSA



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This article deals with my experiences in Mergers and Acquisitions (M&A) transitions of pharmaceutical manufacturing sites. Typical transitions follow an aggressive timetable, but an accelerated schedule throws all processes into a vortex. This experience has driven home that a clear goal, with committed leadership, combined with dedicated team members can accomplish the impossible.

Typical Transition, if there is such a thing

As part of the manufacturing site acquisition process, the Buyer and Seller will agree to the terms; legal, regulatory or technical, that must be completed prior to the closing of the transaction. During this period, the seller's payroll, employee records and quality systems must be separated and replaced with the buyer's alternatives, usually within a 3-month window. Normally, access and use of the seller's other key systems, such as their ERP, continue for a set period under a Transitional Service Agreement (TSA) to allow the buyer adequate time to implement their replacement systems successfully with minimal disruption to manufacturing operations. A typical TSA has a 12-month duration.

When an acquisition follows this process, it is understandably challenging to accomplish all activities and legal actions within the allotted time. However, if the following elements are in place it gives the team a real fighting chance:

- **A well-defined TSA** with adequate durations to deploy replacement systems in a controlled, operational risk avoidance manner
- **Sufficient time to mobilize** the transition team, technical support and 3rd party software vendor consultants
- **Adequate time to develop the detailed scope**, system requirements and implementation schedules
- **Appropriate focus** and attention of the site team and their subject matter experts

Even when all these are in place the transition typically runs right up against the end of the legal TSA period as we must work through system setbacks, operational commitments and holiday seasons.

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Accelerated Transition with no TSA, there is such a thing

In late 2017, the company contracting me, was in the process of purchasing a manufacturing plant. It became apparent that the site seller was unable to service a TSA meaning all the buyer's core systems would have to be deployed and go live prior to the completion of the transaction. This added significant complication to the transition approach and a far greater risk for operational disruption. A transition with a TSA is challenging enough, but without a TSA it becomes a daunting prospect.

The initial planning for a transition without a TSA indicated that the buyer's core systems could be deployed concurrently within a 9-month window-- from deal signing to deal closing-- a steep, but achievable, challenge. However, to complicate the situation even further, due to future business imperatives, the instruction came from the Buyer's Executive team to compress the transition window to 6 months.

So, there we were, no TSA and a compressed 6-month transition window. A seemingly impossible task ahead!

Now don't get me wrong, for me, being an independent contractor has never just been about getting the next pay check, it's about belief in the project, belief in the vision. An opportunity to use all my skills and experience to make a difference to a company, to lead teams to a successful outcome. For me it is always about the CHALLENGE. But make no mistake, this takes challenge to a whole new level!

As crazy as it might sound, the team and I accepted the challenge knowing full well this was going to take every leadership skill I had and then some. We began our journey by setting the strategic foundation: What do the legal documents specifically require for deal closing? All transition items not laid out in the legal documents would occur post-closing. We then split this program into 5 key areas:

- **Scope** – It was imperative we stick with the buyer's SAP and other system templates with minimal changes unless there was a legal, regulatory or fiscal need. Securing the Site Director's commitment and leadership was crucial in adopting the buyer's systems "as is" and agreeing any critical changes would be incorporated post deal completion.
- **Vendor Management** – to complicate matters, the Buyer had changed its SAP integration partner, and this site transition would be their first deployment. We met with the SAP integrator at their offices in the United Kingdom to develop an accelerated deployment approach and compressed schedule. Face to face was the

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best way to size up the integrator's resolve and for them to assess our commitment.

- **Schedule** – The seller would only allow the buyer to have one parallel network to the site office space used to conduct system testing and validation activities. During the SAP Operational Qualification (OQ) testing, the parallel network bandwidth became a major constraint. An “on the fly” decision was made to move OQ testing to a conference room at a nearby hotel, relocating all SMEs and finishing OQ testing within in 2 weeks.
- **Resources** – A major issue we faced was that none of the systems could be installed early, preventing the team from staggering implementation of the different systems. Intensive schedule management was used to certify tasks were completed on time to prevent resource overload. Review of risks and mitigation plans were constantly updated to prepare for every obstacle.
- **Governance** – We ran daily team meetings and weekly joint company meetings. We sequestered site SMEs, consultants and validation contractors to ensure issues were communicated swiftly. As a group we formulated solutions, devised workarounds, and informed the rest of the team. This cohesive nature quickly turned all players into a real team.

I am proud to say the teams completed installation and validation of SAP, document management, payroll and IT infrastructure on time, with all deal closing pre-requisites achieved and the transaction completed to the accelerated timeframe. Both companies executive team commented on the extraordinary success of the transition and the commitment and resolve shown by all involved.

But this does not come close to explaining what it took to make this happen. The success of this project hung on one thing—empowered leadership. The buyer's executive team hired us to do a job and trusted us to complete it. Despite impossible timelines, and never-before-accomplished goals, the freedom to be flexible allowed the transition team to make the tough decisions and attain the accelerated timeline. This enabled the team to become unified, overcome obstacles and achieve the overarching business goal. It was truly astounding!

I am forever honored to have worked with the people that gave everything to make this happen. Sometimes you need an experience in your career that proves even the impossible IS possible. This was that moment for all of us.

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About the Author: Scott has 20+ years' experience in leadership positions delivering multifaceted, business transformation programs in both the Air Force and the Pharmaceutical industry including equipment installations, operational improvements, major system deployments and manufacturing facility acquisition and integration.

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