

# Case Study – Post-Merger Integration (PMI) and Functional Centralisation

RMC acquired by CEMEX in 2005 for \$5.2bn

9 months

Globally 50% bigger business

RMC Group



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**Post-Merger Integration and Functional Centralisation**

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- FTSE100
- Very British
- Divisional
- Old School
- Market Follower
- Fragmented
- Low Returns
- Stagnant
- European

- Dynamic
- Acquisitive
- Mexican
- Top Down
- Process Driven
- Integrated
- Coordinated
- High Returns
- Market Leader
- Global

- Energetic
- Organised
- Benefits Driven
- Challenging
- Systematic

- 6000 Staff new Org Design.
- 1200 Supply Chain & Logistics staff consolidated into single team.
- £170m Functional Budget.
- 20 Projects - £8m Savings.
- New Systems & Process.

**Lead UK Supply Chain & Logistics Post Merger Integration & Functional Centralisation Team**

## The Client\* :

RMC Group Plc, a FTSE 100 listed Building Materials business acquired by Mexican based NYSE listed CEMEX, the World's 3<sup>rd</sup> largest cement manufacturer, in a \$5.2bn deal, doubling the size of CEMEX. CEMEX instigated a comprehensive Post-Merger Integration and Functional Centralisation process.

## The Challenge needing a Solution :

Twin challenges (1) a culturally and process challenged PMI and (2) the adoption of business wide fully integrated, single Supply Chain and Logistics function from a divisional, uncoordinated structure with a range of systems and processes under RMC, spread across 80 sites, 1200 staff & 900 trucks.

## The Solution Delivered :

Following a 3 month assignment to support the Due Diligence by CEMEX, under took a 9 month assignment as Post merger Integration Leader – Supply Chain and Logistics – UK. Jointly led a team of 30 implementing a comprehensive integration including new processes, systems, controls, performance culture and benefits / synergy projects.

Responsible for carving out a new centrally structured and led Supply Chain and Logistics function, combining existing fragmented Cement, Aggregates, Asphalt, Building Products and Ready-mix capabilities and resources.

- Consolidated £170m functional budget
- New Org Design for 1200 staff on 80 sites + 400 redundancies.
- 20 Projects - £8m of savings
- New Systems and Processes
- New performance culture and controls

## At a Glance :

### Sector :

Cement / Building Materials

### Role :

PMI Leader

### Duration :

9 Months

### Delivered :

- Org Redesign – 1200 staff - 80 sites
- 20 Projects - £8m savings
- New Systems and Processes

## Lessons Learnt :

The systems and processes are the easy bit, the real challenge is the integration of the cultures and the unwritten rules and norms of the businesses. This only comes with openness, honesty, respect, trust and commitment.

\* Secondment undertaken during take over of RMC plc by CEMEX.

## SPECIALIST EXPERTISE

Liquid Chemicals

Liquid Foods

Bulk Raw Materials

Minerals

Building Materials

Multimodal Logistics

Fleet Utilisation

UK, EU, Global

Procurement

## KEY TRANSFORMATION ACTIVITIES

Change Projects

Contract Management

Growth Planning

Restructuring

KPI Implementation

Performance Management

Continuous Improvement

Turnaround

Post Merger Integration

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