

## Buy and build strategy for a stock listed Dutch company results in a new and successful division

### Background

Van Oortmerssen Organisatie Advies won an assignment to develop a buy and build strategy in order to found a new division of industrial services. The stock listed company was known throughout the Netherlands in the area of road construction, housing and office-building. In order to focus on a new market segment related to industrial maintenance, a new niche strategy was developed.

### Approach

The new division was formed by acquiring ten carefully pre-selected companies with the focus on large industrial clients such as Shell Pernis (refineries) and Hoogovens (steel ovens). These newly acquired companies were complemented by internal services such as work preparation and coordination in combination with additional work tools such as information technology and work processing with the purpose of supplying full-service maintenance contracts.

Both make or buy policies and the improvement of subcontracting into co-makership on behalf of the clients were developed further.

### Outcome

An increase in turnover from 10 million Euro to servicing maintenance contracts of up to an amount of over 100 million Euro was achieved by taking over both the maintenance work and the coordination from clients alongside internal coordination within the division through the extension and redesign of work preparation and control systems.

Due to the targets achieved, the clients were in a position to decrease the number of subcontractors from 1500 to 1200, as well as reducing extensively the overhead costs related to the control of the client's maintenance department.

The value of the new division increased after a take-over investment of 15 million Euro, on top their existing business equity value of 10 million Euro, resulting in a revenue of 40 million Euro from a resale to a European maintenance group with an EBITDA level of 11. After this sale the division was embedded in the global operations in a position to serve clients worldwide.

The combination of improving the maintenance process by business redesign and the take-over strategy helped the business to professionalise, which resulted in an annual return on investment (ROI) that was higher than an average of 15%. A big success in this industry.



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