



**PE Consulting: Carve-Outs With
Blaine Clark of RSM**

What are some of the biggest challenges in making a carve-out successful?

Blaine Clark, RSM:

When we talk about an engagement, many times we use the analogy of big rocks. And for us, a rock is one of those things that prevent us from getting down the path to success. In a carve-out, those are typically in four major areas – human resources, finance, supply chain and IT.

Human resources is a big opportunity, or a downfall, in a carve out. If you get the right people on the team at the beginning, then you're positioned for success. I think the other key there is culture, and how you're going to take that forward. Is it a new culture? Do you want to maintain the corporate culture and the brand? Or do you want to do something new going forward. All of those things have to be considered in a carve-out.

Supply chain is particularly important in a carve-out. Many times you'll see a corporate entity who has an integrated supply chain, and so the business that's being carved out is going to end up without a supply chain and so they have to rebuild it after the transaction takes place.