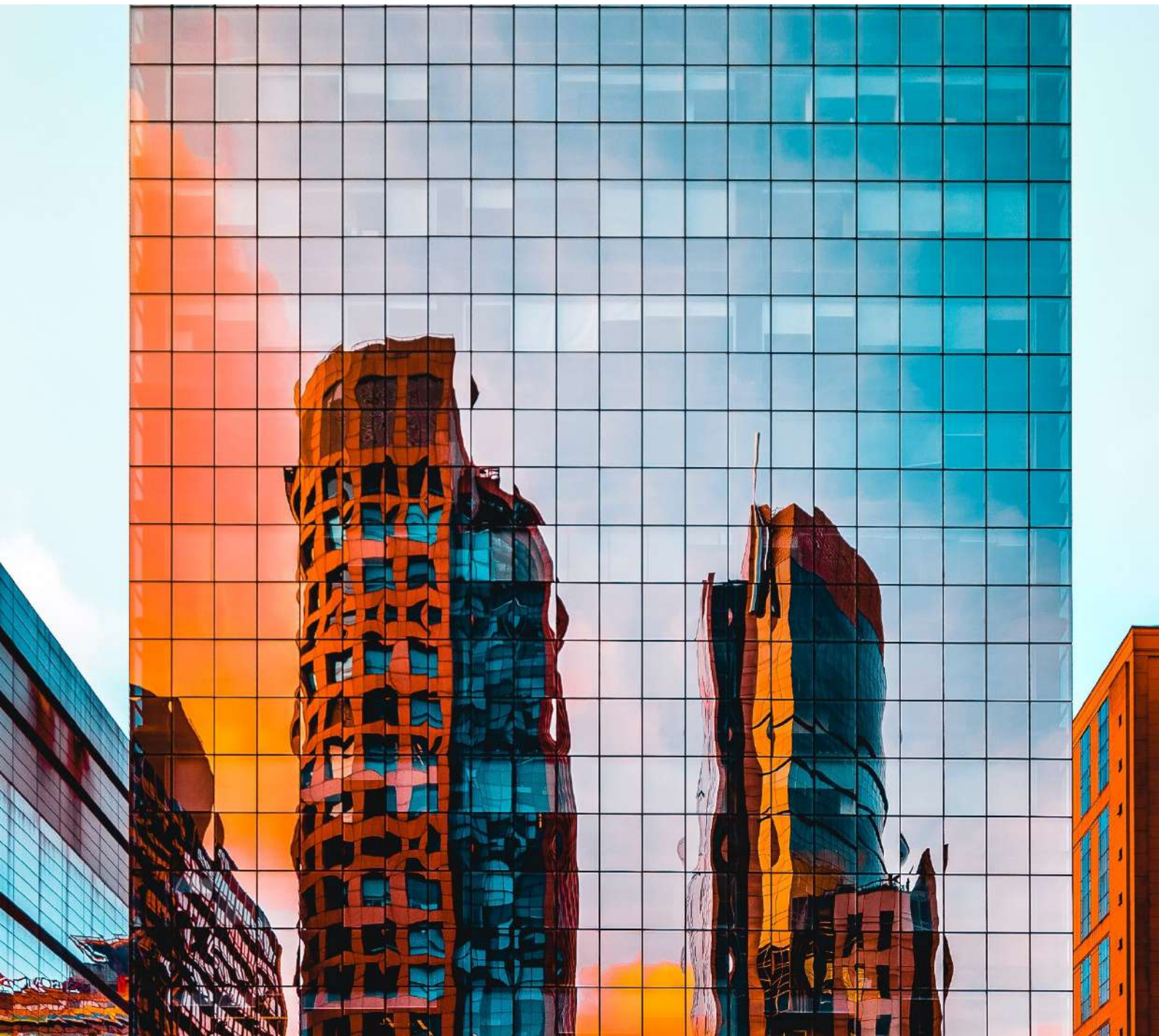


# The Global Acquisition

## Managing Employee Transitions on a Global Scale



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MANAGING  
EMPLOYEE  
TRANSITIONS ON A  
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## ABOUT

Global Upside solves business complexity with integrated HR, Payroll, Accounting, Tax, PEO, and Compliance services in 150+ countries

A prominent private equity firm completed the acquisition of a leading provider in next-generation application security testing (AST) in an all-cash transaction valued at nearly a billion dollars.

## Our Role

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The private equity firm engaged Global Upside, alongside a Big 4 consulting firm and an international law firm, to assist in managing the acquisition process and in transitioning over 150 international employees to new employment. This entailed establishing the necessary corporate infrastructure and transitioning international employees from 12 countries to the legal entities of the new company, or to our PEO/Employer of Record legal entities.

The deal was an asset purchase. Consequently, new legal entities needed to be setup and all employees that were being transferred needed to be brought over on similar terms and conditions of employment. This was set to be handled in a two-step process, with employees in two countries being transferred directly to legal entities of the new company while the other employees were initially hired by Global Upside's PEO company and transitioned to direct employment at a future date.

Global Upside had three months to transition the employees: the aggressive timeline, the number of countries and employees involved, and the requirements around employment terms and conditions, made this acquisition considerably complex. Time critical areas of setting up the comparable or equivalent supplemental benefits, and dealing with several employees immigration requirements, made the timeline especially challenging.

## Constructing the Right Corporate Infrastructure

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The Client needed their employees to be onboarded in just under three months to be ready Day 1. To meet this deadline, Global Upside advised the Client to onboard employees to a Professional Employer Organization (PEO)/Employer of Record (EOR)<sup>[1]</sup> and transfer them to respective legal entities as they were created. The Client had particular employment law concerns around triggering Transfer of Undertakings (Protection of Employment) regulations (TUPE) and the acquired rights of employees in the transition.

After reviewing the details of the transfer, Global Upside also discovered that the PEO approach would be inefficient and expensive for the UK and Singapore, as the Client employed a large number of professionals in both locations. After a quick cost-benefit analysis, Global Upside advised the private equity firm to renegotiate and purchase legal entities in both locations instead.

## HR and Payroll Support

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Global Upside setup a 20-person team comprised of HR, payroll, and employment law experts who provided dedicated, 24/7 support to the private equity firm. This team:

- ⦿ Transferred employees in 10 countries (Australia, Canada, Colombia, Czech Republic, France, Germany, Israel, Netherlands, Poland, and Spain) to Global Upside PEOs and helped transition Singapore and UK employees directly to Client entities
- ⦿ Fully managed employment contracts, other related documentation, and coordinated with the private equity company's international law firms to ensure appropriate transfer of employment terms
- ⦿ Fully managed payroll, immigration, and work permit requirements
- ⦿ Procured comparable-equivalent supplemental benefits in accordance with the specific terms and conditions of employment that had previously been in place
- ⦿ Implemented cloud-based Human Capital Management (HCM) system, Mihi, for all employees. Mihi provided the employees with a self-service tool with which they could manage time and attendance, leave, and benefits. It also ensured that the Client remained compliant with country-specific regulations across the globe
- ⦿ Transferred all of the employees who had been hired under the PEO to the Client's legal entities as they were created

<sup>[1]</sup> PEO/EOR solutions allow companies to hire employees without having to set up legal entities in foreign jurisdictions. Global Upside's PEO brand, Global PEO Services (GPS), offers PEO solutions across 150+ countries. GPS provides talent acquisition, HR, benefits, payroll, tax, and compliance services and allows companies to hire employees fast, test new markets, and quickly respond to growing business needs.

## Communication

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Effective coordination and communication with the Client, the employees, as well as the consulting and legal firms was critical to keep the process smooth.

- ⌚ All communications were streamlined through an experienced Client Services Director who coordinated with all parties involved and provided the Client with regular status updates and detailed project notes
- ⌚ Global Upside provided employee communications and held several briefing sessions, alongside Client HR leaders, to keep employees informed throughout the transfer process and address any concerns about their employment terms, benefits, etc.

## The Impact

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- ⌚ The Client received the right guidance on corporate structure to fulfill their eventual goal of hiring all international employees directly
- ⌚ Communication was consistently maintained with employees and Client representatives through a single point of contact
- ⌚ All employees were transitioned with the required benefits
- ⌚ All deadlines were met and the acquisition was consummated as per schedule
- ⌚ The Client extended its dealings with Global Upside and continues to receive HR, payroll, benefits, immigration and work permits support across their global footprint

## Case Summary

- » M&A process that involved the transfer of employees across 12 countries (United Kingdom, Singapore, Australia, Canada, Colombia, Czech Republic, France Germany, Israel, Netherlands, Poland, and Spain)
- » Global Upside & Global PEO Services were engaged in Q4
- » All employees were transferred to Client's own entity or PEO prior to the beginning of Q1
- » Employees placed on PEO were transferred to Client's entities in just 5 months
- » Created a seamless employee transition and employee experience

**GLOBAL  
UPSIDE**

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