



Success Story: Control is Key for DuPont

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– Anja Schott
Dataroom Manager
DuPont in Europe

When it came to the sale of two business units, DuPont needed a solution that guaranteed control and transparency during the due diligence process, but it also needed a personalised approach that took its team on a steep learning curve.

DuPont, a science company founded in 1802, is a truly global player with a presence in more than 70 countries. Consequently when it undertakes M&A activity, the process can be one of great complexity, often involving business units from all over the world. Staying on top of the information management process is, understandably, a challenge.

In 2006, as part of a transformation strategy, DuPont decided to sell its protective coatings and special adhesives businesses.

The protective coatings business unit manufactures products designed to protect materials from fire, corrosion, water and other environmental influences. Its brands make it a leading player in the sector, but the business was no longer a strategic fit for DuPont.

At the same time, and for the same reason, DuPont resolved to divest its special adhesives business, which produces adhesives for the packaging industry.

Because those businesses had a presence in a number of different countries, collating information from each of the markets and controlling their dissemination was crucial to a successful and speedy sale.

Global Liaison

With the businesses’ manufacturing capacity based in Vaihingen and Wuppertal, Germany, it was natural for DuPont’s German legal team to take the lead on the deal, which involved liaising with, and collecting data from, eight countries which included Germany, France, Japan, Italy, the PRC and the USA.

“They were complex business units as they involved many other businesses in DuPont as customers. These were truly global deals,” says Cornel Fuerer, Legal Manager for Germany.

Selling part of a business is resource hungry and distracting for any company, and the longer it takes to conclude the transaction the more the organisation can be impacted. Given that the deals were multi-jurisdictional, both in terms of the data that had to be collected and the likely location of interested buyers, there was additional impetus to go virtual.

With up to eight buyer groups involved in the deals at various stages, sequential groups going through a physical dataroom would have meant a drawn-out process. IntraLinks’ On-Demand Workspace allowed simultaneous access to information about the businesses, without compromising the need for data security.

DuPont had worked with other data management solutions in the past, so was familiar with the concept of handling data electronically.

The company needed a solution that was up to the task of presenting potential buyers with information securely and transparently. But its partner also had to provide a 24/7 service that recognised buyers who could be anywhere in the world, as well as enhanced customer service for a team that had not used a virtual IntraLinks dataroom before.



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Peer Recommendation

DuPont's headquarters in Wilmington, Delaware already had two years' experience using IntraLinks in both M&A transactions and more broadly for corporate repositories. As a satisfied customer, it was able to offer a recommendation for IntraLinks as a suitable partner for the projects. Anja Schott, who was appointed dataroom manager, says the system had a number of features that appealed for the upcoming projects, notably 24-hour support.

"We needed to guarantee there would be no problems with access to the workspace for buyer groups. Round-the-clock access to all of the documents was essential for a successful sale. Our partner needed to be able to provide a level of service that would reflect the status of a business like DuPont, and IntraLinks was able to deliver that," she says.

Service Included

Schott, who was charged with data collection and its organisation, had not worked on a virtual dataroom before. IntraLinks provided intensive training in using the system, with Schott working closely with the client service team.

"We were offered a native German speaker on our support team so that all of my queries could be carried out in my mother tongue. In what is an already difficult process, IntraLinks was working hard to find ways to reduce the pain."

One of the first tasks was structuring the indices, a crucial stage where IntraLinks was able to provide Schott and her colleagues with examples of how other organisations had presented their indices. By ensuring that the indices were clear and well organised, DuPont made the due diligence process as painless as possible for potential buyers and sped up the transactions.

Having a firm control of data was doubly important as DuPont was dealing with both deals at the same time.

Controlled Environment

A different degree of data disclosure was required at each level of the project. Around 100 people had access to the system during the two projects, with both projects not necessarily progressing at the same time. From initial interest, when limited information was released, to the later stages when documents were permissioned to limited individuals, Schott had overall control of who saw which documents at the click of a button.

The system allows the sellers to grant discretionary access to particular documents. Although all of the company's data is loaded on to the system in advance of the process, the sell-side controls what buyer groups can see at any particular time. This was particularly useful in controlling the access that potential buyers, who were also competitors, had to confidential DuPont data until their bona fides had been established.

Schott was able to check access to the documents throughout the bidding process to verify that potential buyers had the correct information. "It was critical that they had access to the right documents when we were down to the last buyer groups, and that there were no slip-ups."

With transparency a key requirement, the report function provides an invaluable record of who has viewed particular documents, creating a robust audit trail. The alternative of sending sensitive documents by email would have created a security headache and did not offer the required traceability.

As in any deal, the individuals who were accessing information changed as the deal progressed. The ability to add the new buyer groups and individuals, and provide access to bidder groups, was essential, says Schott.

"You have to act quickly and it only takes about two minutes to add people. As the deal gets to the end game, it is equally

important to be able to delete or deactivate non-active groups."

In such significant transactions it is natural for bidders to have additional requests, so Schott used IntraLinks' Q&A functionality to ensure a complete record of follow-up enquiries and to direct them to the department that could best deal with them. This allowed DuPont to ensure that all questions were fully answered in a timely way.

Deal Done

In December DuPont was able to announce the successful sale of its protective coatings business to a subsidiary of Swiss firm Sika AG and the successful divestiture of its special adhesives business to a subsidiary of French company Bostik SA, but the need for effective information management did not end there.

In the aftermath of the deals, IntraLinks provided DVDs of usage of the system which demonstrated compliance. As well as showing what individuals accessed during due diligence, it also provides a hard record of what they could have accessed during the process. "For our internal compliance records we wanted a complete record of what happened," says Schott.

From being a self-confessed novice when it came to using a virtual dataroom, Schott is now a convert. "IntraLinks' system proved to be absolutely the right solution for our projects. As well as providing a user-friendly and robust solution that ensured the projects were completed seamlessly, IntraLinks backed us up with a level of customer service and support that was exactly tailored to our needs. Following the success of this deal I look forward to using the system again."

About DuPont

DuPont is a science-based products and services company that creates a wide range of products and services for markets including agriculture and food, building and construction, communications, safety and protection, and transportation. It operates in more than 70 countries, had revenues of \$27.4 billion in 2006 and employs 60,000 people worldwide.

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