Success Story:
HeidelbergCement –
IntraLinks delivers the right mix

“Using IntraLinks we were able to conduct a complex, and potentially time consuming, global due diligence process within a very strict timeline.”

– Thomas Kern
Director, Group Strategy & Development
HeidelbergCement AG

*Finalising HeidelbergCement’s biggest ever acquisition required the company to collect details from multiple business units based around the globe. With the deal under tight time constraints, it turned to IntraLinks to power the due diligence process.*

The purchase of British aggregates company Hanson Plc by HeidelbergCement in August 2007 was significant for two distinct reasons. Firstly, the £8billion deal was one of the biggest the sector has ever seen, and secondly there was the ambition to complete the transaction quickly and be ready from day one to begin integration.

IntraLinks, together with partner HSA Horwath, played a vital role in smoothing the path for the deal, facilitating the collection and exchange of documentation in critical locations and from each of the worldwide factories involved. This allowed HeidelbergCement’s advisers to conduct due diligence on a complex operation in just three months and save time on post-merger integration.

**Building the Deal**

“We needed to collect a large amount of information from the various Hanson entities around the world in order that our analysts could assess the potential synergies and risks. However, we also needed a neutral space where this could happen without the implicit risks of allowing free access to the respective systems,” commented Thomas Kern, Director of Group Strategy & Development at HeidelbergCement. Kern had previous experience working with virtual datarooms, and felt that using a secure online workspace would be the best way to manage the information exchange on this deal.

To complete the acquisition HeidelbergCement needed expert project management covering Europe, North America and Asia Pacific. It quickly became apparent that, due to the global scope of the transaction, IntraLinks was the number one choice as it was capable of supporting the exchange of documentation in the many markets it covered.

The size, timeframe and complexity of the project also resulted in the appointment of specialist auditing firm HSA Horwath. Because the deal required regulatory approval before the HeidelbergCement team were allowed access to the information, Horwath was engaged as a trustee to help Hanson collect, organise and index all the confidential documentation which would be needed to complete the transaction. With time being a critical factor, project managers from Horwath’s international network were quickly deployed to manage the collection and uploading of documentation in each of the major countries involved. This process included more than 1,200 plants across three continents.

With both boards keen to conclude the deal, they set a very ambitious time frame for completing due diligence. Personnel from Horwath went to the Hanson offices armed with a questionnaire and checklist of required documentation. With internet access, documents could be uploaded to a secure workspace from each location, with the Horwath team managing each of the workspaces that were created.
As part of the preparation for due diligence, Hanson teams were able to review the material that had been uploaded before it was made available to HeidelbergCement. This involved completeness and quality control checks for all information stored in each workspace. After this a “clean team” of HeidelbergCement’s consultants were given access to the dataroom to analyse all the information that had been prepared by Hanson and HSA Horwath, before closing the transaction.

With only six to eight weeks available for the document collection, IntraLinks’ Workspace Builder tool played a key part in streamlining the process. The tool allowed the remote offices to upload data directly from the desktop and dynamically index pages as they were added to the dataroom. Without the Workspace Builder tool, users have to create their index – a time consuming, but essential process – and stick to it when adding documentation.

With Workspace Builder users simply drag and drop information from the desktop to the index structure where it is automatically added, the user can then upload this to the live workspace, making this vital part of the process is extremely fast and simple.

“Workspace Builder provides a split screen on your desktop that allows you to drag and drop information into the index and then upload it directly to the live workspace,” says Kern. “The main advantage of Workspace Builder is speed. For any company that needs to get its workspace up and running to a tight deadline it’s a really useful tool, without it we would have taken at least twice as long to carry out the project.”

Concrete Support
With so many different offices supplying information, there were 14 different workspaces created for the deal. The information was provided in three waves, each wave representing a different business line. All were viewable on a central hub for the required advisers, making life much easier for the HeidelbergCement deal team. Kern says: “HeidelbergCement set a tough time frame for this to happen, and IntraLinks was able to meet this goal. We were very happy with our achievement, despite our initial concerns about the ability to deliver on such a demanding deadline.”

As many of HeidelbergCement’s staff were using the system for the first time, there was a great need for close customer support. IntraLinks’ round the clock service team ensured that staff could get to grips with the functionality and quickly iron out any problems.

“IntraLinks provides great 24/7 support. Having our own dedicated project manager meant that IntraLinks were on top of any issues that arose and dealt with them quickly,” says Kern. “And because IntraLinks have a truly global footprint, there is always somebody who can answer a question, no matter what time you make the call.”

With several hundred people using the system around the world, there were multiple meetings across different time zones. The IntraLinks global service team was always available to help keep the process on track and ensure the deal happened on time.

Cementing Success
The result was that HeidelbergCement’s analysts received all the necessary data required to conduct a comprehensive due diligence process and facilitate successful integration.

The resulting company is now amongst the largest and the most vertically integrated in the sector, employing 66,000 people. The acquisition has strengthened HeidelbergCement’s position in the US and UK, whilst giving the company a new presence in markets, such as Australia, Malaysia, Spain and Israel.

The HeidelbergCement team was delighted not only with the highly satisfactory outcome, but also with the streamlined process made possible by IntraLinks and HSA Horwath. “Using IntraLinks we were able to conduct a complex, and potentially time consuming, global due diligence process within a very strict timeline,” Thomas Kern, Director, Group Strategy & Development, HeidelbergCement AG.

About HeidelbergCement
HeidelbergCement is the global market leader in aggregates and a prominent player in the fields of cement, concrete and other downstream activities, making it one of the world’s largest manufacturers of building materials. In 2007, Group turnover amounted to approximately €11 billion and the Group share of profit exceeded €2 billion. The core activities of HeidelbergCement include the production and distribution of cement and aggregates, the two essential raw materials for concrete.