



Private Equity Services Due Diligence



Welcome to Wren Sterling's Private Equity Services Due Diligence brochure.

In this brochure you'll find details of the services we offer to acquiring firms, PE houses, and their advisers to support decision-making around pensions and employee benefits during the due diligence phase.

Workplace pensions and benefits can be a tough area to analyse if you're not immersed in that world every day. Wren Sterling's Workplace team is. We instinctively know what fair value looks like for our clients based on our daily interactions with product providers. We can quickly spot administrative errors or regulatory failings and importantly, fix them.

However, the real value we offer PE firms, their portfolio businesses, and other acquiring firms, is in the weeds. We pull out and compare the different pensions and benefits in place, identifying opportunities that can make a meaningful difference to capital value and the employee value proposition of your target firms.

We're proud of the work we do in this space and as a PE-owned firm ourselves, we understand fast-moving nature of deals and the importance of timely, accurate input. I believe you'll find Wren Sterling to be a responsive, commercial partner that adds real value to your due diligence process.

Austin Hutchinson

Financial Planning Director

Wren Sterling

Austin.Hutchinson@wrensterling.com



How we add value at the Due Diligence stage

We help you know what you're buying, before you buy it.

1. Quantify integration costs and timelines before you buy

Inform your post-acquisition costs.

2. Understand employee benefit risks in target acquisitions

Prepare mitigation strategies ahead of day 1.

3. Create an employee benefits consolidation plan

Start unlocking value and quantify required resources ahead of completion.

4. Ensure regulatory compliance

Tick the most important box in any Workplace Benefits audit.

5. Create a template approach for future acquisitions

Speed up future due diligence processes.





Initial Due Diligence and Ongoing Services

Initial Due Diligence Services

Our deep expertise in workplace pensions and employee benefits enables us to provide pre and post-transaction services.

Pension Market Review & Alignment

An assessment of potential value creation arising from a market review and consolidation of existing schemes.

Salary Exchange Implementation

An assessment on each target / acquired entity to ascertain the cost savings and value creation from the implementation of salary exchange, with the objective to align and streamline where appropriate.

Group Risk Review & Alignment

An assessment of existing schemes to identify: potential cost synergies via consolidation into the acquisition group, the best possible outcomes for members, and where benefits may be aligned across all entities leading to a single scalable solution.





Ongoing Services

Post completion, Wren Sterling can help you execute on the value identified in the due diligence stage. For more details of our services in this phase, please see our Post Completion brochure that accompanies this one.

Employee Engagement & Education Programme

Our engagement programmes help create workforce stability post acquisition, helping employees understand the benefits package, delivering financial wellbeing clinics, promoting the employer as employee focused.

Onboarding of any Future Acquisitions

New acquisitions can be brought into the programme at any stage using a proven approach, but tailored to your organisations requirements. Data and reporting is delivered in a consistent manner enabling you to make decisions quickly and easily.

Pension Governance & Consultancy

Ensures ongoing close working relationship with you while providing valuable oversight, ensuring the whole group remains compliant.

Access to Private Client Advice through Workplace

Via a dedicated private client adviser aligned to your organisation, your executive and wider workforce can have access to one to one professional financial advice whenever they need it.

Ongoing Group Risk Reviews

Annual open market reviews ensure that your Group Risk arrangements continue to meet the needs of the business and its employees for the most competitive price.

Our approach to working together

Our aim is to get off the ground quickly. Once we have a detailed understanding of your requirements and your agreement to proceed, we can begin work straight away. From initial meeting to work starting can be as little as two weeks.

1. Initial meeting to scope requirements

Either face to face or via video, the initial consultation is provided at our cost. We'll seek to obtain an understanding of your requirements and to provide an outline of our initial thoughts.

2. Proposal document summarising requirements and indicative approach

We'll walk through timelines and likely involvement required from you. We'll provide a detailed report outlining our recommendations.

3. Provision of terms of business and client agreements

This will outline the scope of our services, our regulatory obligations and the agreement between our firms. We'll also support this with a service level agreement.

4. Anti Money Laundering (AML) checks on directors of PE firm and relevant portfolio businesses

This is a regulatory requirement but is categorised as a soft mark on individual credit profiles.



Starting client work

We understand the relationships between a PE firm and its portfolio businesses. We understand M&A. We're Private Equity backed and have completed 30 acquisitions over the last 6 years.

There are many different elements to consider when assessing target businesses. As specialists in Employee Benefits, we will identify and create a detailed plan for the mitigation of risks, for future simplification, and for value creation in this element of your DD.

Project management from Wren Sterling simplifies the complexities involved, incorporating a defined service level agreement between us.

This includes the utilisation of project plans to track each step (with a breakdown for each entity within the group) and regular meetings to provide updates, confirm key decisions, and manage tasks and timescales accordingly.

1. Creation of a data room to share scheme information from across the group

Complete necessary data gathering from each pension and group risk provider within each entity within the group.

2. Undertake individual scheme due diligence

Understand what is in place. What are the value creation opportunities, what are the hidden risks.

3. Determine and understand any complexities around administration and data handling requirements between entities

Can simplification and streamlining of data administration save costs and time? E.g. one admin for whole group vs one admin per entity with data etc fully ringfenced.

4. Managing multiple stakeholders

Integration can be a slow motion clash of cultures, heightened protectionism and resistance to change. We're sensitive to that. We'll work to bring parties together for the collective benefit of the group.



Our Workplace Benefits Due Diligence Expert

Sarah Herd

Head of Workplace

07720 304356

sarah.herd@wrensterling.com

“Minimum Employer Contribution levels and the range of benefits available to businesses in the UK means some firms will spend big to compete. Which is why due diligence on schemes is so important - we’ve found it can uncover examples of bad practice or non-compliance, but also huge opportunities for cost-savings in the post-completion stage. In my view, every PE firm should be undertaking DD on their target firms’ employee benefits before committing to anything.”

Sarah Herd, Head of Workplace



0115 908 2500
contactus@wrensterling.com

Wren Sterling is a trading name of Wren Sterling Financial Planning Limited, which is authorised and regulated by the Financial Conduct Authority. The Financial Services Register number is 665653. Registered office: 13-19 Derby Road, Nottingham NG1 5AA. Registered in England No. 09157918.

The Financial Conduct Authority do not regulate tax planning.

wrensterling.com