Extreme Convergence: Fusing IT and Business in a Leaner, Global, Virtualized World

March 6-8, 2011 | JW Marriott Desert Springs Resort | Palm Desert, California
Enabling Growth by Acquisition: Creating an M&A Playbook for IT

Steve Phillips
Chief Information Officer
Avnet, Inc.
Avnet Overview

- Founded in 1921
- 50 years on the NYSE
- #142 on the 2010 Fortune 500
- #1 Fortune’s Most Admired 2009 & 2010 - Technology Distribution
- FY’10 Annual Revenue - $19.2B
- 300+ locations in over 70 countries
- ~300 suppliers/100,000 customers
- 65+ acquisitions since 1991
- 16,000+ employees worldwide
Avnet from an IT perspective

THE TEAM
- Global team
- 650 full time IT staff
- 150 contractors
- 9 major IT locations across world

THE TASK
- Mature industry with low margins
- IT more than a utility
- Must create value
- Operational reliability is key
- IT leaders: business first, tech second

THE FACTS
- 1,340 servers
- 350 software applications
- 70% supplier / 38% customer orders are electronic
- Average of 1,850 daily attempts to breach security
Acquisitions in 2009

More acquisitions in 2010

Most integrate in <90 days

390
The Avnet M&A “Playbook”

- Processes & Procedures
- Templates
- Plans
- Checklists
- Teamwork
Document your tribal knowledge
Ease the pain
Avoid the deep freeze

Productivity drops up to 50%

Integrate with *deliberate speed*
Avoid analysis paralysis

1. Reference the playbook
2. Set an aggressive timetable
3. Focus on critical path items
4. Push through roadblocks
5. Make big decisions quickly
Faster integration, faster returns
A case study

- April 2005 announcement
- Memec Group Holdings - $2 billion
- Operations in all three regions: Americas, Europe, Asia
- Goal was to complete integration in less than 90 days
- Deliver best practices, but allow regional flexibility
- North America playbook provided framework for Asian integration
- Memec Americas converted to Avnet systems in just 30 days
- The other regions followed suit <60 days later
- Realized $130 million in synergies
Thank you.

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