



Global Headcount Carveout Solutions

The Carveout Problem

With a carveout, finding a home for newly acquired employees in countries where the buyer does not have an entity and is not registered to run payroll in country can be tough. The time and effort it takes to negotiate the work arounds, set up entities, and navigate myriad employment law issues in countries with only a handful of employees can be disproportionate to the size of the deal.

Globalization Partners, through our Global PEO model and Employer of Record Platform, has the capability to transition international hires on deal close, whereby we hire these employees through our existing, compliant subsidiaries in over 150 countries and then assign them back to the buyer 100%. This avoids the need to cover these employees through the TSA and frees up the buy-side team to focus on more complex issues in the deal.

In a Carveout, Time is Money

Whether it's 3 employees in one country, or 47 employees in 14 countries, Globalization Partners has the technical expertise to act as an extension of the buy-side team to transition these employees and get them on payroll ready for deal close.

The time and cost of setting up entities for employees in low-headcount countries is a disproportionate drain on time and resource of the buy-side deal team, who need to focus on more strategic aspects of the deal. Even when this results in the backstop of leaving these employees with the seller – with the additional TSA costs – this only continues to kick the problem down the road.

Don't let this relatively small problem become an outsized complication. Let Globalization Partners serve as the quick and professional fix.

We will do the heavy lifting by onboarding this low-headcount employee population onto our payroll and assign their time 100% back to the client. Our scalable process, managed by one internal team with specific knowledge in this area and able to cover over 150 countries, means we can onboard a high volume of employees across multiple countries smoothly and within deadline.

Over 80% of our market is covered by our own entities, giving us end-to-end control over compliance with our own legal and client service teams. By leaving this subset to Globalization Partners, the client is freed up to focus on the more significant aspects of the deal, knowing that these employees will move on deal close.



Handle This Aspect Poorly and the People Will Walk

Globalization Partners has deep expertise in managing employee transition and retention, so that the buyer retains its human assets on deal close.

If the people walk, part of the value of the deal walks with them. And despite the relatively low headcount, this portion of the deal requires an outsized amount of time, energy, and attention. Work with the wrong partner, and the problems — poor messaging to the employees, insufficient knowledge on benefits mapping, or lack of risk management on employment contracts — will begin to seriously mount.

Globalization Partners understands there is a lot more transaction support work that goes into a carveout than goes into a typical new hire. We have the in-house expertise to review and recommend a country-by-country benefits strategy to keep the employees whole, plus a wide range of global benefits plans.

We have the largest team of in-house employment attorneys to recommend risk management strategies around employment contracts, especially when dealing with countries subject to TUPE. And we have developed messaging strategies to help our clients position the Global PEO with employees — from formal consultation to answering individual questions — to ensure that the employee base is fully on board with the PEO solution.

Thank You

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