



Enhanced Product Development Capability through Legal Consolidation



Having a strong product development organization is critical to secure innovative capabilities. By leading a major consolidation program for one of the largest R&D organizations in the Nordics, Fortos helped the client create a foundation for improved performance, higher ability to innovate and simplified reporting structures.

Client Challenge

The client, a global Automotive OEM, had a complex legal structure that had evolved over time without any clear strategy, leading to a mismatch between the operational and legal entity set-up. Consequently, the R&D organization was scattered and belonged to many different legal entities within the client group, creating difficulties to monitor operational and financial performance. Moreover, the portfolio of core systems was rigid with different configurations for each legal entity, further adding complexity to the operation.

Fortos conducted a pre-study on behalf of the client and the possibility to align the operational and legal setup was concluded, and the client accordingly decided to consolidate its product development operation into one company.

Client Solution

Fortos led a one-year transformation program consolidating the client's product development organization from the several different legal entities into one. The consolidation included all product development operation, including:

- Transfer of more than 4200 human resources
- Carve out and consolidation of balance sheets into one
- Conversion of all project prototype purchasing orders
- Design and implementation of a new financial model for all R&D cost
- Reconfiguration of total portfolio of core systems





Client Value

By rounding up one of the largest product development organizations in the Nordics into one common legal entity, the client created a foundation for improved innovative capabilities and enhanced performance. It also generated a stronger team spirit within the organization.

The consolidation significantly reduced complexity and simplified the reporting structure in the product development community. Consequently, clarity was increased towards both internal and external stakeholders which strengthened the ability to work closer together and more cross-functional. It also enabled easier follow-up of operational and financial performance, as well as increased responsibility over income statements and balance sheets.

Client & Fortos Collaboration

Fortos led the transformation program in close collaboration with stakeholders from the client organization, utilizing each other's expertise to secure the consolidation. The program included three main workstreams, all consisting of key client resources and a Fortos team. By combining Fortos' extensive experience from major transformation programs and expertise in legal structure changes with client resources' detail knowledge, a successful consolidation could be secured.

Want to know more?

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About Fortos

Transformation is our heritage. Fortos has a long history as one of the most valuable advisors to leading multinational organizations in the Automotive industry. We support our customers to achieve successful transformations through our deep understanding of their business, our world-class transformation competence and long term commitment to deliver sustainable client value.

Learn more about us at [Fortos.se](https://www.fortos.se)

