

IQcatalyst

A commentary on the fact and fiction surrounding the human resource outsourcing, consulting and advisory industry

ISG to acquire TPI

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http://scottgolas.typepad.com/iqcatalyst/2007/04/isg_to_acquire_.html

Information Services Group, Inc. announced that it has signed a definitive agreement to acquire TPI, the sourcing advisory firm. Under the agreement, ISG will acquire TPI for \$280m in cash. TPI's founder and members of management will invest 30% of their proceeds from the transaction in ISG stock at closing. In addition, ISG intends to repurchase up to \$40m of its common stock and/or warrants after closing. The acquisition is subject to customary regulatory and ISG shareholder approvals and is expected to be concluded in the fourth quarter of 2007.

Founded in 1989 and privately held, TPI was an early entrant in the market for advisory services, guiding enterprises through their realignment of support functions. TPI had 2006 revenues of \$147m and 2007 revenue growth estimated at nearly 15%. During the past five years, it is estimated to have generated over 20% compounded annual growth.

TPI claims to having performed over 2,100 engagements for its clients. Among those engagements, the company has supported over 590 outsourcing transactions, estimated at \$250b in total contract value (TCV). It derives over 25% of its revenue from outside the United States.

ISG raised \$258m through a public offering on February 1, 2007 and is listed on the American Stock Exchange. It is led by team from The Nielsen Company (formerly VNU). ISG has stated a plan to repurchase shares and/or warrants to fund growth initiatives.

TPI has 430 employees with industry experience in areas including Information Technology, Enterprise Service Delivery Strategies, Human Resources, Finance & Accounting, Financial Services, Customer Relationship Management and Procurement Service Management.

TPI's client base includes industry leaders in Energy, Financial Services, Healthcare, Manufacturers, Pharmaceuticals, Restaurants and Retail, Telecommunications, Travel, Transportation and Hospitality. Major clients include such companies as: AT&T, Bombardier, ChevronTexaco, Diageo, Goodyear, P&G, Pfizer, PS&G, Singapore Airlines and Volvo.

Evercore Partners acted as financial advisor to ISG and Simpson Thacher & Bartlett served as ISG's legal advisor. Deutsche Bank Securities acted as financial advisor to TPI and Ropes & Gray served as legal advisor.

Source(s): Information Services Group