

# Diligence and Carve-out Support for a Prestige Beauty Brand

## ReVive Skincare LLC



### **SITUATION:** **Providing Transition Services and Stand-up Support**

ReVive Skincare LLC (ReVive), a \$17 million plus luxury skincare brand that sells its products online and via department stores, specialty retailers and distributors in the United States, Canada, the United Kingdom and Asia, was acquired from a global beauty conglomerate by Tengram Capital Partners (Tengram), a U.S.-based private equity firm focusing on the retail and consumer sector.

The acquisition involved the purchase of intellectual property, inventory and the distribution channel. With a majority of corporate services provided by resources shared with the seller, ReVive required transition services support until it could hire its own resources and stand up its own systems and services.



*Working with the FTI team was critical to the success of our first 120 days as a company. The FTI working team seamlessly integrated into the ReVive operational team, providing leadership, executional support and leverage. The team's presence made us stronger while they were with us, and left us stronger thanks to the processes they helped implement, the best practices they deployed and learnings they imparted upon us.*



– Elana Drell Szyfer,  
CEO  
ReVive

### **FTI CONSULTING'S ROLE:** **Transition Service and Separation Planning Development and Management**

FTI Consulting's Retail and Consumer Products industry professionals, along with the FTI Transaction Services team, initially provided due diligence services to enable Tengram to create a more representative profit and loss model for each major customer of the standalone ReVive brand, in order to better determine whether it would go forward with the acquisition.



Following the decision to acquire ReVive, Tengram asked FTI Consulting to assist with the carve-out process. This involved facilitating the creation of the transition services agreement (TSA) across finance, supply chain, HR, legal, new product development, e-commerce sales, and marketing, by conducting interviews and workshops with the seller's and ReVive's corporate officers.

Once the TSA was in place, the team also managed the creation of the Day One checklist and oversaw the Day One separation planning activities between sign and close, following which it provided post-close management, governance and issue resolution support for the agreed-upon transition services.

Alongside managing the delivery of transition services, the team worked with ReVive's management to develop and execute the post-close separation plans to set up a standalone entity.

## OUTCOME: A STANDALONE ENTITY WITHOUT INCURRING ANY STEP-UP TRANSITION FEES

FTI enabled ReVive to exit the transition services agreement and set up the standalone entity, with a fully hired organization, a new ERP system, and a third-party warehouse, within the targeted four-month time span and without incurring any step-up transition service fees for any of the services provided by the seller.



*Tengram did not have extensive experience in complex carve-out transactions. The decision to partner with FTI to assist on the TSA negotiation and project manage the stand-up of a new company was a good one. We leveraged their experience in this area, which enabled us to move quickly and cost efficiently and allowed our management team to focus on moving the business forward. It was key to a successful outcome.*



—Rich Gersten,  
Partner  
Tengram Capital Partners

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### About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

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