

CTB Helps The Thomson Corporation Divest Newspaper Division

Sometimes In Life, There Are No Second Chances. When Success Was Critical, Thomson Newspapers Called On CTB Consulting For A Complex And Seamless Divestiture.

"When you are in a divestiture situation, you have only one opportunity to get it right. You won't get another chance so it only makes sense to get the best professional help in the industry," says Beth Sholar, who recently championed a major technology transition. The challenge was to divest all of Thomson Newspapers' 60 community newspapers.

In February 2000, The Thomson Corporation announced that it was going to sell its newspaper division. Thomson made a strategic decision to focus strictly on the business of producing solutions to "knowledge workers and information professionals in the business and academic workplace." Says Sholar, who was vice president of information technology at the time, "All of Thomson's other divisions are in these businesses. Newspapers just didn't fit that strategy."

The Thomson Corporation was then composed of five different market groups. The Newspaper market group included 60 newspapers organized in a cluster of 15 Strategic Marketing Groups (SMG), an Internet software business and a syndicator of newspaper content. The process of divesting such a large and complex organization was not a simple transaction. The newspapers weren't sold as one entity with one check from one buyer.

The biggest complication was that portions of the technology for the SMGs were centralized in Stamford, CT, including general financial, circulation and advertising systems, along with the management of the wide area network. Messaging systems were also running from Stamford ever since CTB Consulting implemented Microsoft Exchange as the corporate-wide e-mail system the previous year. The individual SMGs had an Exchange Server to handle messaging all under the Thomson domain name.

One of Thomson's priorities was to retain as many key people as possible during the divestiture process. At the same time, Thomson had to be realistic. There would be key people that would choose to leave the organization prior to the completion of the divestiture. The Company felt it was critical to hire an outside firm -- with people not in fear of losing their jobs -- to help with the project and provide stability and focus.

Usually, where there is a divestiture, there is also excess equipment. Thomson needed to resolve the issue of all the excess equipment that would be left over from the business that was going away. One of the big tasks ahead was to inventory all of the equipment, find out where it was located, and manage the process of where it was to go and how it would get there.

"We were only doing this once," Sholar emphasizes, "so we needed a consulting firm in which we had the utmost confidence."

CTB Consulting came to mind immediately since Thomson Newspapers' first engagement with CTB was implementing Microsoft Exchange (which Thomson viewed as a great success). Thomson contacted a couple of other firms, as well, but chose CTB as the primary consulting group.

Sholar recalls, "CTB is the only group that said 'here are some suggestions.' They were very proactive right from the start. Other groups said 'tell us what you want to do, and we'll make a proposal.'"

As an example, early on in the project, CTB consultants recommended heightened security. Thomson agreed immediately that security was extremely important. "The e-mail system was the infrastructure over which all the executive correspondence



Elizabeth Sholar
Vice President, Technology
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The Thomson Corporation is a leading global e-information and solutions company serving the business and professional marketplace.

Business Issue

Divested Newspaper Division made up of 60 newspapers in 15 Strategic Marketing Groups throughout United States.



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CTB Consulting is a private IT consulting company with world-class project management, business process and technology skills. CTB helps organizations that are experiencing rapid change due to Mergers, Acquisitions, Divestitures, Consolidations, or Growth.

would fly back and forth as far as the divestiture was concerned. We felt that we wanted a higher degree of security under the circumstance of closing down a business than you would normally want." Sholar adds, "We purchased that security through CTB which didn't have a bias related to what was going on. CTB really added value."

"The thing that I like about CTB," says Sholar, "is that when they make a proposal, it's very thorough and they hit it. They hit it from a pricing standpoint -- I don't worry one iota about cost overruns, period. And they hit it from a milestone standpoint. And they give excellent reports all along the way." "Once you've agreed to the parameters of the project you can turn it over to CTB and you can take it to the bank that it's going to be done. I don't have to find out if they're on track day to day. They hit the mark and the people are very competent."

From February to December, there were six to ten CTB people engaged at any given time. The original consultants Sholar met with were those that stayed on the job. "With other consulting firms, you might have a rapport with the consultants who come in to sell you the work. But when the time comes to do the work, you may be dealing with an entirely different set of people. And those may be people you don't get along with very well."

Additionally, CTB always had one primary consultant who was physically there every day. "That's very important, because he is dealing with both the financial and the technical departments. He is reflecting the business concerns to the technologists. He is keeping everyone on the same track." When all was said and done, 11 buyers

purchased the 15 Strategic Marketing Groups. Each SMG had six to seven daily papers, a handful of weekly papers, and so on, for the total of the 60 newspapers in the division. "CTB was very helpful in dealing with the buyers," says Sholar. Thomson tried to make it easier for the buyers by giving them direct access to CTB. In turn, CTB gave the buyers the input they needed to work with the systems.

For example, one buyer bought five SMG's, and CTB helped with the coordination efforts. In addition, the new owners were thinking about instituting a corporate-wide Exchange system, so CTB set up a subset of what they had done at Thomson for a demonstration.

"When we sold an SMG to a buyer," explains Sholar, "CTB made a recommendation on how to technically decouple it, how to do the work, and what our options were for transitioning it to the buyer."

CTB guarantees their work to be on time and on budget. "They really keep their word," emphasizes Sholar. "My experience in the past has been that other consulting firms may give a lower quote, but they are clearly doing that to get the job. Then the overruns begin, and as a manager, I have to keep on top of that every day."

"CTB demonstrated the ability to propose real numbers more accurately and they always hit those numbers. With CTB, there were no surprises."

"Finally," Sholar concludes, "we chose CTB because of their prior experience with similar projects. They knew the best practices in the industry. They had the intellectual capital. That experience gave us an immediate comfort level that we were unable to find anywhere else."

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