

Terra Firma Medical Systems (B)

Siemens and Terra Firma Announce Definitive Merger Agreement

Marvin Keats stepped off the plane at Changi Airport, turned on his BlackBerry again, and gulped.

It was Thursday, 29 April 2010. While he was eating lunch at 30,000 feet, his colleagues on the ground at Terra Firma were rocked by the news that the Frost brothers had agreed to sell the company to Siemens AG for NZ\$5.3 billion. Although the board had presumably been consulted, the management seemed to have been caught totally by surprise. The deal was slated to close in August, but all managers at the director level and above were asked to convene in Wellington on Monday to discuss transition arrangements.

Keats's mind raced back to his meeting with Stephanie Clark the day before. It had gone well, he thought. She praised not only his insightful recommendations, but also the depth of analysis that supported them. He had managed to sound both visionary and pragmatic — a difficult feat!

(He made a mental note to reward his team with dinner at one of the celebrity chef restaurants that had just opened at the Marina Bay Sands. He personally fancied a steak by Wolfgang Puck, but mused that he wouldn't mind Mario Batali's ravioli or Daniel Boulud's famed sea bass either.)

Sitting comfortably in a taxi less than 20 minutes after the plane pulled up to the gate, Keats focused harder on reevaluating what he had proposed to Clark in light of the day's news, which he was still struggling to absorb. He knew she would be calling tomorrow afternoon for an update.

He tapped out a quick note to his team requesting a morning meeting to discuss the implications of the merger and review their suggestions for reworking the presentation slides. Although it was now late evening in New Zealand (where his body clock had finally arrived, just in time to get back on the plane), he briefly considered staying up all night to revise the proposal itself.

He quickly decided against this — not because he was tired (he convinced himself), but because he wanted to impress on his boss that the plan he proposed was robust to exactly the kind of uncertainty they had discussed. While it might need to be framed differently, and of course many details would be affected, he was confident that the core of the proposal was solid.

Assistant Professor C. Jason Woodard prepared this case for the 2010 SMU APEX Global Business IT Challenge. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.



Copyright © 2010 C. Jason Woodard and Singapore Management University. This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 Singapore License](https://creativecommons.org/licenses/by-sa/3.0/singapore/).
