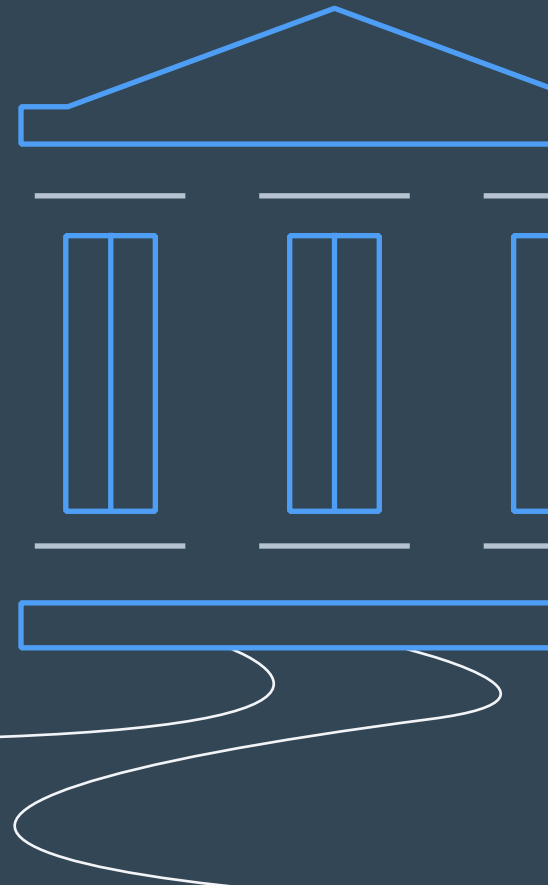


Intapp Strategic Consulting

Driving transformation with strategic funding solutions

Professional services firms are at a crossroads. The legal, accounting, and consulting industries are consolidating, clients are more empowered than ever, and competitors are seizing any advantage. Every firm must either transform its operating model to position the business for the future, or maintain the status quo whilst risking stagnation and decline.



Identifying the challenge

Most firms are embarking on technology-driven transformation and modernisation programmes to improve and update their operations and gain a competitive advantage. Launching these large-scale transformation programmes leads to additional obligations, such as gaining partner consensus, creating a strategic roadmap for change, and identifying and securing funding solutions tailored to the programme of change and the organisation's needs.

These issues can be particularly difficult for large global vereins and similar decentralised structures without a global profit pool. But with a trusted advisor to guide the process, firms of any size or structure can navigate change and achieve their desired business outcomes.



Delivering customised funding solutions

Funding can be a significant challenge for firms pursuing operational transformation and modernisation programmes. To assist with this important step, Intapp works with some of the world's largest banking and financial services institutions to deliver customised funding for Intapp clients.

These funding solutions have empowered firms to steward operational cash flow, reduce tax obligations, demonstrate value to clients, and meet partner expectations. Through a unique financing model, clients have:

- Launched projects more quickly and smoothly, avoiding costly delays
- Secured funding on a shared-liability basis for member firms of a verein or association
- Created alternative funding options to prevent profit dilution for outgoing senior partners, or to meet future funding needs
- Leveraged the total size of a balance sheet across verein structures
- Mitigated risk exposure across multiple currencies
- Established funding vehicles in tax-efficient locations, with the help of tax advisors
- Increased profitability by implementing strategic transformation and modernisation initiatives

As an example, Intapp Strategic Consulting and HSBC work independently with firms' management teams and tax advisors to identify the strategic direction, timeline, and funding requirements to deliver the best solution. Clients have customised loans based on multiple factors:

- Loan tenure and repayment schedules
- Amortising or non-amortising profiles
- The global firm's expected cash generation
- Cross-border regulatory requirements
- Currency needs



Creating a business case for change

Large-scale operational transformation and modernisation programmes are a significant investment, and firms must demonstrate a compelling business case to potential funders. To make commercial decisions, major banks such as HSBC require analysis and documentation for areas such as cash flow and profitability impact.

Intapp Strategic Consulting has supported this process using a proprietary due-diligence framework built on the rigor and methodology that major funders expect.

A track record of results

Intapp Strategic Consulting has played a key role in securing funding for transformation projects by delivering a robust quantitative and qualitative business case that meets the expectations of funding authorities.

For example, Intapp Strategic Consulting has supported two Top 30 global corporate law firms in developing extensive documentation and articulating the business rationale for their technology transformation programmes. The result? Both firms received significant bilateral financing and rapidly deployed their investment in technology infrastructure while achieving favourable impacts on cash flow and profit.

Funding global technology transformations

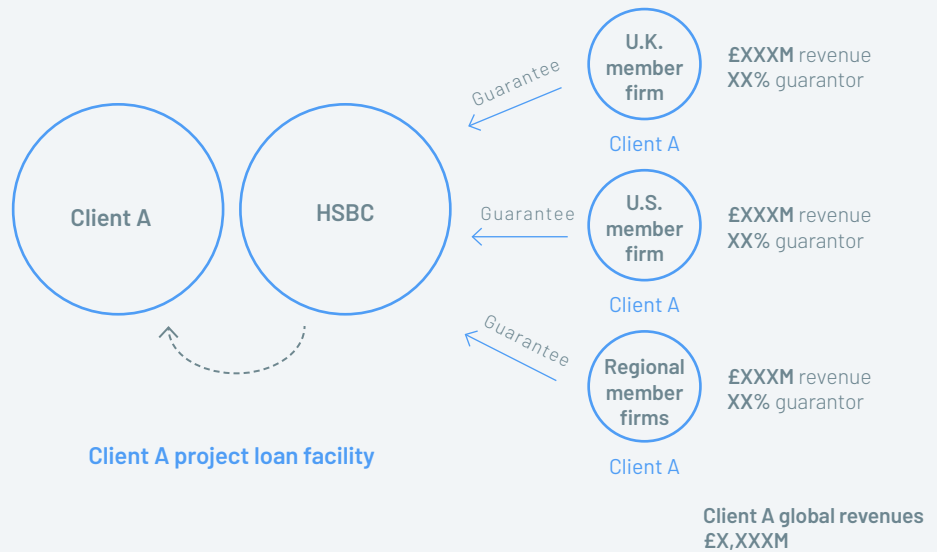
HSBC have established a unique financing arrangement, which allows their clients to fund large-scale transformation programmes. This innovative financing initiative allows global organisations to deliver firmwide technology initiatives whilst minimising the impact on partner profit distributions.

Financing a global transformation: A transaction case study

HSBC has provided a number of bilateral financing arrangements for top-tier global law firms. Clients require financing profiles to suit the needs of their verein structures and member-firm interests. Working in partnership with a firm's tax advisors, HSBC can finance newly incorporated special-purpose vehicles, which are owned by the member firms. HSBC's loans are often secured by several prorated guarantees from the member firms, in line with each firm's revenue contribution.

The clients cited three major benefits:

- Deploying a significant technology infrastructure investment quickly
- Massaging cash-flow and profit impact to the partners
- Spreading the cost across several years to match the asset depreciation profile



Global professional services firms can execute bespoke financing solutions that benefit from the global strength of the group while maintaining a structured level of guarantee from each member firm. This therefore limits each member firm's individual exposure prorated based on their revenue and profitability. This structure can fund groupwide capex projects – such as offshore service centers, PMS, and other IT infrastructure investments – to benefit all member firms.

The funding option includes the following:

- **Security** – HSBC funds the firm's initiative; cross-guarantees are required from material entities within the firm.
- **Structure** – A tailored financing arrangement accommodates vereins and similar firm structures without a global profit pool.
- **Facility** – Large-scale IT capex investments utilise a revolving credit facility or amortising term loan. The term is typically 3 to 5 years with extension and accordion options, subject to discussions.
- **Pricing** – Subject to discussion with HSBC.
- **Benefits** – Rapid deployment enables the firm to realise benefits much sooner, and firms realise the potential for nondiluted partner profit distributions across the firm.

Leveraging expertise

Intapp Strategic Consulting seeks to leverage the expertise of global organisations like HSBC that can provide clients access to an international network with financial and regulatory expertise across many jurisdictions. HSBC's full suite of banking capabilities enable the delivery of integrated financial solutions that allow clients to streamline their business functions and benefit from dedicated support, relationship management, and opportunities to engage with thought leaders on best practices.



Connecting with Intapp Strategic Consulting

To learn more about how Intapp Strategic Consulting can support your firm's transformation efforts, visit www.intapp.com/consulting-services.

About Intapp Strategic Consulting

Intapp Strategic Consulting is at the forefront of advising and supporting firms through large-scale transformation programmes. The team works to:

Improve profitability

Intapp Strategic Consulting analyse client and engagement data to understand the factors affecting profitability and develop a transformation plan aligned with the firm's business strategies and operating models to optimise performance.

Develop a technology modernisation strategy

Intapp Strategic Consulting can examine a firm's existing systems, and those available in the market, and create a strategically prioritised, 3-to-5-year activity roadmap to develop a modernisation plan supported by the right technologies.

Use data as an asset

Firms can deploy Intapp Strategic Consulting to implement firmwide data models, data taxonomy, and data-migration plans to reach meaningful conclusions and advance actionable initiatives.

Develop a case for change

Firms can get help assessing their business challenges in the broader context of the firm to identify key areas for improvement. Intapp Strategic Consulting support clients in articulating a compelling case for change to key stakeholders and funding authorities.

HSBC and Intapp do not have a formal relationship but will work for the best financial interests of their clients.