

# CASE STUDY

## TYCO TAX DEPARTMENT REBUILD & SPINOFF STAFFING

**Industry:** Conglomerate (Security, Fire Protection, Controls)

**Challenge:** Complete Tax Department Rebuild

**Scale:** \$35 Billion Enterprise

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# THE CHALLENGE: A PERFECT STORM



In 2002, Tyco International found itself at the epicenter of one of the most infamous corporate scandals in modern history. The company faced a multifaceted crisis that threatened its very existence:

- **Financial Meltdown:** Tyco was teetering on the brink of insolvency, with a staggering \$11 billion due and limited cash flow.
- **Regulatory Firestorm:** The company was under intense scrutiny, facing multiple investigations from regulatory bodies.
- **Reputation in Tatters:** Widespread distrust from the industry and investors had shattered Tyco's credibility.
- **Leadership Vacuum:** With key executives embroiled in scandal, there was an urgent need for a new, world-class tax team to navigate the complex challenges ahead.

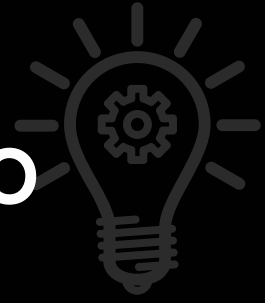
# THE IMPERATIVE: REBUILD OR PERISH



Newly appointed CFO David FitzPatrick and Senior Vice President of Tax John Evard faced a Herculean task:

- **Overcome Stigma:** Transform Tyco's tarnished image from a liability into an opportunity for ambitious professionals.
- **Attract Top Talent:** Recruit elite tax experts willing to take on a high-risk, high-reward opportunity in a hostile environment.
- **Navigate Complexity:** Build a team capable of handling insolvency issues, regulatory investigations, and potential penalties.
- **Regain Trust:** Rebuild investor confidence through strategic tax management and financial transparency.

# TAXSEARCH TURNS CRISIS INTO OPPORTUNITY



John Evard, drawing on past successes with TaxSearch, engaged us to tackle this unprecedented crisis. Together, we crafted a bold, multi-faceted strategy:

- **Strategic Summit:** Conducted a high-intensity weekend strategy session to map out a detailed recruitment process.
- **Talent Magnetism:**
  - Crafted a compelling narrative, reframing Tyco as the ultimate career catalyst for ambitious professionals.
  - Leveraged TaxSearch's exclusive network to identify and engage top-tier tax talent with the resilience and strategic acumen to thrive under pressure.
- **Phased Recruitment:** Implemented a strategic, phased approach, prioritizing key leadership roles to set the foundation for success.
- **Dream Team Assembly:** Built a world-class tax team equipped to navigate insolvency, regulatory investigations, and drive Tyco's phoenix-like resurgence.

## THE RESULTS: A PHOENIX RISES



### Immediate Impact

- **6-Month Marvel:** Within six months, TaxSearch assembled a spectacular leadership team of top tax professionals.
- **Financial Resurrection:** By mid-2003, the new team successfully restated several years of financials, a critical step in regaining credibility.

# THE RESULTS: A PHOENIX RISES



## **Fiscal Resurgence**

- 2002: \$779 million cash flow (against \$11 billion due)
- 2003: \$3.4 billion cash flow
- 2004: \$5.4 billion cash flow

## **Strategic Realignment**

- 2004: Divested 28 businesses, strengthening core operations and focusing the company's strategy.

## **Catalyzing Corporate Evolution**

TaxSearch's strategic staffing laid the groundwork for a series of successful corporate transformations:

- 2007: Tyco splits into three public powerhouses (Tyco International, Covidien, Tyco Electronics)
- 2012: ADT spun off as an independent entity
- 2013: Covidien launches Mallinckrodt as a standalone pharmaceutical force

At each juncture, TaxSearch played a pivotal role in constructing new tax teams, leveraging the elite talent pool from the original Tyco recruitment.

# TAXSEARCH: SEEDING INDUSTRY-WIDE IMPACT



This was one of the largest, most successful incubators for tax talent, ever.

**The original Tyco tax team evolved into an industry-shaping force:**

- 10 team members ascended to head tax roles at multi-billion dollar enterprises.

# TAXSEARCH: SEEDING INDUSTRY-WIDE IMPACT



- Key players transitioned to giants like Pfizer, Merck, and S&P 500 companies, taking on pivotal roles such as Executive Vice President of Tax, Senior Vice President of Global Tax, and Vice President of Global Tax & Treasury. These positions spanned diverse industries including pharmaceuticals, technology, financial services, and consumer goods.
- Several team members progressed to leadership positions in cutting-edge companies, with one individual becoming Vice President of Tax at Tesla and another taking on the role of Corporate Vice President of Global Tax and Treasury at Pfizer.
- Many maintained strategic partnerships with TaxSearch for their own talent acquisition needs, creating a ripple effect across the industry.

## THE TAXSEARCH EFFECT



1. **Crisis Navigation:** We excel in high-stakes recruitment, turning seemingly insurmountable challenges into opportunities for transformation.
2. **Talent Alchemy:** Our unique ability to identify and attract game-changing professionals goes beyond filling roles—we build legacies.
3. **Strategic Foresight:** We don't just staff departments; we construct teams strategically positioned to drive financial turnarounds and long-term success.
4. **Network Amplification:** Our placements create a ripple effect, establishing a far-reaching network of tax leadership that spans industries and decades.
5. **Reputation Rehabilitation:** We possess the expertise to reframe negative perceptions, transforming troubled companies into attractive career destinations for top talent.
6. **Long-term Partnership:** Our commitment extends beyond initial placement, as evidenced by ongoing collaborations with placed executives throughout their careers.

# THE TAXSEARCH DIFFERENCE



At TaxSearch, we don't simply fill positions – we architect success stories. Leveraging deep industry knowledge, a vast professional network, and strategic acumen, we help corporate in-house tax departments and financial leadership build and sustain world-class tax teams. Whether navigating crises, driving growth, or maintaining stability, our clients recognize the power of tax to strengthen their organizations and position them for future success.

**Ready to turn your challenges into opportunities for transformation?**

Contact TaxSearch today and experience the power of strategic talent acquisition.

A quote like this would be idea here: "TaxSearch didn't just rebuild our tax department; they laid the foundation for Tyco's entire corporate resurrection. Their ability to attract top talent in our darkest hour was nothing short of miraculous." — *David FitzPatrick, Former CFO, Tyco International*