

Recipe for success: cbs Consulting's acquisition sweet spot and journey to international growth



Rainer Wittwen serves as CEO of cbs Consulting, a leading SAP consultancy and part of the Materna Group. Specialising in digital business processes, cbs drives successful business transformation for enterprise clients. The company employs approximately 1,500 people and generates an annual turnover of around EUR 270 million.

Rainer, can you tell us about the journey that led you to the digital consulting industry?

I joined cbs when we were a small team of about 20 people. At the time the SAP ecosystem was still in its early stages, with the major focus being the shift from SAP version R2 to R3. My role from the beginning has been to bridge business processes and IT and deliver solutions that go beyond software implementation to address organisational change.

Our growth has been steady and consistent, with the company almost doubling in size every four to five years. Today we are a global organisation with 1,500 employees and 35 offices worldwide. As cbs expanded, I took on

increasing responsibilities, culminating in my appointment as CEO three years ago after our founder retired. In this role, I have focused on enhancing our services and driving selective M&A activities. So far we have acquired two companies in 2022 and 2023, with further acquisitions in progress, all aimed at strengthening our portfolio and capabilities.

The two main industries that we are active in are industrials and life sciences. Typically our sweet spot regarding clients would be a mid-size industrial company with up to EUR 10 billion in revenue. Our ambition was always to combine the business process side with information technology to create a solution for our clients.

How does cbs's focus on digital processes contribute to Materna's overall M&A strategy? How do you see your business evolving within this larger group?

Materna has been our parent company since 2005. While we operate independently, they provide the financial stability and backing of a larger group. Our focus on digital processes and SAP solutions complements their broader offerings, even though we operate in distinct markets. This lack of overlap allows us to concentrate on our strengths and business ambitions.

Our relationship is straightforward and successful; our strong performance allows us to enjoy significant autonomy. This setup has been instrumental in fostering innovation and enabling us to pursue long-term strategies without interference. It's a balanced partnership where we contribute to Materna's overall growth while focusing on our own objectives.

cbs is headquartered in Germany and has expanded globally, with offices in multiple countries. What was the decision-making process for selecting which markets to enter, and how did the buy-and-build strategy factor into your global expansion?

cbs Consulting's international journey began around a decade ago, driven by the global nature of our clients. Many of them operate internationally, so it became essential for us to support them in key markets. We started by expanding into the US and Southeast Asia, establishing a base in Singapore to develop the region. In Asia, we also set up offshore centres in Malaysia and India to support global projects and optimise costs.

Our approach to expansion has been a mix of organic growth and selective acquisitions. While most of our growth has been organic, the buy-and-build strategy allows us to strengthen our capabilities in specific areas. We've been cautious and deliberate in our acquisitions, ensuring they align with our long-term goals.

Looking ahead, what are your key geographic priorities for cbs's M&A activity? Can you share more about your global expansion plans?

With our headquarters in Europe, we are always exploring more opportunities here to complement our existing footprint. Our expansion plans are guided by the principle of logical extensions, either geographically or in terms of deepening our portfolio.

The US in particular presents significant growth opportunities, although it's a challenging market due to its size and competitive landscape. In Asia, we continue to develop our regional market presence while leveraging our offshore centres to support global projects. We have been looking into Dubai too.

With a track record of over 3,000 international projects and 25 years in the digital processes and SAP solutions business, how do you foresee AI impacting these services? How is cbs incorporating AI into its strategy to stay ahead of the curve in this rapidly changing market?

AI is transforming the consulting landscape. Clients will require more in-depth AI consultancy services. We need to expect the unexpected and the human touch will still be integral. There's a huge hype surrounding everything AI, which is probably slightly overestimated in the short term but

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underestimated in the long term. So at cbs we are preparing for the long term and we've started integrating AI into our SAP solutions. For example, we recently developed an AI-driven solution that won a SAP hackathon and is now certified, the first of its kind from a partner.

AI will shift our focus from purely technical implementations to helping clients navigate organisational changes and extract maximum value from digital solutions. We're building expertise in this area and collaborating closely with SAP to stay ahead of emerging trends. This approach ensures we remain at the forefront of innovation.

Seventy percent of the world's market-leading companies in the DACH region are customers of cbs. That's an incredible achievement. Can you tell us more about how you have built and maintained these successful partnerships?

The key to our success is consistency. We view our clients as partners, working collaboratively rather than simply fulfilling orders. This involves listening to their needs, offering constructive challenges, and providing tailored solutions. Next year we celebrate our 30th anniversary, and some of these relationships have spanned over two decades. We are very proud of this.

Can you share some of the most successful or challenging acquisitions you've made in your company's history? What were the most significant hurdles, and how did you overcome them?

One of the biggest challenges in acquisitions is balancing the personal and financial aspects. Sellers often have an



Working with Clairfield

One of the things that really stood out to us about working with Clairfield is how quickly the team understood what really matters to us. For cbs, it's all about finding the right people in the companies we acquire, leaders who share our spirit and logic and who are genuinely keen to contribute to a bigger group while still being able to grow their business as entrepreneurs.

The whole procedure felt very well organised and fact-based, with open communication and prompt feedback throughout. What impressed me most was how well Clairfield understood our goals and how that understanding shaped the process. By creating the right environment for both the practical and personal sides of the transaction, Clairfield helped ensure a good match and this approach has already proven successful for us twice.

emotional connection to their business, making negotiations complex. We focus on building strong personal relationships with sellers to establish trust, while Clairfield helps manage the formalities. Of course, there is always the challenge that one company wants to sell at the highest price, and the other wants to buy at the lowest price, one wants guarantees on everything and the other wants to guarantee nothing. Having Clairfield involved helps to find and facilitate the compromise.

In one recent acquisition, the key was ensuring that the seller's leadership felt they could continue to thrive within our organisation. By maintaining open communication and aligning expectations, we crossed the hurdles effectively and achieved a successful outcome.

The "Power of Orange" motto is a prominent theme across your company's online profiles. Can you share how your teams play a part in your success?

The "Power of Orange" is our employee brand and stands for our vibrant corporate culture. It encapsulates our team spirit

and helps to attract and retain our talent. I do believe we have a special bond as a company, a shared company ethos, a feeling. We are attractive as an employer; we conduct bi-annual staff satisfaction surveys, and our employee turnover rate is low compared to other consulting companies in Germany. And so, for potential sellers, we are an attractive company, with a history, a track record, and a constant and reliable team; in this way, we are positively predictable.

The last few years have been very active for your company. Looking forward, what's your company goal? And what's your forecast for your industry for 2025?

We're optimistic about the future. The ongoing S/4HANA transformation wave (which delivers nearly 1,500 new and updated items, including apps, APIs, functionality, and extensibility) and trends in AI and digitalisation present significant opportunities. Our "Next One" strategy combines innovation and transformation to help clients achieve their goals, whether that's improved efficiency, sustainability, or agility.

Our goals include aiming for more sustainable practices. SAP states that roughly 75% of worldwide economic transactions are run through SAP systems. So, imagine if we could improve the efficiency and sustainability of implementing these transactions by just 0.1%. The impact would be huge, and this is where our focus must be.

While economic uncertainties persist, we're well-positioned to navigate them. Our backlog and client relationships give us confidence in our resilience. Looking ahead, we aim to expand geographically, deepen our portfolio, and continue driving meaningful change for our clients and the broader industry. ■



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