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The CFO as separation value architect

How finance supports the transaction, separates the function, and protects the remaining organization

In divestitures, sell-side finance does more than prepare carve-out numbers. The CFO helps buyers assess and underwrite the business with confidence, separate finance and treasury capabilities from the divested perimeter, and keep the remaining organization reporting-ready after close.

In many divestitures, finance is still treated as the function that packages the numbers after fundamental deal decisions have already been made. In practice, the CFO plays three roles: supporting the transaction, separating the finance function itself, and protecting the remaining organization once the deal is signed and closed.

That matters more than it used to. Increasingly, divestitures are tied to broader portfolio and transformation agendas, not treated only as isolated exits. Deloitte's 2026 Global Divestiture Survey of 1,500 corporate and private equity executives suggests the importance of finance shows up not only in valuation, but also in timing, one-time separation costs, TSAs, stranded costs, and post-close reporting demands.[1]

The practical agenda is wide. For the transaction, finance starts with the deal itself—partnering with corporate development, tax, and legal to define the perimeter, the country-by-country approach to share sales versus asset transfers, and the resulting tax implications.

Without the clarity finance provides in these areas, the rest of the work is hard to do. From there, finance needs to coordinate Quality of Earnings and roll-forward analysis, valuation and financial modeling, purchase agreement input on accounting principles, carve-out financials, closing statements, and purchase price adjustments.

For the function, finance and treasury teams must define Day 1 plans, disentangle processes and vendors, price and stand up TSAs, refresh data and reporting structures, and manage stranded-cost mitigation.

For the remaining organization, finance may still need to manage discontinued operations, transaction accounting, pro formas, earnings-release implications, and 10Q/10K requirements after the sale is complete.

If that was a lot to read, consider how much it is to take responsibility for.

Finance helps buyers assess and underwrite the business with confidence

The first role for finance is to make sure the seller's equity story comes through to buyers and that the data supports it. Where the story and the data diverge, buyers apply a discount.

That work starts well before launch. In the survey, 57% of sellers say analyzing potential deal structures and associated cost-benefit trade-offs before a carve-out goes to market is "important" or "very important." The same percentage say the same about performing a detailed business valuation, and 56% say it about preparing audited carve-out financial statements.

Buyers go further (figure 1): 63% say audited carve-out financial statements are important or very important for a seller to prepare before market. More than half also say sellers should analyze potential deal structures (58%), conduct an internal exit or separation readiness assessment (55%), and prepare a detailed carve-out or transition plan (53%).

That preparation also shows up in outcomes. Among sellers who received higher-than-expected value, 49% say the quality of financial and tax information had a high or significant impact. Nearly as many cite separation plan clarity and broader deal preparation quality. Buyers tell a similar story. Among those who paid more than expected, 56% say high-quality deal information had a high or significant impact, and 51% say the same about a clear separation plan.

The reverse also holds. When value came in below expectations, 45% of sellers pointed to low-quality financial and tax information, and 45% pointed to diligence or exposure risks. Among buyers who paid less than expected, 49% cited low-quality financial and tax information, and 58% cited diligence or exposure risks. These findings illustrate that the finance function does more than report value—it makes the value visible and defensible to the buyer.

Figure 1. What buyers want before a carve-out goes to market

Percentage indicating buyer perspective on what is important or very important for a seller to prepare before going to market:

63%

audited carve-out financial statements

58%

analysis of potential deal structures and cost-benefit trade-offs

55%

internal exit/separation readiness assessment

53%

detailed carve-out/transition plan

Source: Deloitte 2026 Global Divestiture Survey

FOR THE FUNCTION

Finance has to separate finance

The second CFO role is more operational and, in many divestitures, underestimated: separating the finance function from itself.

That means more than producing a few TSA schedules. It can include:

- Defining the Day 1 vision for both finance and treasury;
- Identifying current-state entanglements;
- Planning future-state contracts and systems;
- Refreshing core data definitions and hierarchies;
- Formalizing invoicing and cash settlement between buyer and seller;
- Updating FP&A processes and reporting packages;
- Planning operational cutover;
- Supporting the first month-end close after separation; and
- Designing TSA exit and stranded cost mitigation plans.

Treasury carries its own agenda as well, including bank accounts, net working capital requirements, intercompany settlement, and misdirected cash processes.

Finance can't run this work in its own lane alone. Because finance processes sit at the heart of the revenue and expense engines, the function has to coordinate with sales and sales operations, products, sourcing, manufacturing, and distribution to keep the business running through Day 1, any interim operating model, and TSA exit. The more complex the separation, the more these end-to-end processes (not the TSA schedules) determine how cleanly the business operates after close.

This is where timing risk becomes visible. In the survey, 46% of sellers whose divestiture took longer than expected say weaker financial and tax information had a high or significant impact, and 50% of buyers say the same about a longer-than-expected acquisition. Buyers are also clear in hindsight about what would have helped: 47% say that, if they could do the deal again, they would request a structured transition plan for accounting and financial reporting—the closest single data point to finance readiness as a timing lever.

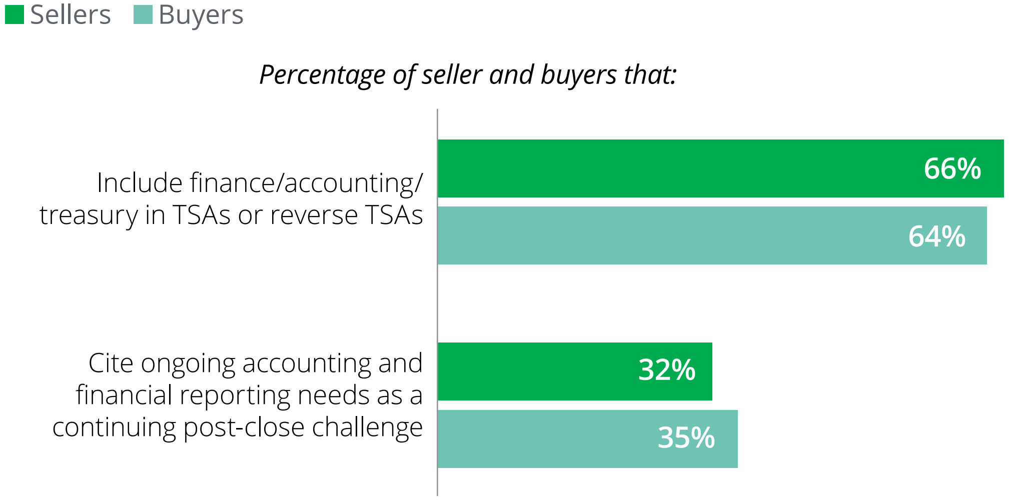
The same point shows up in TSA dependency. Finance, accounting, and treasury are among the services provided through TSAs or reverse TSAs for 66% of sellers and 64% of buyers. Stranded costs are just as stubborn. Only 11% of sellers say they took action to address underutilized resources or recurring operating expenses left behind after the transaction. Most stopped earlier on the maturity ladder: 42% evaluated potential areas of scale loss or dis-synergies, and 37% identified specific contracts, services, or assets likely to remain. The takeaway? In many cases, finance separation is not complete at close, even when the deal is.

Finance still has work to do after closing

The third CFO role is the one most often underestimated: supporting the remaining organization after announcement and close. The work is most acute for sellers, but buyers face mirror-image challenges in the acquired business.

Sell-side work often includes the technical accounting workstreams that follow a divestiture—preparing discontinued operations and pro formas, finalizing transaction accounting and gain-or-loss calculations, realigning continuing-operations reporting, and circulating recast 10Q/10K materials. Each requires alignment with auditors and the audit committee on tight closing-cycle timelines. Without proactive planning, the consequences compound: Tax and audit engagement slips, historical comparatives arrive late, diligence and reporting teams fall out of step, and the audit committee gets too little time to review revised filings.

Figure 2. The CFO's role doesn't end at close



Source: Deloitte 2026 Global Divestiture Survey

These are not edge cases. After close, 45% of sellers cite TSAs as a continuing challenge, 43% cite dis-synergies or stranded costs for the remaining organization, and 32% cite ongoing accounting and financial reporting requirements for the divested business. Buyers report similar finance-related drag: 41% cite dis-synergies or lack of realized value creation, 38% cite TSA management or exit, and 35% cite ongoing accounting and financial reporting needs related to the acquired business.

One-time costs tell the same story. On the seller side, 48% say preparation of carve-out financials increased one-time separation costs. On the buyer side, 52% say accounting and financial reporting integration increased one-time costs. The CFO's job does not end at close—it shifts into a different form.

What stronger CFO leadership looks like

Effective CFO leadership in a divestiture starts upstream—before the deal model is built, before the perimeter is drawn, and before the bidders are at the table. Ahead of a process start and diligence, finance should help compile the materials that make the business understandable and support the equity story the seller wants to convey: Quality of Earnings analysis, roll-forwards, carve-out financials, net working-capital views, reporting implications, and a credible view of Day 1 and TSA requirements.

During diligence and signing, finance should help present a fact pattern buyers can follow and underwrite with less ambiguity, while staying close to purchase agreement accounting principles, purchase price adjustment mechanisms, and closing statement requirements. From signing to close, the work should stay connected to TSA design, finance and treasury stand-up, reporting cutover, controls, and the sequence of actions required to separate cleanly. After close, the role shifts toward discontinued operations, transaction accounting, reporting recasts, TSA exit, stranded-cost removal, and restoring clean performance in the remaining organization.[2]

Many of the decisions that shape proceeds, timing, one-time separation costs, and post-close performance have finance embedded in them well before signing. By the time a deal model is built, the finance answers are mostly already there—or already missing. The CFOs who treat finance as a strategic input from the start typically see fewer diligence delays, less buyer ambiguity in the data, and less reporting disruption after close.

Ahead of a process start and diligence, finance should help compile the materials that make the business understandable and support the equity story the seller wants to convey.

In a market where divestitures are becoming more strategic and more consequential, the CFOs who architect across the transaction, the function, and the remaining organization—treating them as a single problem rather than three—are the ones whose deals show it in proceeds, timing, and post-close performance.

For CFOs, the most useful questions may be the simplest ones:

- Are we producing deal information, Quality of Earnings analysis, and carve-out financials that let buyers underwrite the business with confidence?
- Have we defined the ways finance, treasury, and the associated end-to-end business processes will operate on Day 1, through TSA exit, and after the first close cycle?
- What finance work stays with the remaining organization after close, and have we planned for it with the same rigor as the sale itself?
- Where could weak finance readiness still affect proceeds, timing, one-time separation costs, or post-close performance?

If you are exploring a divestiture, reassessing finance readiness, or are simply interested in comparing how leading CFOs protect value before signing and performance after close, we would welcome a conversation.

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Endnotes

1. Deloitte, *2026 Global Divestiture Survey*, January 2026.
2. Jason Caulfield and Lucy Julian, "Unlocking value: Approaching stranded costs in M&A," Deloitte, March 21, 2025.

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