

EVI Industries: Planning GNA's Systems Transition

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Decision scope: Hypothetical post-signing, pre-close planning for post-close GNA systems and data migration under the signed stock purchase agreement.

Case convention: This is an author-created classroom exercise. EVI's acquisition agreement and public statements are historical; the migration alternatives and assignment are hypothetical. The case does not represent a disclosed internal EVI debate.

The planning question

On 6 March 2025, EVI Industries had publicly filed an agreement to acquire Girbau North America, Inc. ("GNA"), a commercial-laundry equipment distributor. The stock purchase agreement had been signed on 28 February, but the transaction had not closed. EVI's filing said closing was expected within 30 days, subject to conditions. [P5, Item 1.01, HTML lines 79-94]

For this exercise, assume an integration team is preparing a post-close plan for how GNA's data and systems should be separated from Seller systems and migrated. This is a planning assignment, not a decision whether to complete the acquisition or reopen the signed agreement. Any implementation begins after closing and must follow the agreement; the case assumes no pre-close system changes or access beyond what the transaction documents permit.

Decision question: What post-close migration posture and governance gates should EVI use to protect customer and service continuity while meeting the agreement's separation and migration obligations?

Assignment: Prepare a one-page recommendation for a hypothetical integration steering group. Choose an accelerated, phased, or transition-access-first posture-or a clearly specified combination by system or workflow. State who should own decisions, what must be learned before each cutover, how service continuity and data quality will be checked, and what would trigger a pause or rollback. Choose a first formal review horizon as a classroom assumption and explain it. Do not present a company budget, target migration date, system inventory, or savings estimate as known fact.

EVI and GNA

EVI describes itself as a value-added commercial-laundry distributor. Its services include equipment sales, installation, maintenance and repair. The company has characterized its growth strategy as “buy-and-build”: acquisitions expand its business, while the “build” component may include investments in service capability, personnel, product lines, facilities and technology. These are company descriptions and management’s stated strategy, not proof that a particular system-integration plan has been selected. [P1, Item 1, printed pp. 4, 6 / HTML lines 215-224, 262-266]

EVI’s 3 March release described GNA’s distribution and support network and said GNA would continue under Mike Floyd, with its team, name and locations retained in line with EVI’s decentralized operating approach. That was management’s announced plan, not evidence of post-close outcomes. [P4, HTML lines 16-36]

The signed agreement also sets limits on how that continuity statement should be read. It requires Buyer (EVI) to change the Company’s (GNA’s) corporate name to eliminate “Girbau” references no later than the third anniversary of closing. Until Buyer eliminates those references, GNA and its subsidiaries may not sell products from competing manufacturers other than manufacturers marketed by the Company at closing unless Seller gives prior written consent, which may not be unreasonably withheld. [P6, §6.15, HTML lines 1032-1033]

The transition rights and obligations

Buyer’s access to Seller systems and data begins at closing and lasts 24 months, or a shorter period if Buyer reasonably determines Company Data has been migrated. If, at month 24, Buyer reasonably determines Company Data remains unmigrated, the Transition Period extends month to month until Buyer reasonably determines migration is complete. Buyer is responsible for migration and Seller must cooperate when requested. Any Salesforce-environment configuration, development or system change requires mutual agreement before production deployment. Separately, changes to Seller’s Salesforce licenses that may affect Company operations require Buyer approval. [P6, §6.17, HTML lines 1037-1047]

The 24-month period starts at closing, which had not occurred by the information cutoff. It is a contractual transition right, not a direction to move every system on the same timetable. The agreement also defines a \$580,000 Salesforce Development Cost amount, deducts that amount in the purchase-price calculation, and allocates development costs above it to Buyer. It is a specific contract allocation, not the total integration budget or a measure of all migration costs. [P6, defined term, HTML lines 465-466; §2.2(a)(viii), lines 532-535; §6.17, lines 1037-1047]

The public filings do not identify GNA’s applications, interfaces, data volumes, dependencies, data quality, technical readiness, service-critical workflows, staffing needs, transition-service costs, security findings, expected interruption exposure or migration economics. They also do not set out a migration schedule or disclose an internal decision on migration sequencing. [P4-P6]

Three possible post-close postures

All three are classroom alternatives. The public record does not say EVI considered or selected any of them.

Posture	Potential advantage	Principal risk or question
Accelerate standardization	Reduce dependence on Seller systems and move toward common EVI processes sooner.	Can EVI validate data, interfaces, user readiness and service continuity before moving customer- or service-critical work? The record does not show the systems are ready or interchangeable.
Migrate in phases with gates	Sequence work by workflow or data set, with testing, reconciliation and rollback before each cutover.	Will staged migration create duplicate records, prolonged support needs or inconsistent processes? What evidence justifies each gate?
Use transition access during active discovery and testing	Preserve the contractual bridge while the team maps dependencies, tests migration and holds periodic readiness reviews; cut over when defined gates pass.	What unresolved evidence justifies continued access at each review? How will EVI limit Seller-system dependence, support cost and delayed standardization? Access ends sooner if Buyer reasonably determines Company Data has migrated; if data remains unmigrated at month 24, the agreement requires month-to-month extension until Buyer reasonably determines migration is complete.

The alternatives can be combined by system or workflow, but any such combination is a classroom proposal. “Salesforce” appears in a specific production-change and development-cost provision; the agreement does not establish that Salesforce is GNA’s only system or that all Company Data resides there. [P6, §6.17, HTML lines 1037-1047]

Questions for discussion

1. Which migration posture or combination would you recommend, and what facts support it? Which proposed move should happen first, and what must be true before it proceeds?
2. What measures would show that a cutover protects customers, service work, information quality and users? Who should have authority to pause or reverse it?
3. How should the team use the contractual access period and handle the \$580,000 Salesforce Development Cost allocation without treating either as the total project budget or a fixed migration deadline?
4. What evidence would cause you to accelerate, phase, or extend the transition? Identify the assumptions in your recommendation and the first review horizon you chose for this exercise.

Public sources

- **P1.** EVI Industries, Inc., FY2024 Form 10-K, filed 12 September 2024. **SEC filing.** Item 1, printed pp. 4, 6 / HTML lines 215-224, 262-266.
- **P4.** EVI Industries, Inc., GNA acquisition release, dated 3 March 2025 and furnished with the 6 March Form 8-K. **SEC exhibit.** HTML lines 16-36, 57-63.
- **P5.** EVI Industries, Inc., Form 8-K, filed 6 March 2025, report date 28 February 2025. **SEC filing.** Item 1.01, HTML lines 79-94.

- **P6.** Stock Purchase Agreement dated 28 February 2025, filed as Exhibit 2.1 to P5 on 6 March 2025. **SEC exhibit.** Defined term and §2.2(a)(viii), HTML lines 465-466 and 532-535; §§6.15 and 6.17, lines 1031-1047.

Evidence boundary: The agreement and management's announced continuity plan are public facts at the cutoff. Alternatives, roles, review horizon, gates and measures proposed by students are classroom constructs. The public record supports a qualitative governance recommendation, not an optimal schedule, project budget, NPV or system-level return estimate.