

## **First Data to be sold for \$22 billion. Company employs around 5,000 in Omaha; some jobs 'at risk'**

By Brad Davis / World-Herald Business Editor - Jan 16, 2019



A Wisconsin-based company said Wednesday it had inked a deal to purchase First Data, the Omaha-born company that has employed around 5,000 people in the area.

Fiserv, a financial technology company, said it would purchase First Data in an all-stock deal for \$22 billion.

At least some of the First Data jobs in Omaha could be at risk as the combined company, which will operate under the Fiserv name, looks to prune duplicate functions.

It wasn't clear in the companies' Wednesday statement what the deal would mean for the companies' workforces. A spokeswoman for First Data said she didn't have an initial comment when contacted by The World-Herald.

John Boyd, an expert when it comes to companies determining where to locate their workforces, said the First Data sale should ring alarm bells in Omaha.

"The acquisition puts Omaha at risk," he said.

The type of work that First Data does in Omaha is in large part labor-intensive and repetitive, he said — things like data processing and stamping cards.

As technology evolves, particularly as artificial intelligence takes hold, Boyd said a lot of those older-line jobs will likely vanish. Automated systems in many jobs like these are taking humans out of the equation, he said.

In Omaha in recent years, First Data's print mail facility at 72nd and Pacific Streets has generated more than 4 million pieces of mail daily. Its card factory in north-central Omaha has produced up to 100 million cards in a given year.

For these types of jobs at First Data in Omaha, Boyd said, "I would expect many of them just to disappear into the atmosphere."

Although the company spokeswoman didn't have an immediate comment on the Omaha workforce, First Data and Fiserve said in their Wednesday statement that they intended to see "cost savings" in their tie-up.

From a presentation detailing why the deal would be good for shareholders, the companies said: "Majority of savings (will come) from duplicative overhead, streamlining operations, enhanced operational efficiency and process improvements."

Jeffery Yabuki, president and chief executive of Fiserv, said in the statement that his company looked forward to "welcoming First Data's talented associates."

First Data, which traces its roots to Omaha in 1971 as the Mid-America Bankcard Association, has in recent years employed around 5,000 people in the area. The company spokeswoman said Wednesday she didn't have current figures for the most recent employee head count.

The company, which is now based in Atlanta, is listed in the Top 10 for employers with the most local workers, according to data from the Greater Omaha Chamber of Commerce.

First Data Chairman and Chief Executive Frank Bisignano told The World-Herald in 2015 that First Data had "recommitted to Omaha" since his arrival in 2013.

"I consider (Omaha) the heart and soul of the company, honestly," he said at the time.

David Brown, the president and chief executive of the Greater Omaha Chamber, said the chamber would look to support the companies through the transition.

The chamber will "look forward to working with First Data's leadership to build their future here," he said. "There is no doubt that First Data's impact on our region has been profound and appreciated, and we look forward to an even more compelling future."

According to the companies' Wednesday statement, First Data shareholders will receive about 0.30 shares of Fiserv for every share of First Data they own. That's a premium of about 29 percent based on the recent trading of First Data's stock.

The deal is expected to be complete in the second half of 2019, the companies said.

First Data's stock jumped higher Wednesday in the wake of the deal, jumping about 20 percent from Tuesday's closing prices to fetch \$21 a share in afternoon trade. Fiserv, on the other hand, was down by more than 4 percent.