

SAMSON PARTNERS GROUP

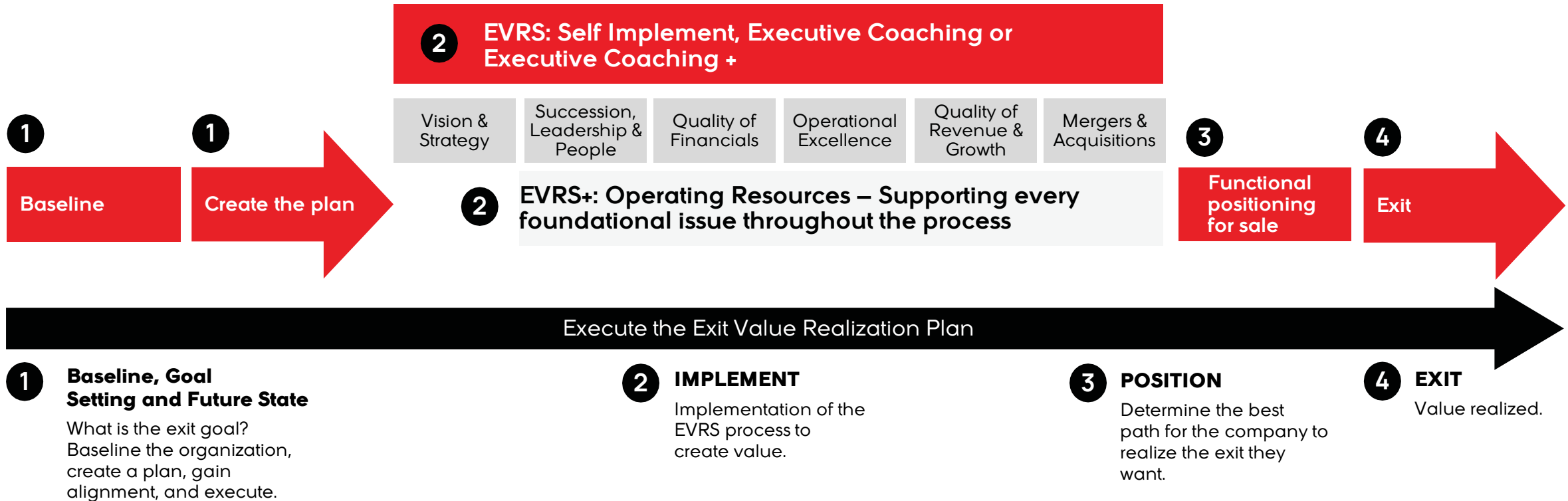


**EVRS**

EXIT VALUE REALIZATION SYSTEM  
TOOLKIT

# EVRS Process

We support the end-to-end process of Exit Value Realization – we are your partner in arms, going to battle with you to realize the exit you want.



## 1. Vision and Strategy

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*High value companies are...*

- Widely known and fully supported
- Driven by a strong, consistent vision
- Emulated by their competition

## 2. Succession, Leadership and People

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*High value companies...*

- Attract, building a great team that will operate well with the next owner
- Develop, investing in succession and strong leadership across essential roles
- Reduce risk, minimizing dependence on key personnel in all critical functions

## 3. Quality of Financials

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*High value companies...*

- Generate robust reporting by broad variables based on an investor's view
- Optimize cash across the entire company
- Capture historical data and current trends

## 4. Operational Excellence

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*High value companies prioritize...*

- Cost efficiency, reallocating spending on higher return opportunities
- Asset efficiency, optimizing their balance sheet and capital expenditures
- Functional excellence, driving superior performance in all areas that matter

## 5. Quality of Revenue and Growth

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*High value companies...*

- Drive core growth, outgrowing the end market
- Reduce concentration, avoiding reliance on just a handful of clients
- Reduce dependency, driving revenue and growth with a complete sales organization, not just the founder

## 6. Tech, Data & Marketing

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*High value companies...*

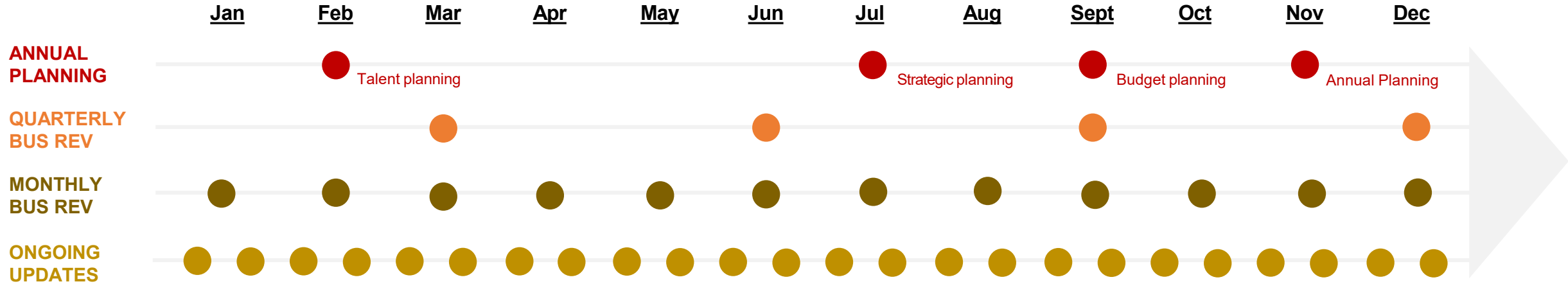
- Are driven by quantifiable data, not guesswork or tradition
- Thoroughly use tech to their advantage, including ERP, CRM and other enterprise tools
- Build and implement measurable efficiency advantages

## 7. M&A (if necessary)

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*High value companies...*

- Pursue and complete acquisitions that are strategic and additive
- Strongly integrate acquisitions, with demonstrated growth post close
- Maintain a pipeline with actionable deal flow that can be taken advantage of post close



**ONGOING STRATEGIC UPDATES**

**MONTHLY BUSINESS REVIEW**

**QUARTERLY BUSINESS REVIEW**

**ANNUAL PLANNING**

**OBJECTIVE**

Ongoing status and collaboration updates on key initiatives

Ongoing financial, KPI and initiative progress review to drive team accountability

Longer-form business review with opportunity to step back and refresh plans

Series of annual planning processes (strategy, budgeting, KPIs, talent)

**FREQUENCY**

Every two weeks  
60 min

Monthly  
90 min

Quarterly  
Half day/full day

Annual  
Various multi-week processes

**CONTENT**

- Progress status
- Collaboration/feedback
- Plan/assign/track actions

- Financial & KPI review
- Initiative status updates
- Address/resolve issues

- Financial & KPI review
- Adjust as needed for next quarter (plans, priorities, budgets, assignments, etc.)

- Will vary by process, business dynamics, etc.

## 1. Where do you stand?

*Identify your current situation*

### The Unvarnished Truth:

- **Market:** Definition, size, growth
- **Customer:** Segments, needs, purchase factors
- **Competition:** Current environment, positioning, capabilities
- **Company:** Financials, talent, culture, operations, technology, bandwidth, etc.

### SWOT exercise:

- Identify key strengths, weaknesses, opportunities and tactics

This is an honest evaluation of your current position. You should identify the **5-10 most critical drivers** of your business in today's competitive landscape.

## 2. Where do you want to go?

*Identify when and what type of exit you want*

### 3-5 Year Horizon

#### Strategy: Where to grow

- Core offerings, markets/geography, channels, products/services, customer demographics, value chain

#### Strategy: How to win

- Leveraging your unique value proposition to gain new customers and hold existing ones
- Emphasize your competitive advantage – dig your moat – to beat out the competition

Make the important decisions about **where to compete and where not to**, leveraging the competitive edges you have today and those you'll have tomorrow.

## 3. How to get there

*Your implementation plan*

### Year One Strategic Initiatives

- **Realistic outlook:** What must be done to secure the exit?
- **Prioritize within the 7 Pillars**
- **Move with Focus:** Tackle no more than 3-5 change items at a time – Do not overextend yourself
- **Manage efficiently** – Chunk initiatives into achievable quarterly units

### Translate to action & accountability

- Build systems to manage closely

Determine the **key initiatives** that will actively move you from where you stand to where you want to go.

## One-Page Exit Strategy

- Simple visualization of:
- Ambition
  - 3-year Goals
  - Where to Play
  - How to Win
  - Strategic Initiatives

## Financials

Standardized set of financial statements, ratios, and templates  
Typically published monthly, with a subset reported weekly

## KPI Scorecards

Standardized view of monthly KPI scorecard  
Weekly production bowler KPIs supplementing financial snapshot

## Summary Objectives

Quarterly summary tying together financial and KPI objectives with key initiatives

## Strategic Initiatives

Project workplans and progress trackers for managing key strategic initiatives

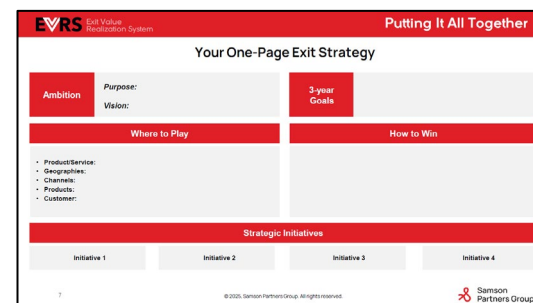
Now that you have the vision and strategic plan, you need to measure progress. Develop Key Performance Indicators (KPIs) for at-a-glance evaluation of growth towards success.

	Measurement	Frequency
Financial	<ul style="list-style-type: none"> <li>Sales</li> <li>Gross margin (%)</li> <li>Revenue</li> <li>EBITDA</li> <li>EBI</li> <li>AR (by Aging)</li> </ul>	<ul style="list-style-type: none"> <li>Weekly (by Sales), Monthly, Quarterly, YoY</li> </ul>
Sales	<ul style="list-style-type: none"> <li>Units</li> <li>Orders</li> <li>Leads</li> </ul>	<ul style="list-style-type: none"> <li>Weekly, Monthly, Quarterly, YoY</li> </ul>
Quality of Operations	<ul style="list-style-type: none"> <li>Production time</li> <li>Production amounts</li> <li>Production Margins</li> <li>Specific business metrics – returns, rejects, warranty jobs...</li> </ul>	<ul style="list-style-type: none"> <li>Daily, Weekly, Monthly, Quarterly</li> </ul>
Resources	<ul style="list-style-type: none"> <li>Open workload</li> <li>Houring</li> </ul>	<ul style="list-style-type: none"> <li>Monthly, QoQ, YoY</li> </ul>

Initiative Tracking

Milestones	Action Items / Tasks	Owner	Status	Commentary
Milestone 1	Task 1			
	Task 2			
	Task 3			
Milestone 2	Task 1			
	Task 2			
	Task 3			
Milestone 3	Task 1			
	Task 2			
	Task 3			

LEGEND: Complete (Green), On Track (Yellow), Not Started (Grey), Risk of delay (Orange), Delayed (Red)



Measuring Progress - KPIs

Now that you have the vision and strategic plan, you need to measure progress. Develop Key Performance Indicators (KPIs) for at-a-glance evaluation of growth towards success.

	Measurement	Frequency
Financial	<ul style="list-style-type: none"> <li>Sales</li> <li>Gross margin (%)</li> <li>Revenue</li> <li>EBITDA</li> <li>EBI</li> <li>AR (by Aging)</li> </ul>	<ul style="list-style-type: none"> <li>Weekly (by Sales), Monthly, Quarterly, YoY</li> </ul>
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# Your 3-year Exit Plan

Now it's time to build on Where to Play/How to Win, using those determinations to make well-considered choices about what you want the next 3 years to look like across each key dimension

	From: Today	To: 3-year Ambition
Quality of Financials	<ul style="list-style-type: none"> <li>• Revenue</li> <li>• Gross margin (\$/%)</li> <li>• EBITDA (\$/%)</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue</li> <li>• Gross margin (\$/%)</li> <li>• EBITDA (\$/%)</li> </ul>
People/ Succession	<ul style="list-style-type: none"> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• ...</li> </ul>
Quality of Operations	<ul style="list-style-type: none"> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• ...</li> </ul>
Quality of Growth	<ul style="list-style-type: none"> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• ...</li> </ul>
Market Position	<ul style="list-style-type: none"> <li>• ...</li> </ul>	<ul style="list-style-type: none"> <li>• ...</li> </ul>

## Your One-Page Exit Strategy

**Ambition**

*Purpose:*

*Vision:*

**3-year  
Goals**

**Where to Play**

- **Product/Service:**
- **Geographies:**
- **Channels:**
- **Products:**
- **Customer:**

**How to Win**

**Strategic Initiatives**

**Initiative 1**

**Initiative 2**

**Initiative 3**

**Initiative 4**

## Prioritization framework



Objectives and scope of work	Business outcome (“why”)	Owner(s)
• ...	• ...	• ...

Milestones				
Workstream	Action items / tasks	Owner	Status	Commentary
Workstream 1	Task 1			
	Task 2			
	Task 3			
Workstream 2	Task 1			
	Task 2			
	Task 3			
Workstream 3	Task 1			
	Task 2			
	Task 3			

Key Risks / Dependencies	Resourcing requirements
• ...	• ...

**LEGEND:** ■ Complete ■ On Track ■ Not started ■ Risk of delay ■ Behind

Now that you have the vision and strategic plan, you need to measure progress. Develop Key Performance Indicators (KPIs) for at-a-glance evaluation of growth towards success.

	Measurement	Frequency
Vision & Strategy		
Succession, Leadership & People		
Quality of Financials		
Operational Excellence		
Quality of Revenue & Growth		
Tech, Data & Marketing		
M&A		

## 1. Executive Summary

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- Highlights of key financial and operational results
- Major achievements or concerns
- Outlook

## 2. Financial Statements

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- Balance Sheet
- Current period vs Year End vs same period prior year

### Income Statement

- Current Year Month or Quarter compared to Prior Year month or quarter
- Current Year to Date Compared to Prior Year
- Trailing Twelve Months Compared to Prior Trailing 12
- Year to Go forecast and 3 month rolling forecast / Scenario Analysis (as appropriate)

### Cash Flow Statement

- Month and Year to Date compared to prior periods
- 8- or 13-week Rolling Cash Forecast

## 3. Budget vs. Actual Analysis

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- Comparative analysis of actuals vs. budget - Monthly and Year to Date/TTM
- Variance explanations (dollar and percentage)

## 4. Key Performance Indicators (KPIs)

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- Financial KPIs: Revenue growth, gross margin, EBITDA, liquidity ratios, cash conversion cycle
- Operational KPIs: Customer acquisition, retention rates, production volumes, Other operational KPIs specific to Company/Industry etc.

## 5. Accounts Receivable and Payables Aging

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- Aging schedules for AR/AP
- Potential risks (e.g., overdue accounts, upcoming unusual cash needs)

## 6. Debt and Covenant Compliance

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- Outstanding debt balances
- Upcoming maturities
- Covenant calculations and compliance status

## 7. Capital Expenditures (as applicable per industry)

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- Summary of actual vs. budgeted CapEx
- Major projects and their status

