

5-YEAR SPRINT TO VALUE CREATION



With the average hold time of investments hovering around 5 years, it may be best to think of value creation as a series of sprints rather than a marathon.

Dealmakers haven't been bashful about making the case to support today's elevated valuations. And that translates to greater emphasis on the investor and management team to maximize value in a compressed period of time. Whether implemented simultaneously or prioritized, the following sprints could produce value creation results faster and with more impact, if well-planned and well-executed.

REVENUE SPRINTS

PRICING STRATEGIES

ISSUE: Current pricing strategies are squeezing margins and eroding profits.
ACTION: Redesign the pricing strategy to support the growth objectives of the business.



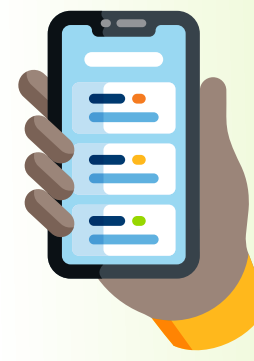
SALESFORCE OPTIMIZATION

ISSUE: Salesforce is underdelivering when compared to its true potential.
ACTION: Assess salesforce systems, incentive programs, and processes. Design and implement a sales effectiveness program targeting the challenges that have the greatest impact on value.



CUSTOMER PREFERENCES

ISSUE: Company lacks systems to track changes in customer preferences, buying habits, and engagement.
ACTION: Build systems to identify the customer journey and measure engagement and satisfaction levels in real time.



ESG ASSESSMENT

ISSUE: Current commitment to ESG is undefined, with little or no strategy around ESG planning, implementation, or reporting.
ACTION: Assess current and future state of the portfolio company's ESG journey and align to the private equity parent's ESG priorities.



COST OPTIMIZATION & OPERATIONS SPRINTS

WORKING CAPITAL

ISSUE: Lack of liquidity and decreased levels of free cash flow are hampering efforts to grow the business.
ACTION: Tighten cash management and increase visibility of the cash conversion cycle across the organization.



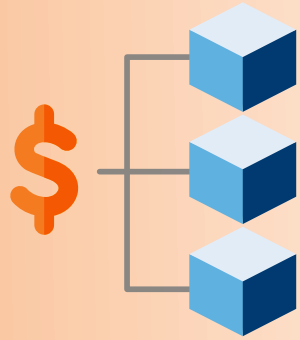
SOURCING FOR GROWTH

ISSUE: Legacy vendor accounts and procurement policies are straining customer relationships and reducing margins.
ACTION: Professionalize sourcing and procurement to optimize costs, decrease disruptions, and support growth.



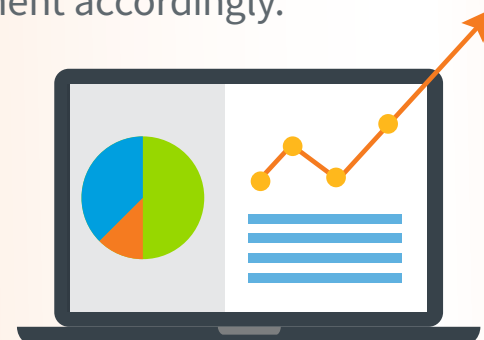
SUPPLY CHAIN

ISSUE: Supply chain is stressed due to its vulnerability to ever-evolving market conditions.
ACTION: Build resilience and sustainability into the supply chain. Given constantly evolving market conditions, plan and forecast to a range of acceptable performance.



TECHNOLOGY SOLUTIONS

ISSUE: Systems and software don't support business operations.
ACTION: Identify manual or outdated processes where the application of new technology solutions could result in increased efficiency, and implement accordingly.



APPLIED ANALYTICS

ISSUE: Business lacks tools/strategy needed to make data-driven decisions, or to create and deliver reports to stakeholders.
ACTION: Apply analytics to business processes where the management team needs deeper visibility to make decisions and fulfill stakeholder reporting requirements.



HUMAN CAPITAL SPRINTS

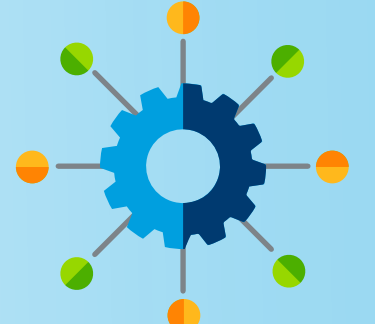
MANAGEMENT AUGMENTATION

ISSUE: An assessment of the management team's capabilities and qualifications reveals gaps in their collective ability to implement against the Value Creation Plan (VCP).
ACTION: Hire interim members to fill gaps in the management team and give lift-off to the VCP.



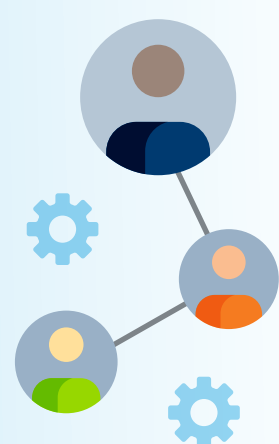
OUTSOURCED OP PARTNER

ISSUE: Without a dedicated resource to focus on the implementation of the VCP, the investment is likely to underdeliver on its impact.
ACTION: Appoint an outsourced operating partner or project manager to increase the speed of execution and coach the management team.



FINANCE & ACCOUNTING

ISSUE: Finance team doesn't have the right talent or processes in place to support the growth of the business.
ACTION: Build a high-performance team. Professionalize and transform the finance function.



CULTURE & DEIB

ISSUE: Insufficient commitment to workplace culture, diversity, equity, inclusion, and belonging may leave employees feeling undervalued.
ACTION: Assess current workplace and workflows. Set and communicate appropriate priorities.



M&A SPRINT

M&A

ISSUE: Organic growth takes too much time and won't deliver enough growth to achieve investment objectives.
ACTION: Implement a smart M&A strategy as a faster way to accelerate growth and create value.



Want to talk about planning and executing on your next 5-year sprint?

CohnReznick's value creation team can help with interim management, outsourced integration project management, or any of the sprints referenced above. Our team understands your priorities, and will contribute action-oriented solutions to help create value right out of the starting blocks.

About CohnReznick

As a leading advisory, assurance, and tax firm, CohnReznick helps forward-thinking organizations achieve their vision by optimizing performance, maximizing value, and managing risk. Clients benefit from the right team with the right capabilities; proven processes customized to their individual needs; and leaders with vital industry knowledge and relationships. Headquartered in New York, NY, with offices nationwide, the firm serves organizations around the world through its global subsidiaries and membership in Nexia International. For more information, visit www.cohnreznick.com

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