

POSSIBLE (RE)DEFINED

Increasing the Value of Your Business through Process & System Improvements

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KNOWLEDGE

Learning Objectives

Summarize important considerations of determining the value of a business in preparation of a transaction

Evaluate existing processes and systems

Identify tech stack improvements that can positively impact the value of a business

AREA OF FOCUS

Today, We're Covering

Digital Transformation



FUTURE CONTENT

Stay Tuned!

1. Maximize Your Exit Later by Planning for it Today
2. Increasing the Value of Your Business through Process & System Improvements
3. Preparing Your Financials for the Sale Process
4. Preserving Your Wealth - Tax Estate Planning Considerations

... And more!

WELCOME

Today's Presenters



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EXPLORING NEW AREAS

Agenda

- What *really* drives value?
- Prioritization of process and technology investments
- Technology value driver deep dive
- Realization of benefits
- Q&A

FROM THE

Digital Operating Partners

“Digital transformation supports innovation and invention that, in turn, supports a steeper growth profile—a growth trend that is sustainable because going digital is a structural change, not a short-term blip in cash flow.”

Bruce Sinclair

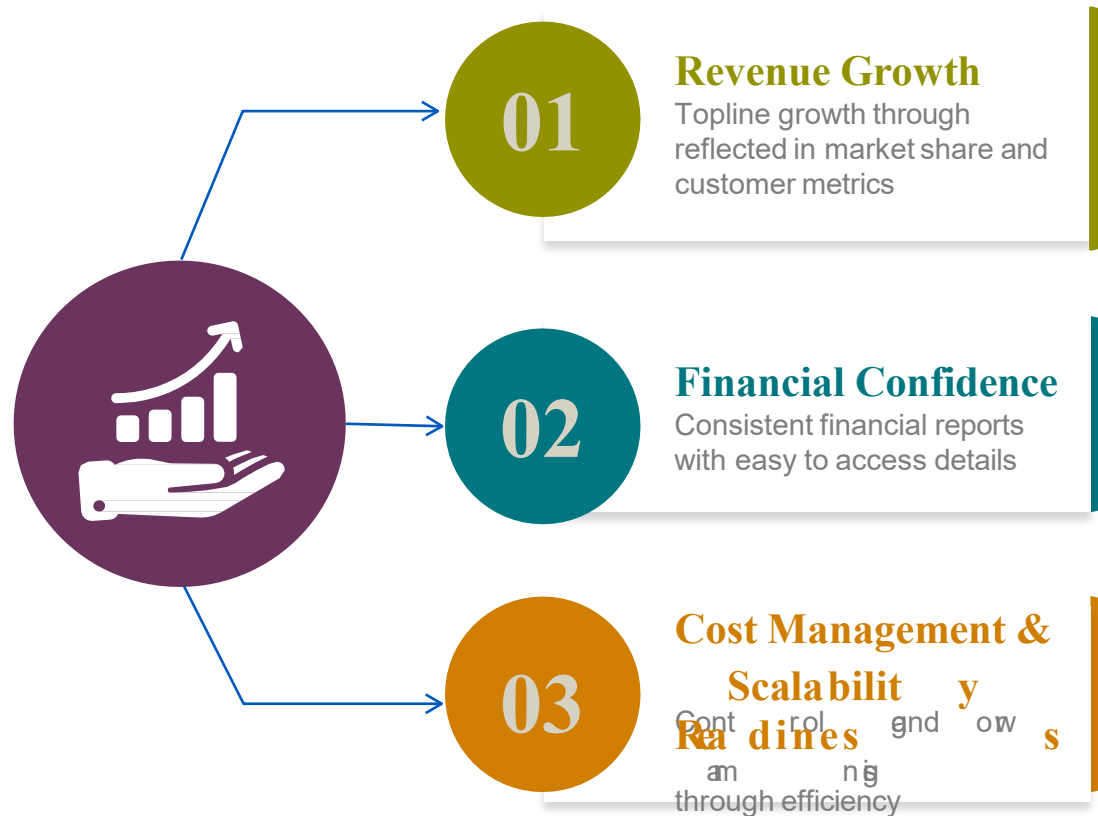
Business & Technology Thought-Leader



Source: Digital Operating Partner Book

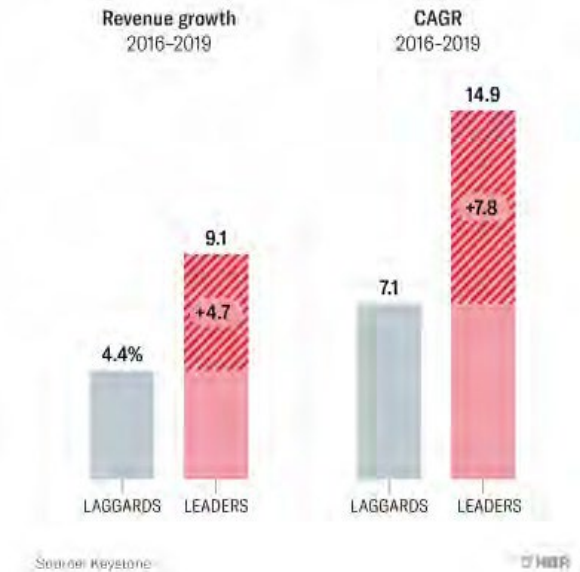
WILL INVESTMENTS IN PROCESS & TECHNOLOGY REALLY IMPROVE VALUATION?

What Really Drives Value?



Digital Transformation Pays Off

We studied 150 companies in a range of industries and found that revenue growth and compound annual growth rate among the leaders (the top quartile) in tech intensity were more than double that of the laggards (the bottom quartile).



THE IMPORTANCE OF PROCESS & TECHNOLOGY IN M&A ACTIVITY HAS INCREASED IN IMPORTANCE

What Investors Are Saying

“

I need to consider the technology stack and how challenging it might be to integrate with the platform entity

“

We're willing to invest in technology to achieve growth and efficiency

“

It's a struggle to get good financial data, and that impacts the overall deal value for us

“

An organization who has a team with some technical capabilities can be a big asset

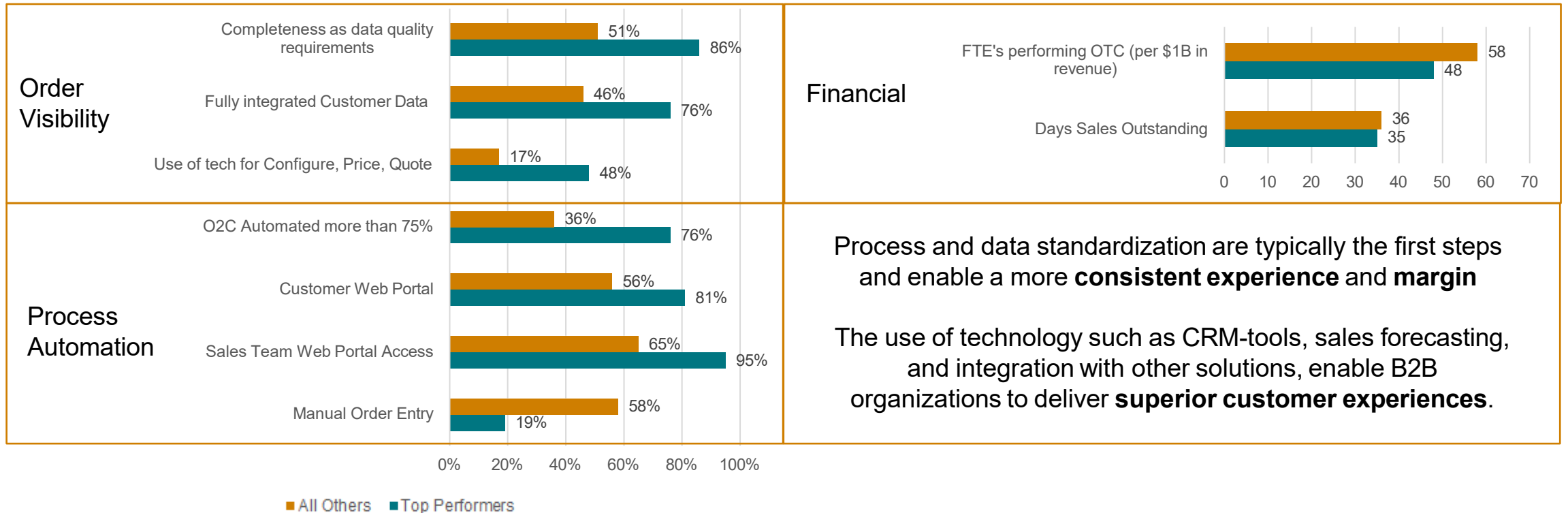
HOW SHOULD YOU DETERMINE WHAT TO FOCUS ON & WHAT WILL RESULT IN BIGGEST IMPACT?

Prioritization of Process & Technology Investments



POTENTIAL IMPACT OF PROCESS IMPROVEMENT & TECHNOLOGY

Order to Cash Opportunities



Process and data standardization are typically the first steps and enable a more **consistent experience** and **margin**

The use of technology such as CRM-tools, sales forecasting, and integration with other solutions, enable B2B organizations to deliver **superior customer experiences**.

Client Journey

BUSINESS ANALYTICS & AUTOMATION



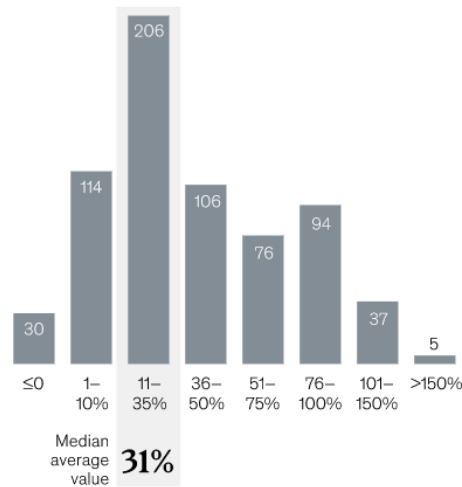
HOW CAN YOU MAXIMIZE BENEFITS FROM TRANSFORMATIVE INITIATIVES?

Realization of Benefits

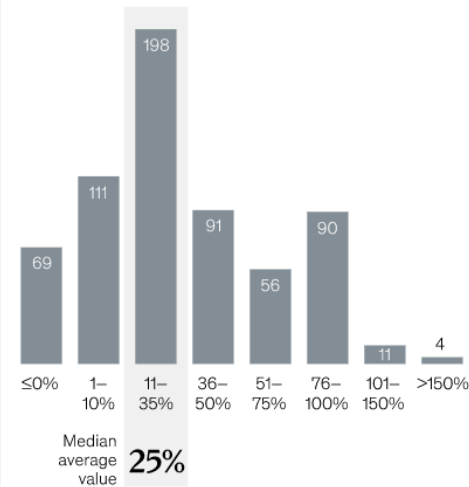
Organizations capture less than one-third of the value that respondents expected to see from recent digital transformations and initiatives.

Reported share of realized and sustained best-case financial benefits from digital transformations, number of respondents¹

Expected revenue increase (n = 668)



Expected cost reduction (n = 630)

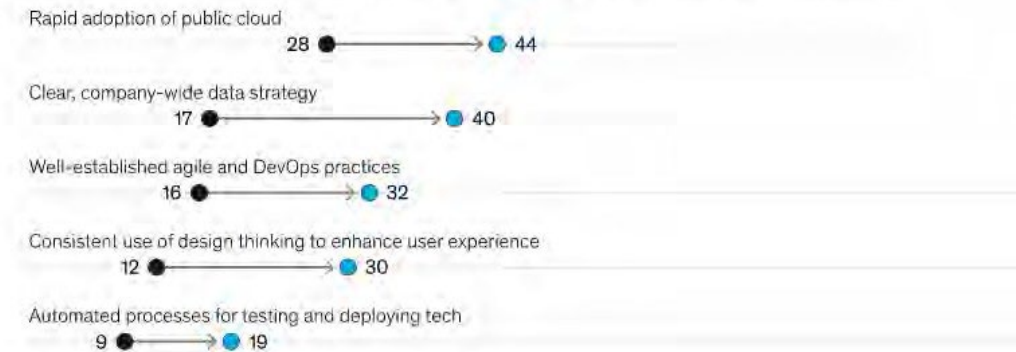


¹Respondents who answered "don't know/not applicable" for each measure—revenue increase and cost reduction—not shown. Best-case financial benefits defined as maximum benefit that digital transformations could have achieved.
Source: McKinsey Global Survey on digital investments and transformations, January 25–February 4, 2022, of 1,331 business leaders

Top economic performers are already investing disproportionately in key technology capabilities and their own tech assets.

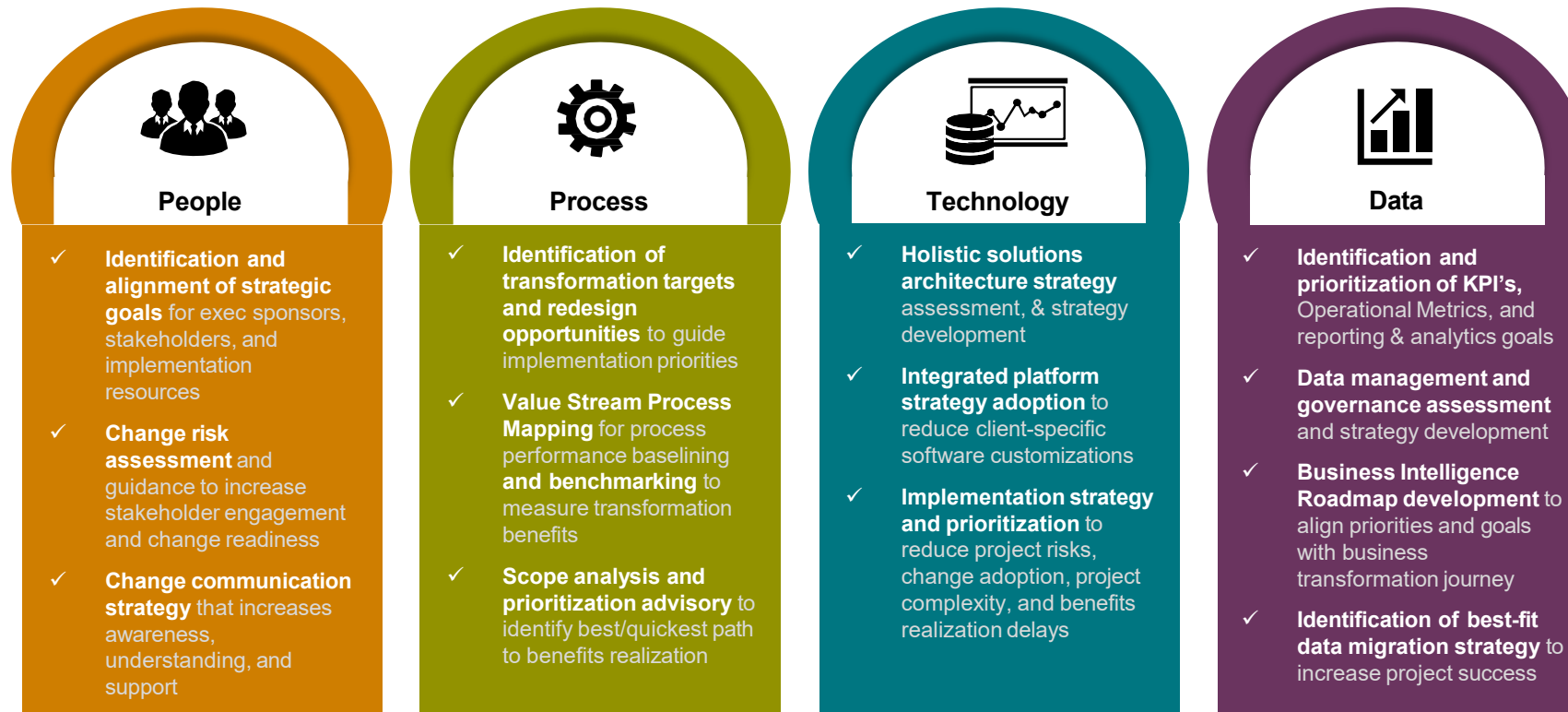
● Top economic performers¹ ● All other respondents → Gap

Digital-technology capabilities in which organization has invested, % of respondents²



FOUR STRATEGY PILLARS THAT DRIVE PROJECT BENEFITS REALIZATION

Improve Probability of Success



THREE KEY STEPS & TACTICAL ACTIONS TO GET STARTED

Getting Started

Key Steps	Considerations
Assess: Understand your existing technology stack and the impact it could have on your valuation	<ul style="list-style-type: none"> ❑ Define a data governance plan and a strategy to use it. Consider what insights you want to gather ❑ Know the impact on your business processes due to your technology and where the tech debt is greatest ❑ Consider what is holding you back from more growth opportunities
Select and Implement: Find the right balance of tools and process changes that can maximize your valuation within the timeframe you want to exit	<ul style="list-style-type: none"> ❑ Identify technology that enables strategic differentiation of a product or service. There are many tools and processes that can help gain a deeper understanding of your customer base and how and why they use your product and/or service ❑ Consider the trade-off's a low-cost automation and a right-sized ERP
Build the Team: Shopping is not a strategy. Ensure benefits of any investments are achievable by investing in key team members	<ul style="list-style-type: none"> ❑ Educate and bring ideas to the leadership team ❑ Define a company-wide data strategy and leverage change management tools to ensure adoption ❑ Train key team members in IT Project methodologies such as agile, devops, design-thinking, and lean-six sigma

Q&A

Thank You for
Attending!

Additional Questions?

Reach out to us at

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Possible *(Re)*Defined™

Delivering impactful, bold solutions that increase clarity
and spark success for today and tomorrow.

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