

# Cutwater Advisory Partners



CUTWATER ADVISORY PARTNERS  
OPTIMIZING YOUR EXIT

## RESOURCE KIT

Our Resource Kit is designed to help Partners and Potential Customers understand two of our most critical components in our PROVE Platform™

## The PROVE it Canvas™ & the Optimal Exit Matrix™

### Our Proprietary PROVE Platform™:

**P**ersonalized – We customize every exit strategy based on the owners and business climate

**R**oadmap – Detailed Gantt chart outlining every step, resource, and exit target

**O**ptimum – Maximum value is when a strategic buyer “needs” your business = Optimum

**V**alue – Valuation doesn’t deposit money in the bank...our engagements all end in monetization

**E**xit – Since exiting businesses at much higher market values is all our company does, we combine strategic partners, capital injection, and hard-target buyer searches to an M&A event with a win-win-win philosophy (Buyer-Seller-CAP)

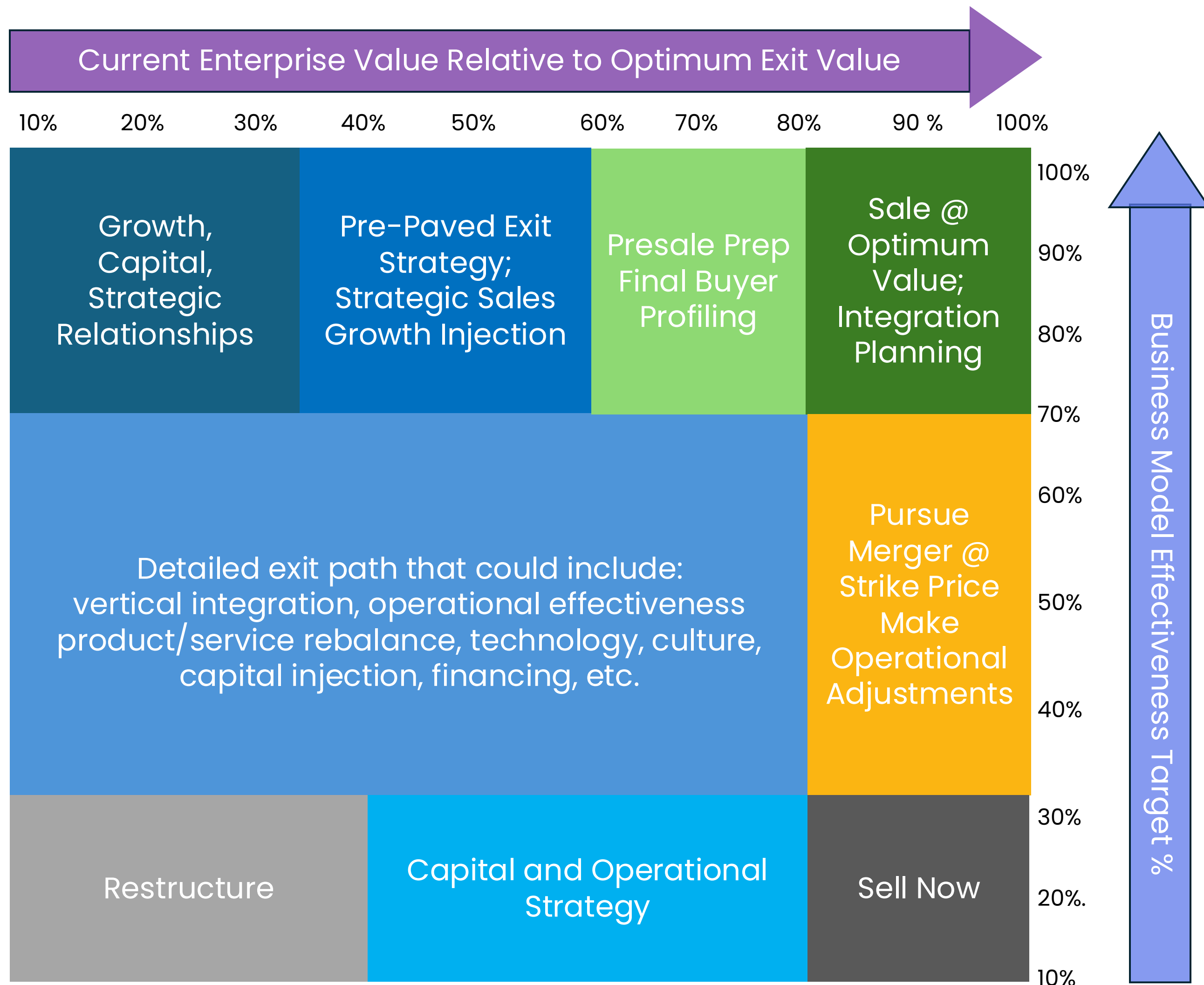


Companies get bought and sold every day. Few are fine tuned and architected to sell at the optimum value for the business owner – at the value they deserve.

Investment banks, and other business brokers will sell most any company, but they don't take the time to focus on **why** buyers will pay a premium, and **how** to **pre-pave an optimal exit** to monetize the true value of the company. Thus, the business owner never really knows that they left 15%-20%, or even 50+%, on the table.

The purpose of our PROVE Platform™ is identify the optimum exit value of your business and then find the ideal motivated buyer that would pay it, and then seamlessly coordinate that transaction.

# Optimal Exit Matrix™



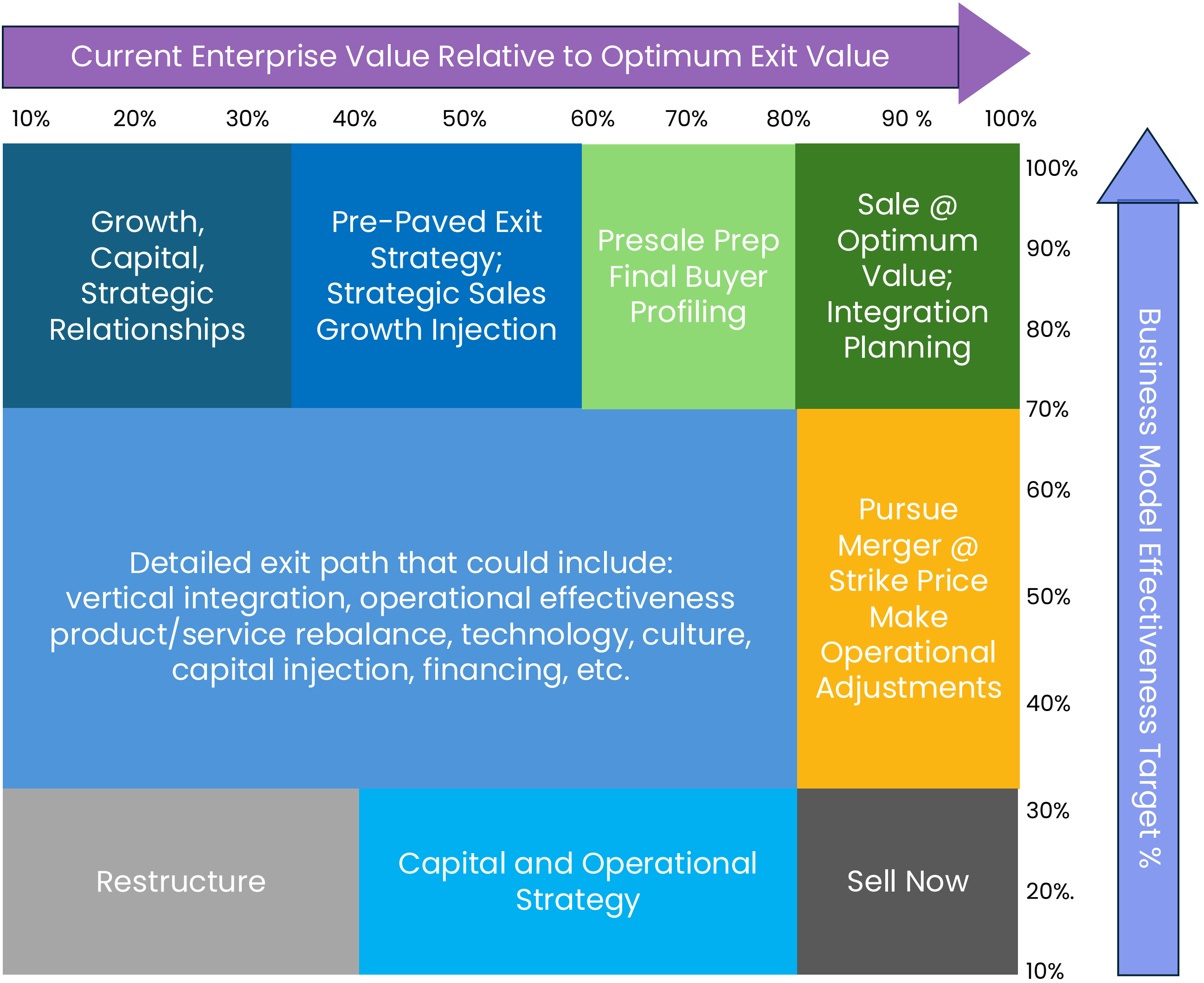
The Optimal Exit Matrix™ has two axis:

**The X Axis** looks at the current enterprise value, relative to the Optimum Exit Value of the company.

**The Y Axis** looks at the current business model, and how effective it is relative to the optimal effectiveness target.

Through our proprietary process, we will map your company on this matrix, and based on where you land, will recommend a specific set of activities that will move the company toward the upper right corner – where the enterprise value is highest, and operation effectiveness is at it's peak.

# Optimal Exit Matrix™



The way in which we determine where you are on the Optimal Exit Matrix™ is by executing our PROVE it Canvas™ – explained on the following page.

If your company is already between 90% – 100% on the X axis, and roughly 80-100% on the Y-axis, we can help you sell now by finding the right buyer and coordinating integration post acquisition.

If your company is at the bottom right, don't bother trying to fix operations, sell now!

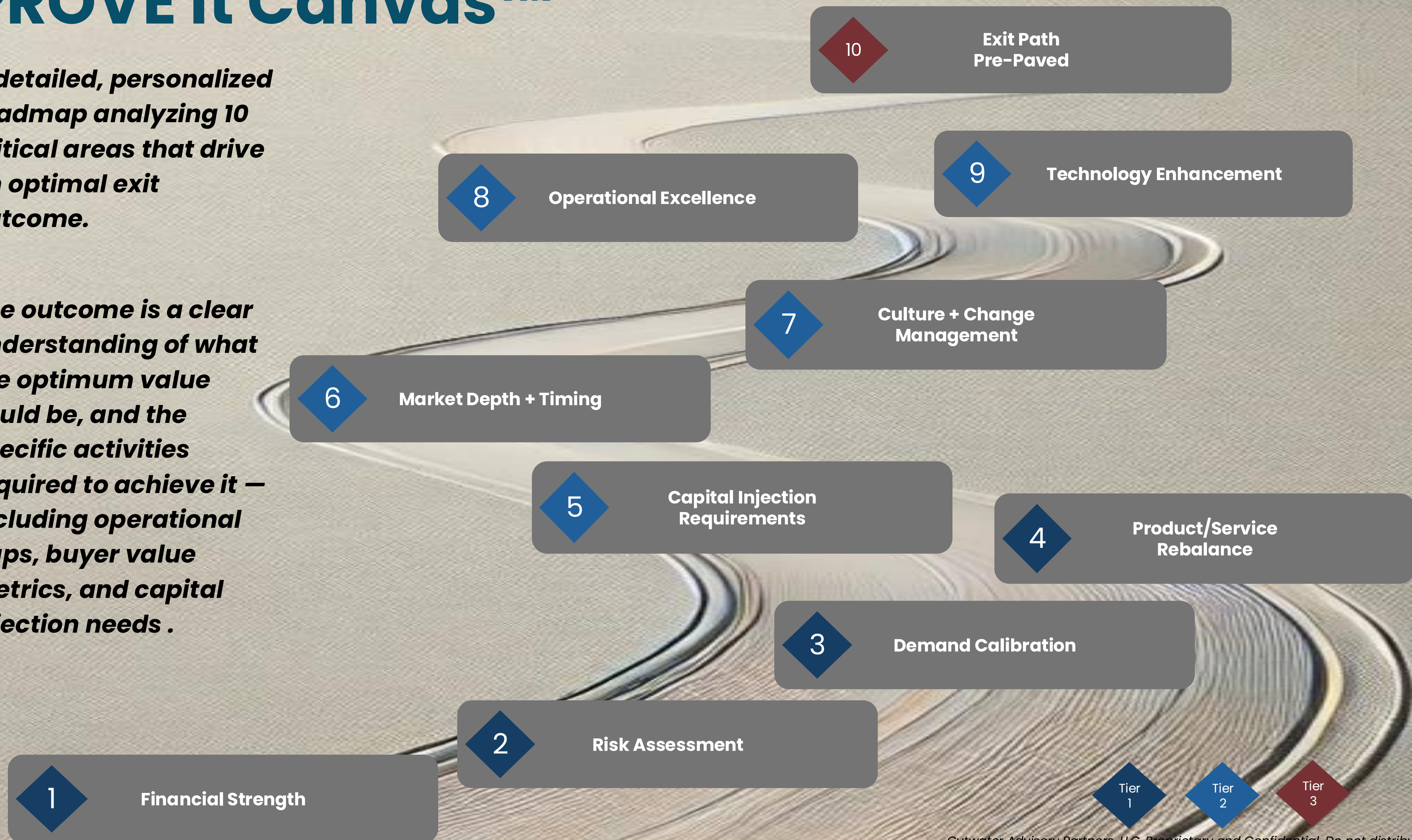
If you are the bottom left, we have a restructuring company that can help.

If you are anywhere else, we will inject the right people, process and technology to get you to the upper right.

# PROVE it Canvas™

**A detailed, personalized roadmap analyzing 10 critical areas that drive an optimal exit outcome.**

**The outcome is a clear understanding of what the optimum value could be, and the specific activities required to achieve it — including operational gaps, buyer value metrics, and capital injection needs .**





**Our PROVE it Canvas™ evaluates 10 different attributes that contribute to an optimal exit. The critical filter of each of these is what is important to the buyer? What, specifically, will the buyer pay a premium for, drives our focus on defining the gaps between where you are and where you need to be to sell at the optimum value.**



**We are not consultants – we don't fix things to make your operations better – we focus on the things that make a difference to the buyer. How do we know? We work with our Investment Banking division and talk to buyers who tell us what they value, and what drives a premium value for your company.**

10 Exit Path Pre-Paved Tier 3

Tier 2

Tier 1

- 9 Technology Enhancement
- 8 Operational Excellence
- 7 Culture + Change Management
- 6 Market Depth + Timing
- 5 Capital Injection Requirements
- 4 Product/Service Rebalance
- 3 Demand Calibration
- 2 Risk Assessment
- 1 Financial Strength

What are current technology capabilities and how can technology drive a higher exit value

What operational attributes are attractive to buyers and how can improving operational effectiveness drive a higher exit value

A look ahead to what potential buyers are looking for in terms of culture fit and what changes need to be made to ensure a smooth integration post sale

Defining what is the optimal timing of an exit based on a wide variety of market factors – many of which come directly from our Investment Banking insights

What capital injection requirements are necessary to drive the growth and profitability that buyers demand – and we often bring capital to the table to make it as easy as possible

What products and services are buyers interested in, and ensure the right focus and balance is put in place to drive growth and value

A market-driven look at what demand is in the market for your products and services that enable topline growth – and what gaps exist today so we can calibrate your ability to meet demand

An articulation and categorization of things in the business that drive risk from the buyer’s perspective

A detailed analysis of the current financial strength, including revenue, NOI and EBITDA, and growth trajectory



**Our PROVE it Canvas™ is a personalized roadmap to your optimal value exit. While we utilize a structured approach, your Canvas will look different from others'. Your Canvas is your roadmap and provides you 3 things:**

- (1) A clear understanding of where you are today – and placement on the Optimal Value Matrix™,**
- (2) A clear set of activities that need to be done to achieve your Optimal Exit Value, and**
- (3) A valuation spectrum – what you could sell for today, and what you could sell for if we implement the activities on the Canvas**

**The last output of the Canvas is to define the optimal exit timing – how long it will take to implement the Canvas, and when the ideal marketing timing is to sell to the right buyer.**

# THREE STEPS TO AN OPTIMAL EXIT

## **STEP 1: Build your PROVE it Canvas™**

A detailed analysis and diagnosis resulting in a personalized roadmap that defines what the optimum value may be, and what is required to actually achieve it – including operational gaps, buyer value metrics, and capital injection.

## **STEP 2: Optimal Value Exit Engagement**

Using the PROVE it Canvas™, we build the pre-paved path to an optimal exit by executing the plan; We define a strategic team for operational improvement (as needed); deliver capital injection; and negotiate with buyers to determine what they will pay a premium for.

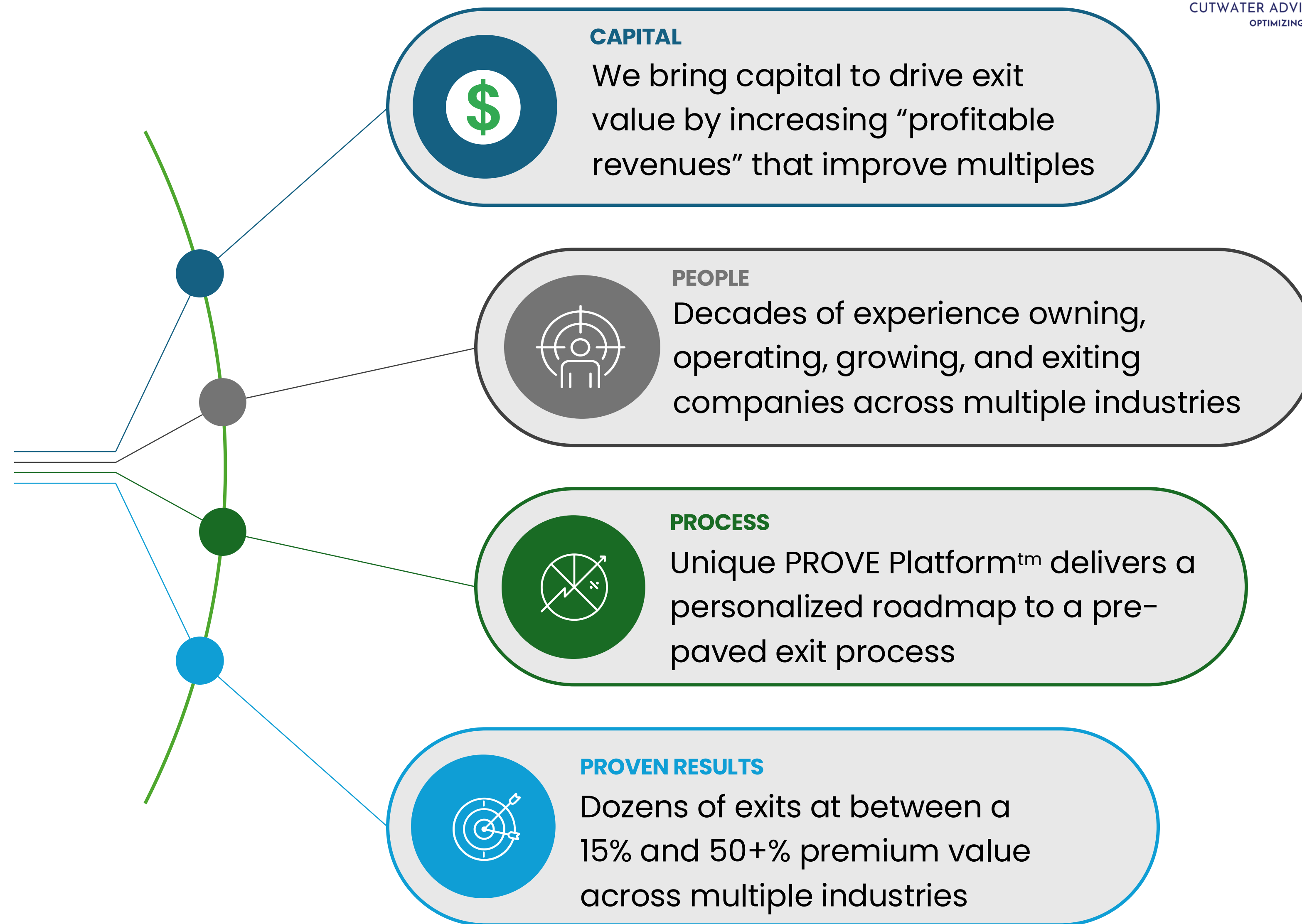
## **STEP 3: Transaction**

We work with buyers that we've pre-negotiated for your M&A event, and then seamlessly implement it.



# WHY CAP?

We are the only partner to bring all these critical pieces together to ensure you get the optimal exit you deserve





# Resource Kit

For more information, contact us at:

[Chris@cutwateradvisory.com](mailto:Chris@cutwateradvisory.com)

[Steve@cutwateradvisory.com](mailto:Steve@cutwateradvisory.com)

[www.cutwateradvisory.com](http://www.cutwateradvisory.com)