

Accelerator Diligence

Invest confidently → Drive growth → Achieve maximum value

FortéOne has been serving the needs of our sponsor and closely held business founder clients for 22 years.



Over 90% of our business comes from repeat or referral clients.

Our business comes from trusted advisors and business owners who have seen the incredible impact we can make within middle market businesses.

And they are willing to recommend us to their most closely held business relationships.

Oftentimes, over and over again.

The diligence process is broken.

Traditional due diligence doesn't get you closer to fulfilling your investment goals.

It leaves you with a list of deficiencies, with no prioritized plan for change.

It relies on multiple vendors and leaves you to integrate the findings.

It's backward-focused, without identifying potential growth opportunities.

It provides little implementation support and no estimated performance improvements.

It's time for something better: FortéOne Accelerator Diligence



The FortéOne Difference

Comprehensive diligence that includes critical external AND internal drivers of value

Most due diligence is segmented – with different vendors assessing different pieces of the business separately.

When you are concentrated on only one aspect of a business, you fail to see:

- How a change to one area could affect another part of the business (for better or worse)
- How bigger components of the business (like the customer) can increase or decrease value
- Possible issues or opportunities in interdepartmental interactions or company-wide processes

Departments don't work well independently. Processes don't work well independently. And neither does due diligence.

You need the full picture.

Forward-looking focus to ensure you achieve or exceed the Investment Thesis

Most due diligence looks backwards and concentrates on past data.

It's important to know where a company has been, but it's more important to know where it could go:

- Discover opportunities for increased enterprise value
- Get a clear picture of future revenues and margins
- Realize potential growth and exactly how to achieve it

A snapshot of the past can only tell you so much. We provide a detailed roadmap for maximizing enterprise value.

You need more than a report.

You need a plan.

Improved lender/ investor dialogue to facilitate financing

Don't go into a purchase guessing.

With FortéOne, you'll know upfront:

- The additional value we can add to the bottom line (our expectations for EBITDA growth)
- The cost to reach those projected EBITDA gains

With this information at your fingertips, you can have more constructive conversations with lenders.

And everything – your full first-year plan and implementation – can be included in the closing costs.

What makes Accelerator Diligence better?

Guarantee that you'll reach our committed level of EBITDA growth

How many real guarantees are there in business anymore?

We put our money where our mouth is:

If we don't meet or exceed our projections for an annualized EBITDA growth we will refund the difference or will continue to work at no additional cost until we're able to achieve the gains that we've identified.

What makes us so confident?

We've been doing this for 22 years.

And in the past two years, our clients have experienced an average annualized return on investment greater than 4 to 1.

A team working with you to lead and implement the plan and ensure success

Traditional diligence leaves you with a list of things to fix.

FortéOne Accelerator Diligence provides a detailed plan for maximizing enterprise value.

And we lead the implementation.

We work with you side-by-side to ensure your success.

We're not consultants with clipboards.

We're professionals who have built, run, and exited middle market businesses successfully – many times over.

Organizations tend to embrace our team internally, realizing that our folks have walked in their shoes, faced similar challenges, and solved similar problems.

We work hand-in-hand – without resistance – which allows us to deliver greater (and faster) results.

Long-term partnership with exceptional resources to drive continuous business evolution

Significant value creation happens in a continuum.

Don't lose momentum after the first year.

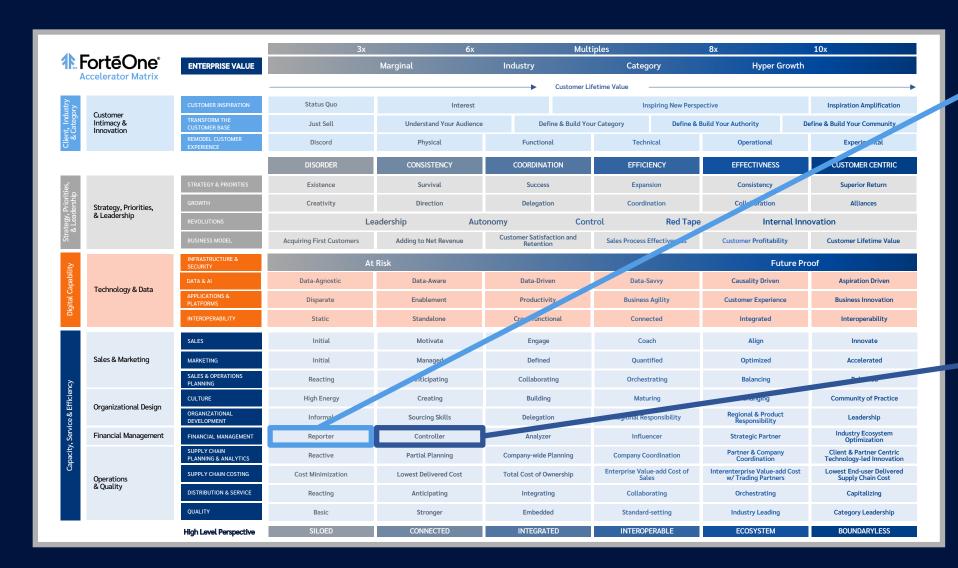
Drive further evolution of the business with an optional Accelerator Engagement for the entirety of the hold period.

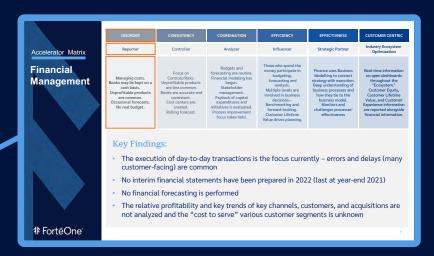
- Continued business intelligence to guide revenue, margin and multiple expansion
- Identify and implement unique category design and leadership opportunities

 significantly accelerating enterprise
 value
- Access our network of operating partners and resources at each step of the business evolution

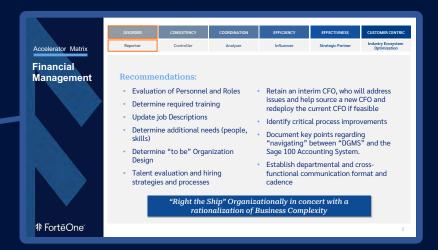
We're not here to make incremental changes or to settle for good enough. We're here to push you and the business further than you ever expected to go.

The Accelerator Matrix





Where the business is now.



Where the business could be and the steps to get you there.

A consistent system to define and track business evolution

When we assess a firm, we divide the four areas of Enterprise Value Creation into 21 separate elements, and we assess the current status of the company against our Accelerator Matrix – and recommended improvements – for each of these 21 elements.

The Accelerator Matrix provides our clients with three critical insights:

- Where the business has currently evolved along all the critical elements required to build enterprise value
- What changes will bring the highest ROI within the next 12 months
- A common language around future changes required to guide the business toward long term value creation.

Give your founders the tools they need for even greater success.

We think it's time to redefine Founder Friendly. Most will say it's a "hands-off" approach. But is that really the best way to make a good company great? Or turn a great company into a category leader?



Founder Friendly Improved

We believe Founder Friendly should mean:

Identifying and fixing issues before they grow into larger problems

Don't sit back and let things get out of hand. Jump in with assistance right away to get things back on track before they completely derail.

Providing a culture that embraces change and pushes traditional boundaries

Oftentimes leadership is resistant to change or prefers to repeat what they know. We help establish a culture that embraces change and understands that new thinking is required for meaningful growth.

Establishing a system to define and track business evolution

When the entire business is on the same page – and speaking the same language – its easier to move forward together. We establish a clear and consistent system to determine where a business is, where it could go, and how it can get there. Everyone working together toward the same goals.

Providing specialized support whenever and wherever it's needed

Real leaders understand the value that specialized experts can bring. They don't assume they know it all or can do it all alone. We support your leaders with experts who can fill the gaps and create a stronger overall team.

Supporting the business continuously as it grows

Meaningful growth happens in a continuum. Our goal is not just to turn the business around in the right direction. We are here to maximize enterprise value – to push the business toward category leadership. We help your leaders evolve WITH the business to accelerate growth.

Our Focus

We divide our focus into four main areas:

CUSTOMER, INDUSTRY, and CATEGORY

We use primary research to get a granular understanding of a business's most valuable customer relationships.

Insights include:

- How the company is perceived by their customers
- What are the unique needs and aspirations of their customers
- How the company positions itself in the market and differentiates their offerings through innovation

We then segment customers by lifetime value – going well beyond Net Promoter Score – to discover which customers provide the most opportunity moving forward.

- What share of the market the company commands by various client segments
- Identifies high-value customer development opportunities

STRATEGY and LEADERSHIP

What are the priorities of the business and how does leadership affect and drive firm strategy? We look to understand how the organization develops and translates insights.

- Has the company defined and focused their market-facing strategies around customer needs and aspirations
- How strategies are translated to firm priorities and how well these are understood by all personnel within the firm
- How these priorities fit within the culture of the firm
- How leadership communicates, manages, and tracks the implementation of these priorities

The nature of today's business demands that leaders possess more complex knowledge, experience, and skills. Middle market leadership often delivers stable performance, but lacks the expanded talent to accelerate growth and valuation. We determine who is high risk and who can be coached to perform at the new level the business requires.

Our 360-degree assessment process focuses on all internal and external elements that enable a company to grow enterprise value.

DIGITAL CAPABILITY

What are the current digital capabilities of the business and the organizational understanding of how to leverage technology across the enterprise?

We look to understand the organizations' ability to leverage technology to execute on the identified strategies and priorities.

- Does the company understand how technology can enable the achievement of goals across all areas of the business
- How can the company leverage the power of cloud, data, and Al for competitive advantage
- Does the organization understand how technology is changing the way their clients operate
- How can technology accelerate the execution and evolution of the business, unlocking growth

Advancements in technology now touch all areas of the business. Those companies that are not embracing technology as an enabler are at a great disadvantage, and likely on a path to extinction.

We identify the organizations' ability to understand and embrace the advancements in technology the business requires.

CAPACITY TO SCALE

We look deeply at the organizational design, the systems and processes, how the company has developed and uses financial and operational data, and the physical plant.

Typically, you would need to hire multiple firms to cover these areas, leaving you to piece varying perspectives together. We provide a unified view across an organization that's balanced and measured – allowing you to advance the business, rather than treat symptoms in isolation.

- How effectively the firm goes to market
- Organizational design and leadership
- Financial acumen and data management to ensure situational awareness and alignment throughout the organization
- Operational capacity and efficiency from demand planning to client delivery
- Technology and processes to facilitate efficient growth and connectivity

We're not traditional consultants.

We're operating partners—who all come from industry.



The Operating Partner Advantage

We have led departments, built middle market businesses, and owned and exited those businesses successfully — many times over.

Organizations tend to embrace our team internally, realizing that our folks have walked in their shoes, faced similar challenges, and solved similar problems.

We're working hand-in-hand — without resistance — which allows us to deliver greater (and faster) results.

Working with Us

Communication with you is critical to the success of our work.

During the course of the diligence there will be a formal weekly meeting ("This Week, Next Week") delivered by the team leader to:

- Document the engagement progress
- Share next week's coming activities
- Drive action to achieve the diligence objectives
- Discuss and decide any required actions
- Plan the coming week's outcomes

FortéOne will work closely with you and the target company team to assess the business' current position against our middle market business Accelerator Matrix model.

Based on the insights gathered, we will target where we can take the company during Phase I of our engagement.

We will provide a detailed report supporting our conclusions and actionable recommendations required to advance the business. Integral to the recommendations, we include anticipated improvements – including the impact on EBITDA.

At the conclusion of the assessment, we will present and discuss our findings with you and deliver our recommendations for Value Acceleration, detailing your guaranteed EBITDA improvement.

In sum, the purpose of this meeting is threefold:

- To bring all parties current on the status of the business including issues and opportunities.
- To share our recommendations and the rationale behind them – including prioritization of the changes that will bring the highest/most immediate impact to enterprise value creation.
- To bring relevant stakeholders together to make decisions on how best to execute the path forward and to ensure positive momentum is maintained upon close.

This presentation will be a minimum 1/2 day focused meeting.

The FortéOne team that worked on the diligence will be present to address questions pertaining to the assessment and Value Acceleration Plan.

Typical Timeline

WEEK 1	WEEKS 2-3	WEEK 3	WEEKS 3-4
Data Request, & Groundwork	Kick-off & On-site Analysis Work	Recommendation Development	Recommendations & Implementation Plan Presentation
FortéOne will do the following: Request relevant company data (we will provide a data request for Target) FortéOne Team materials walk-through – including Target company data room, current product volumes, inventory levels and processes, logistics, freight, and other relevant contracts, and other data that Target can supply to the FortéOne Team	 The primary purpose of this stage is to: Conduct interviews with customers, management, operations, logistics and financial personnel, and other key personnel (when and where appropriate/desired) Conduct walk-throughs of the Target facility, and observe operating processes and personnel Understand current Target processes, improvement opportunities, and any overall manufacturing and/or supply chain forecasting of work, materials, logistics, and delivery Identify the change requirements for key go-to-market processes, operating processes, logistics and financial management Understand current strengths, capabilities, key systems, and needs of the existing management team and each function/department – and how they can support/participate in the profit improvement and growth implementation Identify the leadership requirements to 	The FortéOne team will collaborate to: Review findings and opportunities, identify changes needed to support engagement scope – including those that are near term – and the priority and sequencing of changes Document the findings, detail recommendations derived from the business assessment, and then develop an implementation plan for review with Target leadership	 Present Assessment and Value Acceleration Recommendations to Target executive leadership (and other stakeholders as required) Review in detail how recommendations will improve company profitability/EBITDA Detail our guarantee for annualized EBITDA growth



Post close, the transformation begins

Oftentimes sponsor owners speak in terms of 100-day plan. Our experience and over 20 years of diligence efforts have shown that confining a process to the first 100 days limits its effectiveness and the trajectory of the business.

We look at the first full year of ownership. This firstyear effort is critical to starting the flywheel of change moving within the business.

Post close, the FortéOne diligence team begins helping you implement the changes that were identified during the diligence process.

We move quickly to ensure we maintain the momentum that was created during the diligence and the relationships that were built within the target company.

Because our Accelerator Diligence process has identified the first year's work, we are able to start building the foundation for increasing enterprise value immediately.

And our projections for annualized EBITDA growth? Guaranteed.

What comes after you close?

Strategy & Priorities

- Step-by-step value creation action plan with accountabilities, budgets, and forecasted outcomes/gains for the most valuable opportunities to deliver the greatest impact on enterprise value
- Implementation of value creation plan
- Preparation of BI and monthly board review packet, including strategy review
- Management meeting support for addon companies under LOI
- Initial voice of the customer assessment

Market Opportunities

- 80/20 analysis and implementation
- Pricing review project
- Create and begin execution of a tactical plan to capture immediate improvements in customer lifetime value
- Define and implement sales and marketing KPI's and dashboard
- Use data to unlock insights on how to accelerate profitable growth
- Use customer insights to successfully plan and implement customer-centric innovations

Financial Management

- Bring all financial management practices and systems up to standards of timeliness, accuracy, ability to forecast, and ability to define and deliver KPIs to all operating departments
- Define and implement finance KPI's and dashboard

Sample Activities:
Actual activities will be based upon the specific requirements of the business

Organizational Development

 Identify the most significant organizational challenges/obstacles to strategy achievement, design a coherent approach to overcoming them and execute

Operations & Supply Chain

- Construct and implement continuous improvement training, systems, structures, and technologies
- Map operations and supply chains. 80/20 analysis and implementation
- Define and implement operations KPI's and dashboard
- Gain efficiency in product planning to boost efficiency through "shop floor to top floor" digital enablement

Technology, Data, Processes & Systems

- Current and desired technology blueprint
- Standardized dashboards that incorporates all critical value creation KPI's
- Develop a technology plan to support strategy and priorities
- Define and begin executing a plan to assure systems and data security and integrity
- Diagnostics to identify software cost reduction

All significant value creation happens in a continuum.

What comes after the first year?

We offer the option to continue working with our portfolio companies to ensure that momentum is never lost.

- We provide continued business intelligence to guide revenue, margin, and multiple expansion.
- We continue to identify and implement unique category design and leadership opportunities, which significantly accelerate enterprise value.
- Our Accelerator Matrix enables business leaders to predict and drive the required changes to evolve all critical areas of the business
- We leverage our team of operating partners and resources at each step of the business evolution to ensure the business and its leaders are properly supported and have the confidence to drive continued change.

Our resources and strategies evolve as the business evolves – accelerating customer lifetime value and category leadership.

And dramatically improving the businesses multiple upon exit.





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