



Sample materials:

**Strategic Planning for
Distributors**

Strategic Planning: Process Overview

Phase	Phase 1: Strategic Context	Phase 2: Value Creation Planning	Phase 3: Strategy to Action
Key outcomes	Capture and organize key insights and context to drive go-forward strategy	Conduct a clear, quantifiable analysis of top initiatives to prioritize	Develop a clear, actionable path toward future growth
Key activities	- Refine purpose, mission, and vision - Draft strategic overview (e.g., winning aspiration, where we will play, how we will win) - Develop an overview of your core markets - Define top market forces that impact performance - Compile competitor & customer insights including growth rates and margin profile	- Create a comprehensive framework to organize top opportunities - Size & assess ability to execute for top opptys. - Prioritize top ~3-5 opptys. - Develop a financial waterfall of est. upside - Identify owner(s) for top opptys. - Identify key strategic risks & mitigations - Build-out 1-page exec. summary communicating the strategic plan & goals	- Set-up governance system (e.g., agenda, roles) - Lay out high-level KPIs & milestones - Create dashboards to track & drive progress - Standardize, compile, & share key exec. materials - Review & refine initiative plans & goals (e.g., roadmaps, milestones) - Identify key hiring needs - As needed, reorganize to deliver on the strategy



Case Study: Ranger Wood Products Strategic Planning

Context:

- The team worked with Ranger Wood Products to develop a 5-year strategic plan to pursue their highest-value growth initiatives
- The effort identified the universe of potential strategic initiatives based on Ranger Wood Products' previous performance
- The team rigorously assessed and prioritized all 22 potential initiatives and identified the top 3 initiatives based on their estimated enterprise value (EV) and ability to execute

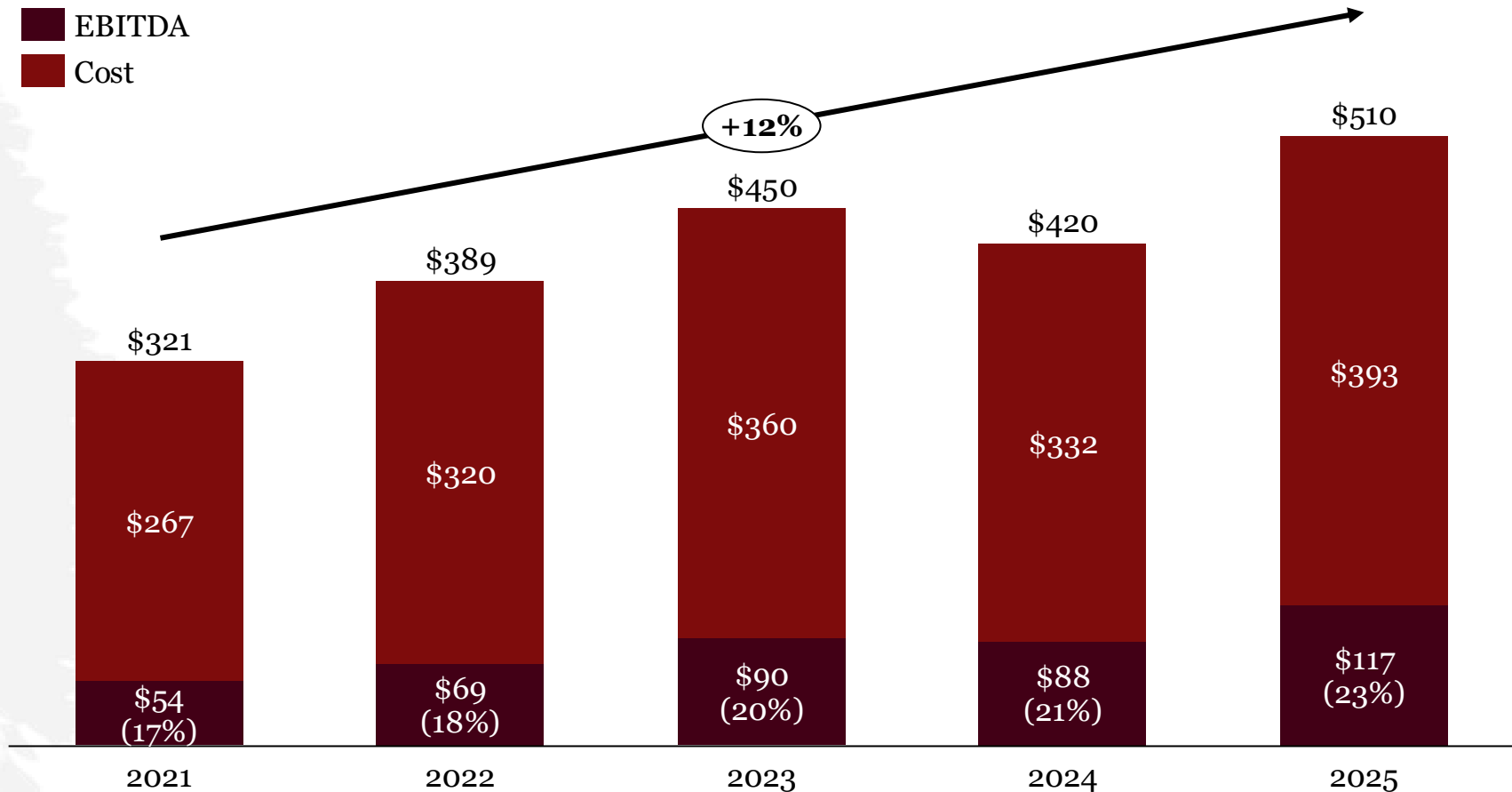
Top illustrative insights:

- **Ranger Wood's top 3 potential initiatives represent a ~39% EBITDA uplift opportunity** (~\$100M) over the next 5 years with a combination of revenue increasing and cost reducing initiatives
- **2 medium-priority initiatives** could also **potentially generate an additional ~\$55M** in the future
- **An inorganic growth effort** (i.e., Large M&A) **could unlock an additional ~\$40M EBITDA** for Ranger Wood

Note: Names and details have been changed for client confidentiality

The team built out a historical view of Ranger's financial performance over the last 5 years to inform analysis

Ranger Wood Products revenue, 2021-2025 (\$Ms)

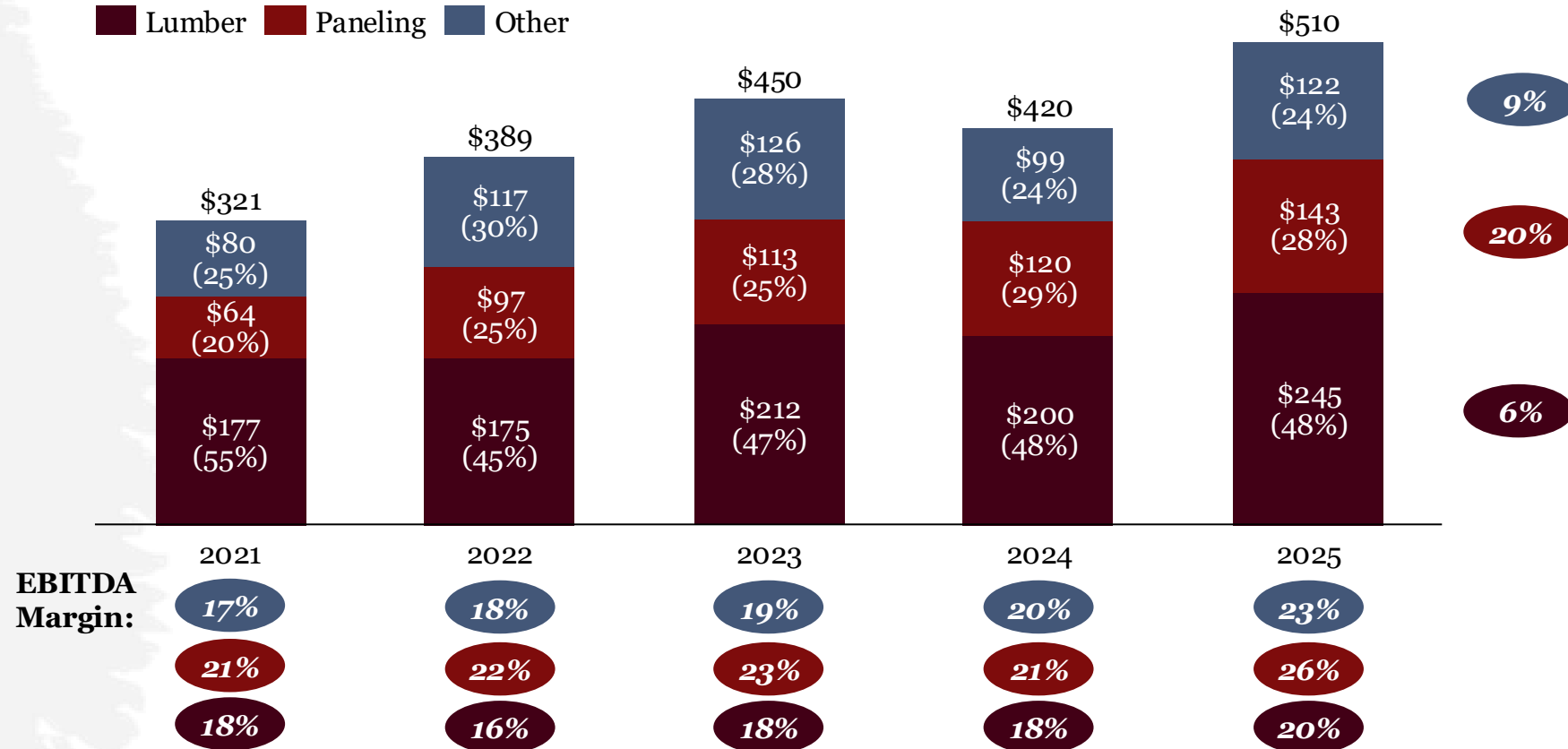


The analysis included a revenue stream breakdown which revealed a growing opportunity segment in paneling

Ranger Wood Products revenue, 2021-2025 (\$Ms)

CAGR

■ Lumber ■ Paneling ■ Other



Ranger's growing margin is largely attributable to their growing paneling business which has a higher average margin as opposed to Ranger's core lumber business (e.g., 26% vs 20% in 2021)

Based on research and interviews with the team, 6 key initiative areas emerged

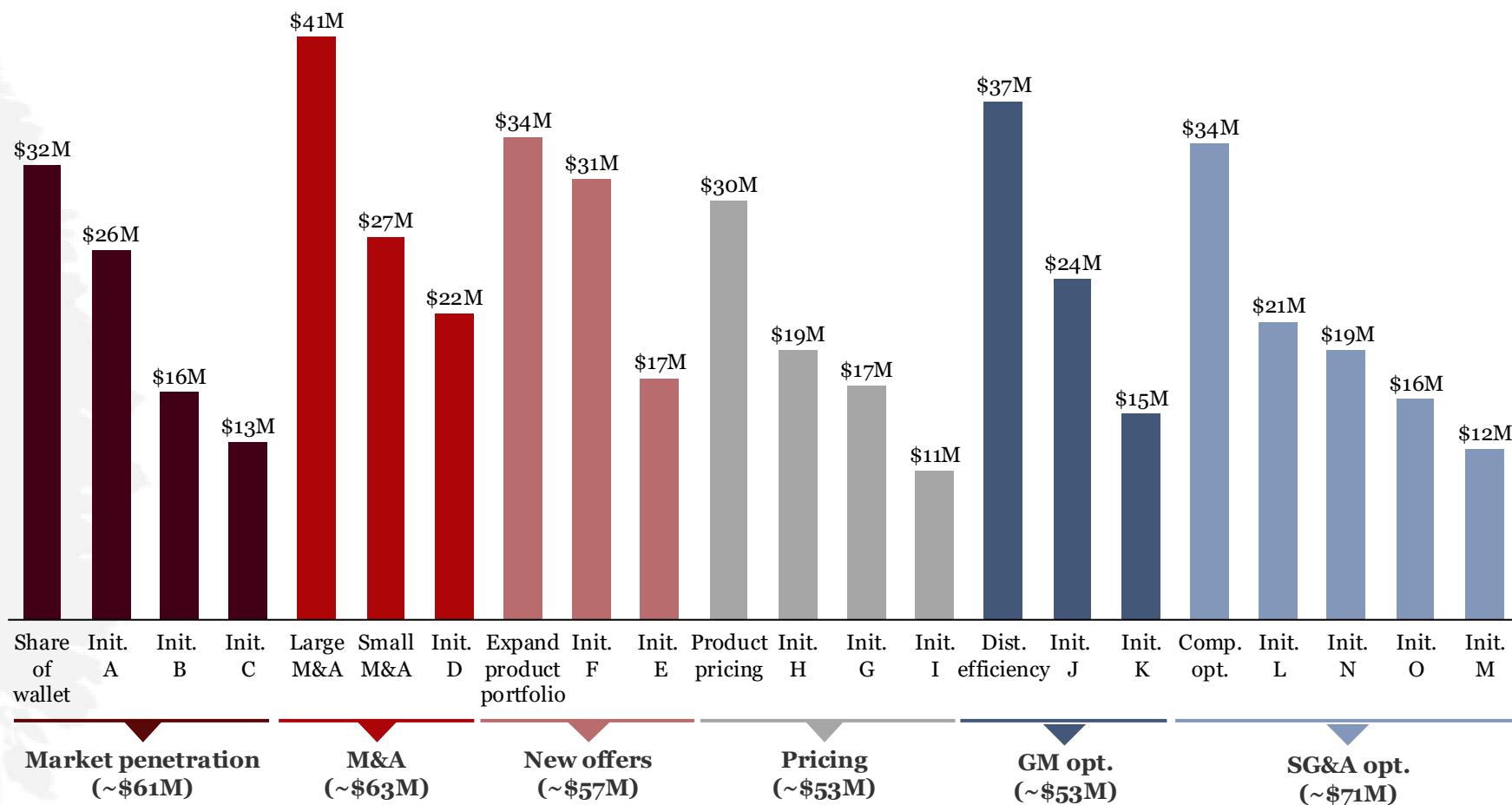
Key area	Overview
Market penetration	• Acquire new customers, focusing on target segments and using effective assets and tools
M&A	• Expand through acquisitions and integration programs
New offers	• Introduce new offers to customers based on current high-value products
Pricing	• Optimize pricing for key products in order to grow EBITDA
Gross margin optimization	• Build efficiency of sales and distribution processes to lower costs
SG&A optimization	• Lower SG&A costs through reviewing compensation, real estate, and G&A costs

The Ranger team prioritized 22 initiatives to further size and access

Revenue growth				Margin optimization	
Market penetration	M&A	New Offers	Pricing	Gross Margin Optimization	SG&A Optimization
- Share of wallet expansion (by sub-segment) - Initiative A - Initiative B - Initiative C	- Large M&A - Small M&A - Initiative D	- Expand product portfolio - Initiative E - Initiative F	- Product pricing - Initiative G - Initiative H - Initiative I	- Distribution efficiency (e.g., orders, transport, tracking) - Initiative J - Initiative K	- Compensation optimization for sales team - Initiative L - Initiative M - Initiative N - Initiative O

EBITDA growth opportunity was estimated for each of the 22 initiatives

2030 est. EBITDA by initiative and category (\$Ms)

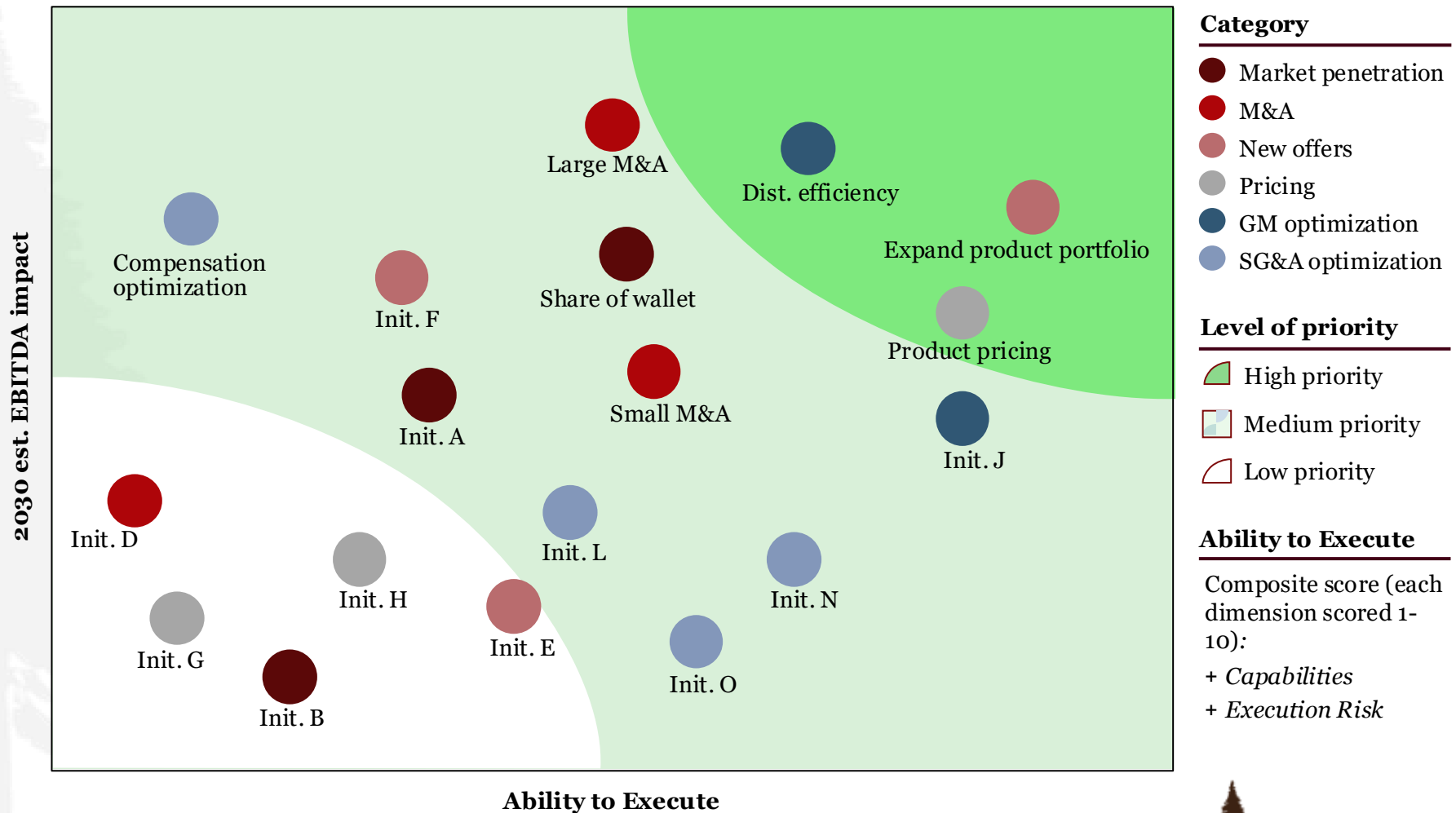


Three key dimensions were used to assess and prioritize the top 18 initiatives: Size, Ranger Wood Products Capabilities, and Execution Risk

Dimension		Description
 Size		The total estimated EBITDA impact of the initiative in 2026 terms
	 Key Capabilities	Ranger Wood Products' assessed current ability to capture the full value of a given initiative, based on internal capabilities and execution risk assessments
	 Execution Risk	A holistic measure of Ranger Wood Products' current internal capabilities to capture an initiative's value based on existing organizational talent, tools, analytics, systems and other resources (e.g., time)
 Ability to Execute		An estimate of the execution risk associated with the initiative based on external risks (e.g., availability of add. support) and internal risks (e.g., level of control, operational challenges); higher risk indicates Ranger Wood Products has a lower probability of capturing the initiative's value

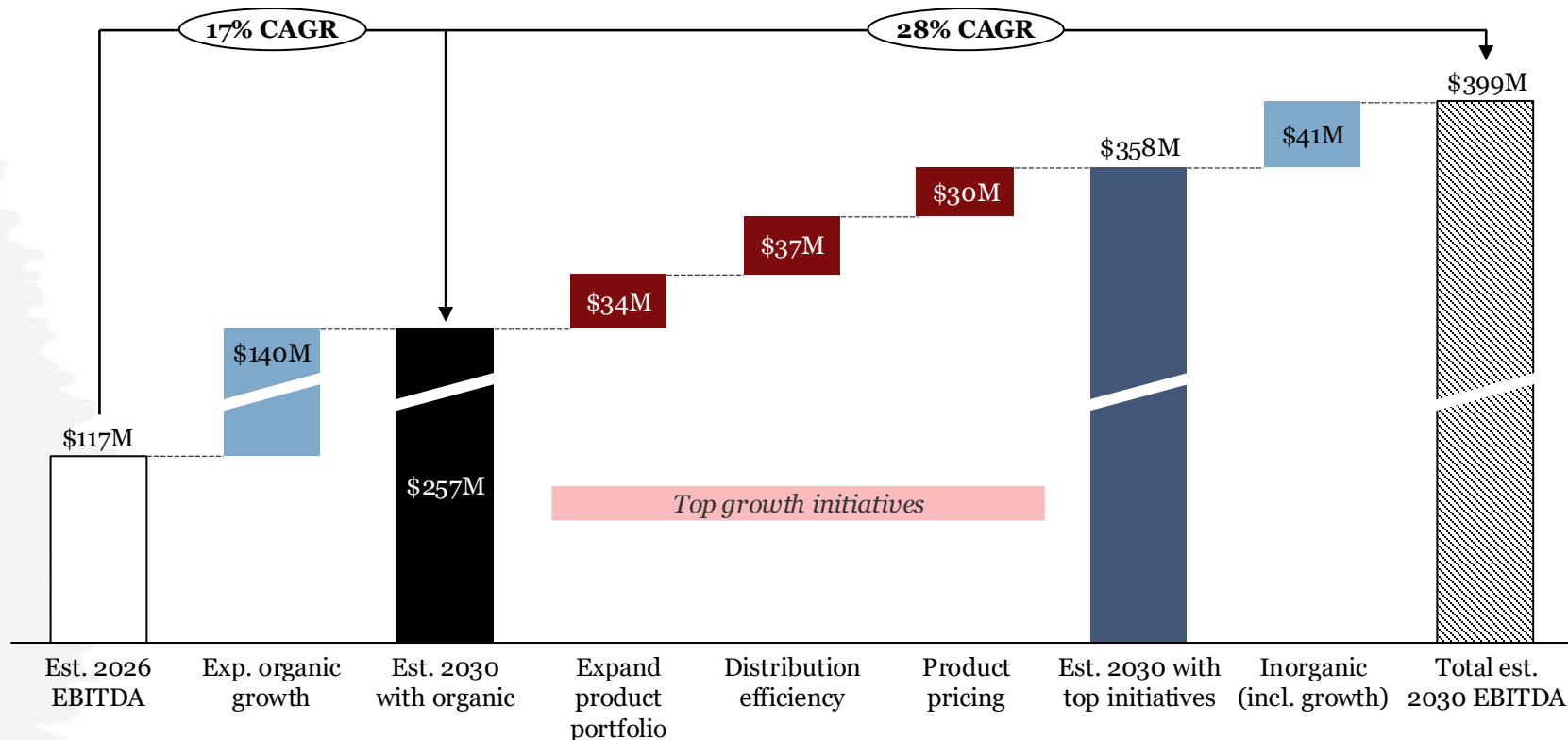
The 18 initiatives were prioritized based on each initiative's size and Ranger's ability to execute

Value initiative assessment by size and ability to execute



Ranger Wood can unlock an additional ~\$140M in EBITDA in 2030 by pursuing their top priority initiatives

Est. EBITDA growth potential by key initiatives, 2026-2030 (\$Ms)



- Organic growth predicted to be 15% in current core markets and segments (mgmt. team estimate)
- Organic growth in other segments estimated at 20%

- Analysis finds that Ranger can target a 10% penetration rate of the paneling market with ~\$35M in EBITDA impact
- Distribution efficiency and product pricing expected to unlock ~\$70M in EBITDA by 2030

- Model assumes 1 acqs. at ~\$40M EBITDA



