



REDWOOD ADVISORS

Sample materials:

**Strategic planning for B2B
SaaS companies**

Strategic Planning: Process Overview

Phase	Phase 1: Identify Universe of Value-Creating Initiatives	Phase 2: Assess Ideas	Phase 3: Prioritize Initiatives
Key goal	<ul style="list-style-type: none"> Identify & structure the initiatives that could help grow the company 	<ul style="list-style-type: none"> Assess & prioritize the top initiatives based on a clear, quantifiable analysis 	<ul style="list-style-type: none"> Develop a clear, actionable path toward future growth
Key outputs	<ul style="list-style-type: none"> Full universe of potential initiatives within a holistic, thoughtful framework 	<ul style="list-style-type: none"> Growth initiatives' sizing and ability to execute 	<ul style="list-style-type: none"> Top ~3-5 growth initiatives ~3-5 year granular growth plan
Illustrative activities	<ul style="list-style-type: none"> Internal stakeholder interviews Market research (e.g., size) Competitor case studies External expert interviews Initiative framework Initiative list synthesis 	<ul style="list-style-type: none"> Initiative sizing methodology Initiative sizing (e.g., est. EBITDA impact) Ability to execute assessments 	<ul style="list-style-type: none"> Initiative size scoring Ability to execute scoring Score-based initiative prioritization Prioritization review and finalization



Case Study: Solutions Software Strategic Planning

Context:

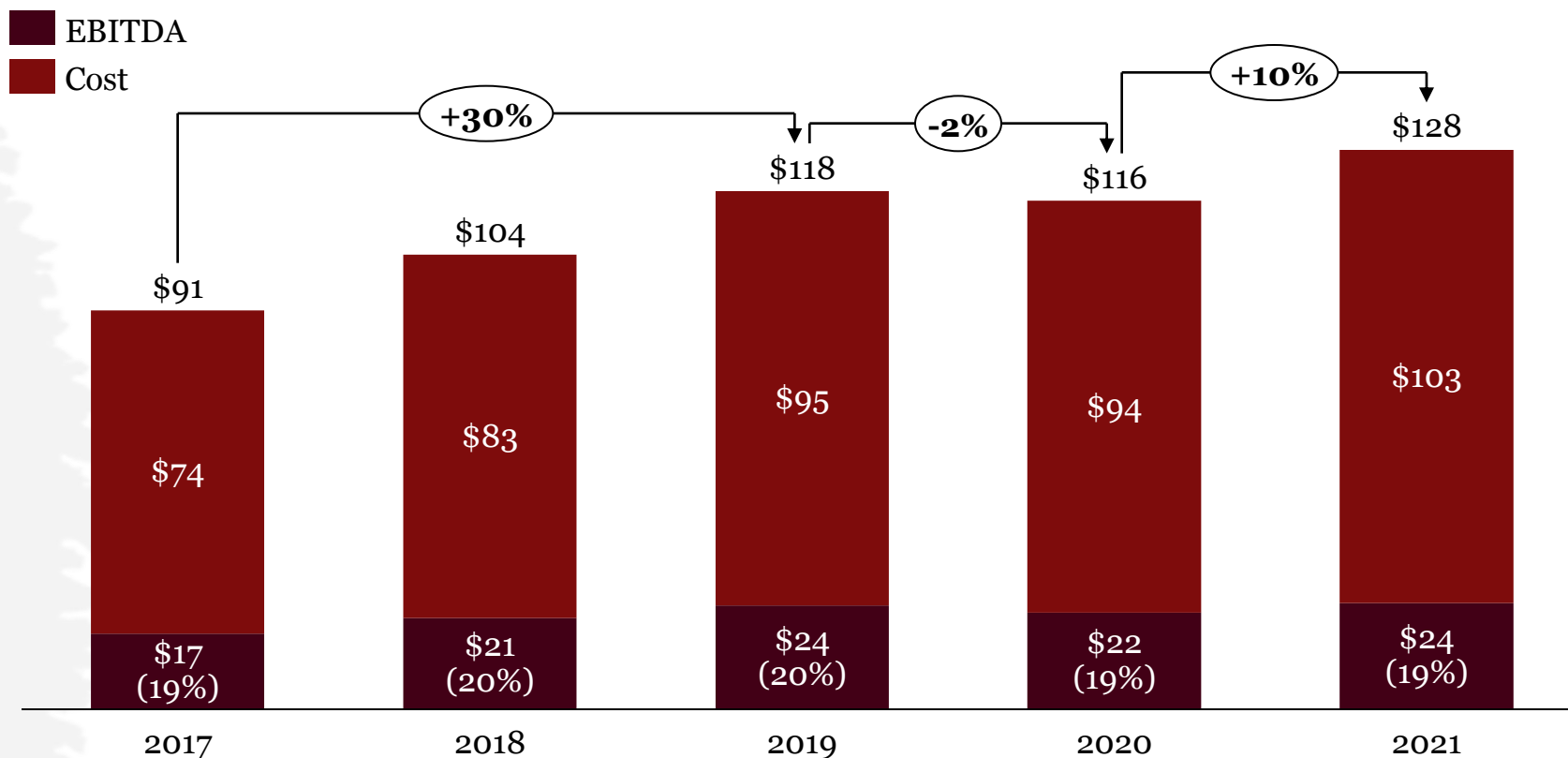
- The team worked with Solutions Software to develop a 5-year strategic plan to pursue their highest-value growth initiatives
- The effort identified the universe of potential strategic initiatives based on Solutions Software's previous performance
- The team rigorously assessed and prioritized all 22 potential initiatives and identified the top 3 initiatives based on their estimated EBITDA impact and ability to execute

Top illustrative insights:

- **Solutions Software has a clear path to doubling EBITDA over the next 5 years** with a combination of revenue increasing and cost reducing initiatives
- **Top 3 initiatives represent a ~67% EBITDA uplift opportunity (~\$25M)** over the next 5 years
- **Solutions Software could grow at a ~26% CAGR from 2021 to 2026** by pursuing the identified top opportunities

Solutions Software's global gross sales and gross margin have grown over time, with a CAGR of 14% between 2017-2019

Solutions Software revenue, 2017-2021 (\$Ms)



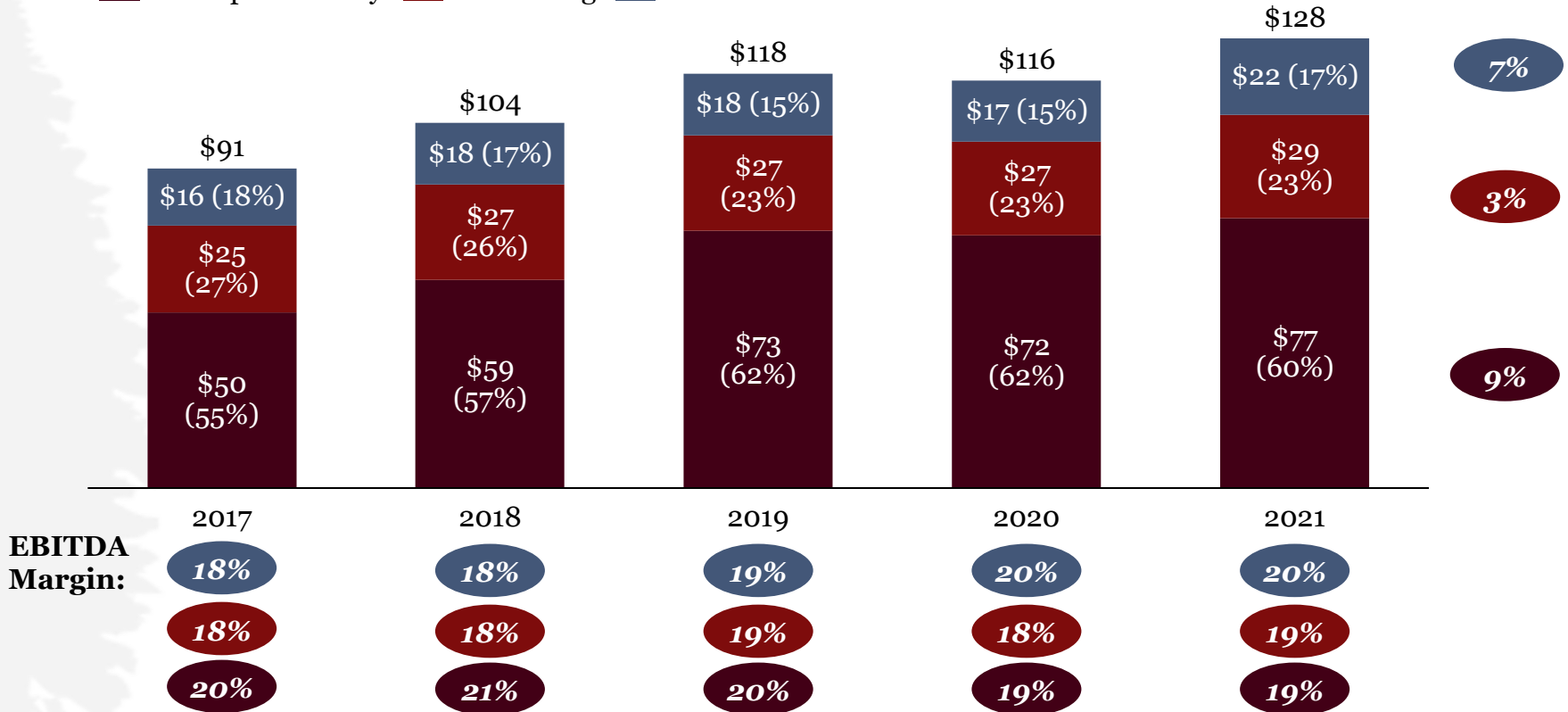
Solutions Software grew 10% between 2020 and 2021, compared to 14% CAGR from 2017 to 2019

The analysis included a revenue stream breakdown which revealed steady, slow growth in Solutions Software’s key product areas

Solutions Software revenue, 2017-2021 (\$Ms)

CAGR

Office productivity Accounting Other



Solutions Software’s office productivity software revenue has grown at a 6% CAGR over the past 5 years compared to accounting software at 1%

6 key initiative areas emerged while working with the Solutions Software team to identify growth opportunities

■ Current market growth
■ Market expansion

Key area

Overview

Acquire new customers

- Acquire new customers, focusing on target segments and using effective assets and tools

Grow customer base

- Increase the number of sales to current customers

Retain current customers

- Increase retention and limit churn for key current customers

Optimize pricing

- Optimize pricing for key products in order to grow Revenue & EBITDA

Expand portfolio

- Build-out product portfolio through development and acquisitions

Expand geographies

- Extend geographic coverage to reach new markets and customers



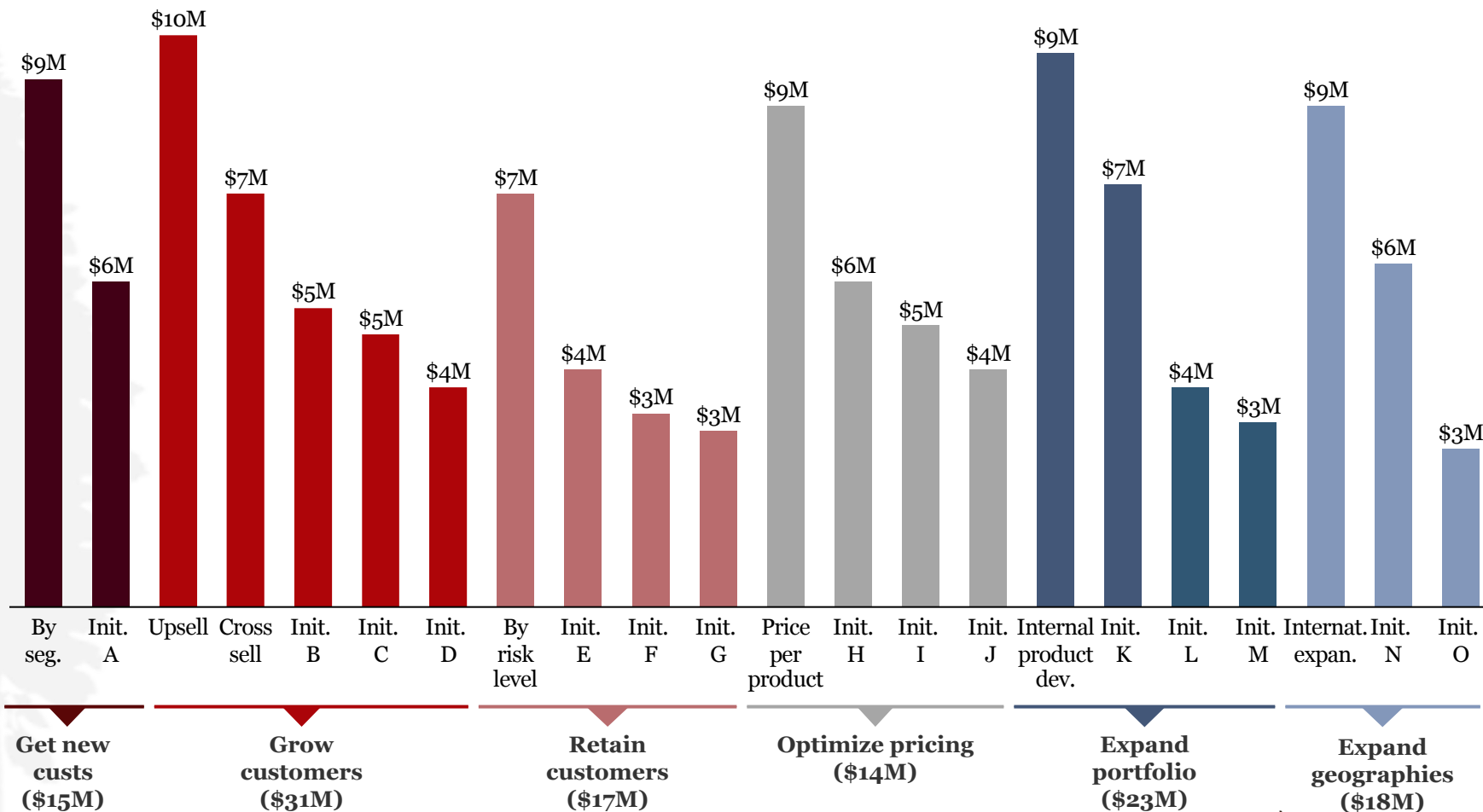
The Solutions Software team prioritized 22 initiatives in the key areas to further size and access

Revenue growth				Margin optimization	
Acquire new customers	Grow cust. base	Retain customers	Optimize pricing	Expand portfolio	Expand geographies
<ul style="list-style-type: none"> · <i>By segment:</i> (<50 empl.), med. (51-250) large (251-1K), enterprise (1K+) · Initiative A 	<ul style="list-style-type: none"> · Upsell · Cross-sell · Initiative B · Initiative C · Initiative D 	<ul style="list-style-type: none"> · <i>By risk level:</i> High, Medium, Low · Initiative E · Initiative F · Initiative G 	<ul style="list-style-type: none"> · Price per product · Initiative H · Initiative I · Initiative J 	<ul style="list-style-type: none"> · Internal product dev. · Initiative K · Initiative L · Initiative M 	<ul style="list-style-type: none"> · International expansion · Initiative N · Initiative O







EBITDA growth opportunity was estimated for each of the 22 initiatives

2026 est. EBITDA by initiative and category (\$Ms)

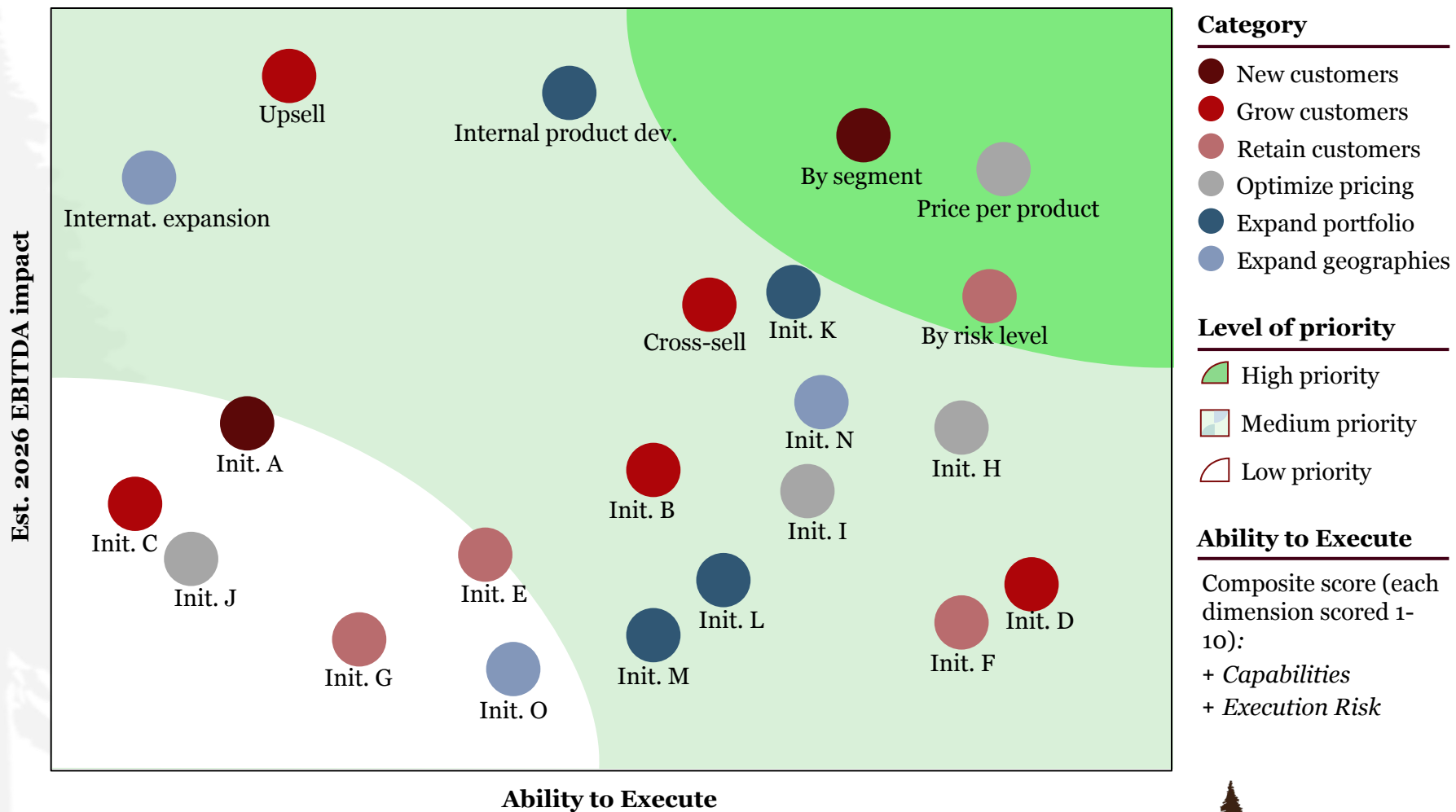


Three key dimensions were used to assess and prioritize the top 22 initiatives: Size, Solutions Software Capabilities, and Execution Risk

Dimension	Description	
 <p>Size</p>	<p>The total estimated EBITDA impact of the initiative in 2026 terms</p>	
 <p>Ability to Execute</p>	<p>Solutions Software’s assessed current ability to capture the full value of a given initiative, based on internal capabilities and execution risk assessments</p>	
	 <p>Key Capabilities</p>	<p>A holistic measure of Solutions Software’s current internal capabilities to capture an initiative’s value based on existing organizational talent, tools, analytics, systems and other resources (e.g., time)</p>
	 <p>Execution Risk</p>	<p>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 Solutions Software has a lower probability of capturing the initiative’s value</p>

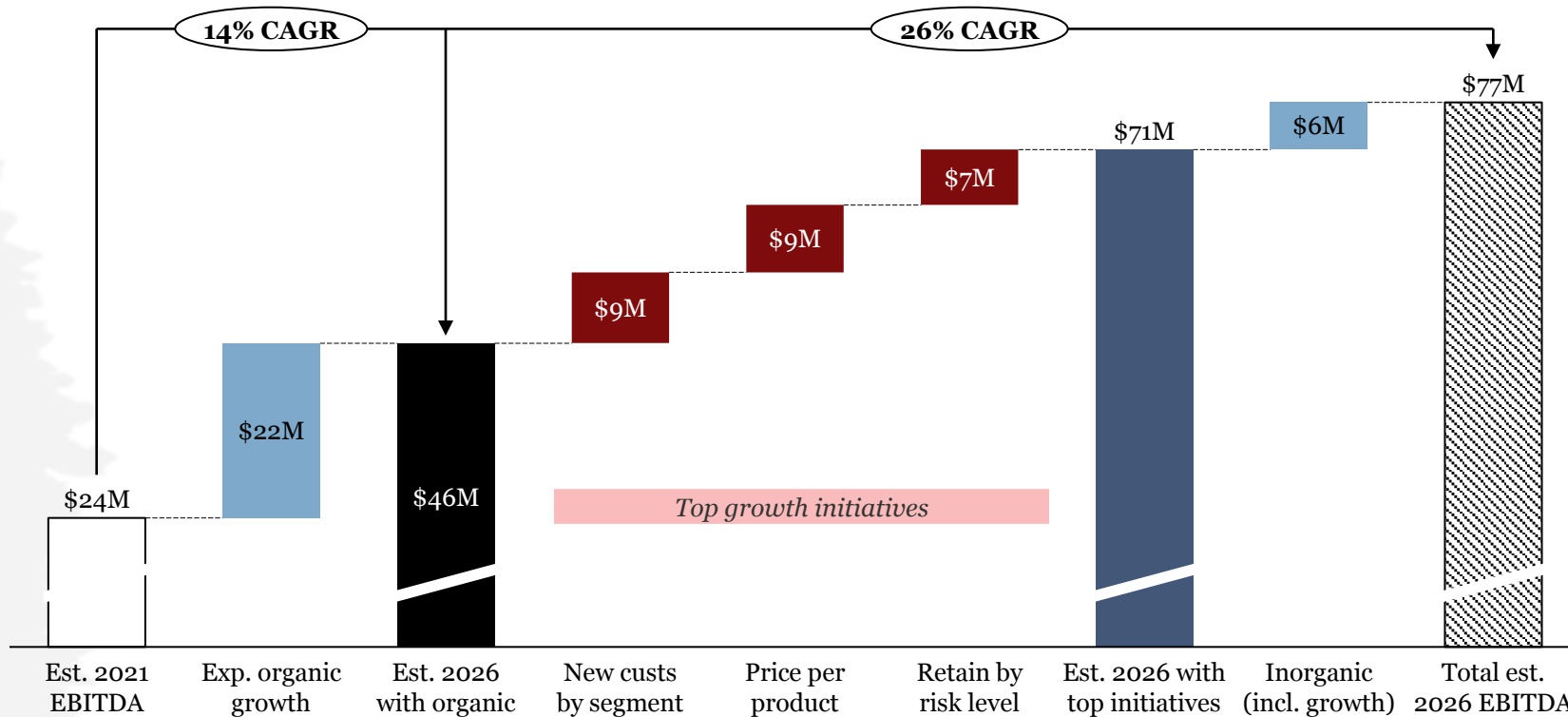
The 22 initiatives were prioritized based on each initiative's size and Solutions Software's ability to execute

Value initiative assessment by size and ability to execute



Solutions Software could unlock an additional ~\$25M in EBITDA in 2026 by pursuing the top 3 initiatives

Est. EBITDA growth potential by key initiatives, 2021-2026 (\$Ms)



- Organic growth predicted to be 14% in current core markets and segments (mgmt. team estimate)
- Organic growth in other segments also estimated at 14%

- Analysis finds that Solutions Software can increase price per product with ~\$9M in EBITDA impact
- Prospecting customers in key segments and boosting retention is expected to unlock ~\$16M in EBITDA by 2026

- Model assumes 1 acqs. at \$6M EBITDA



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