



**Sample materials:
Value creation planning
and execution**

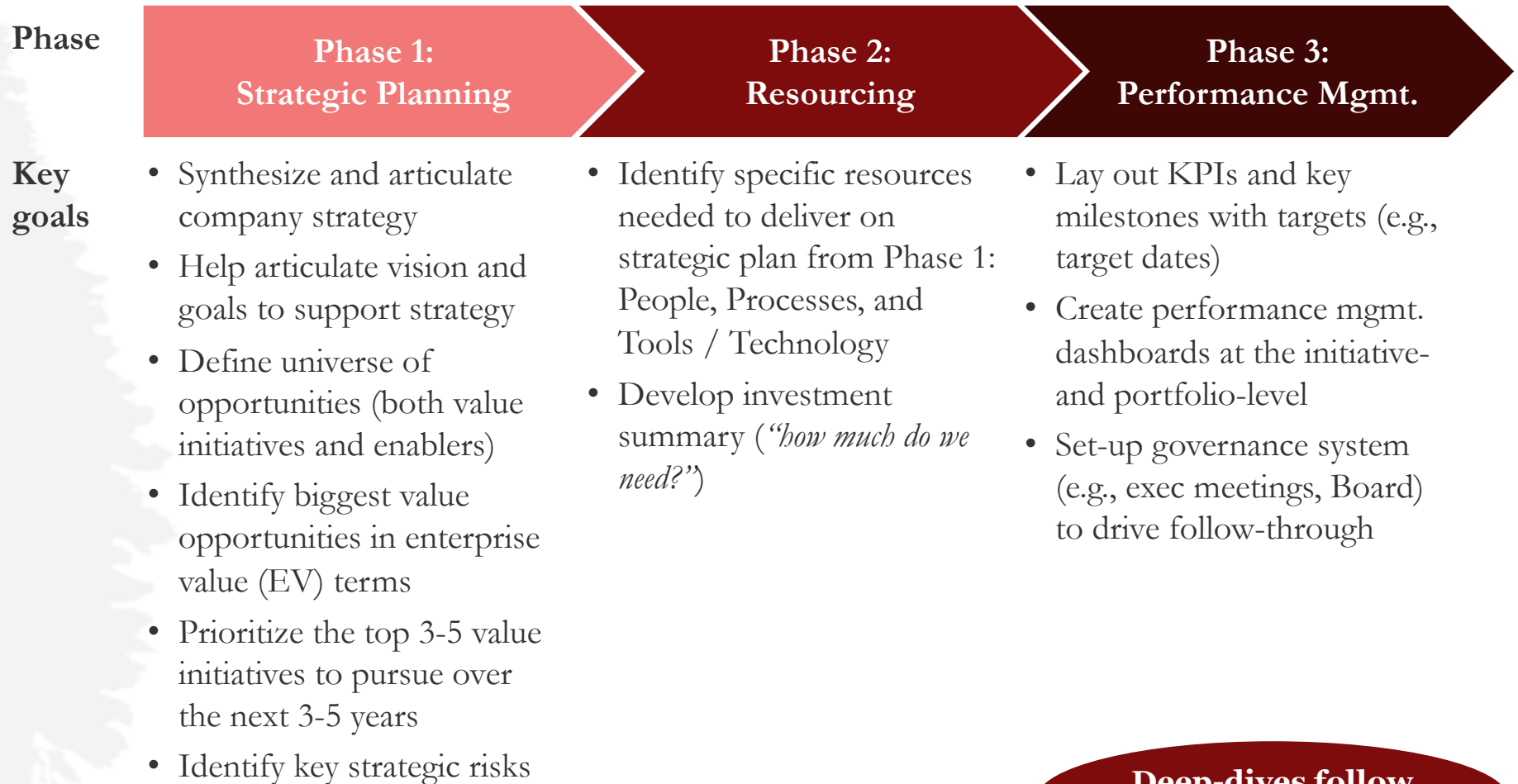
Contents

• Value creation planning and execution: Overview

- Phase 1 – Strategic planning: Example materials
- Phase 2 – Resourcing: Example materials
- Phase 3 – Performance management: Example materials



A value creation planning and execution process has three key phases: Strategic Planning, Resourcing, and Performance Mgmt.



**Deep-dives follow
on each phase**



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Value creation planning processes begin by articulating the company's core business strategy (e.g., how we will win)

Key question

Description

Key elements to define

1

What is our winning aspiration?

The purpose of the enterprise

- Our guiding aspiration for our company

2

Where will we play?

The right playing fields

- Where we will compete: geographies, product categories, consumer segments, channels, and stages of production

3

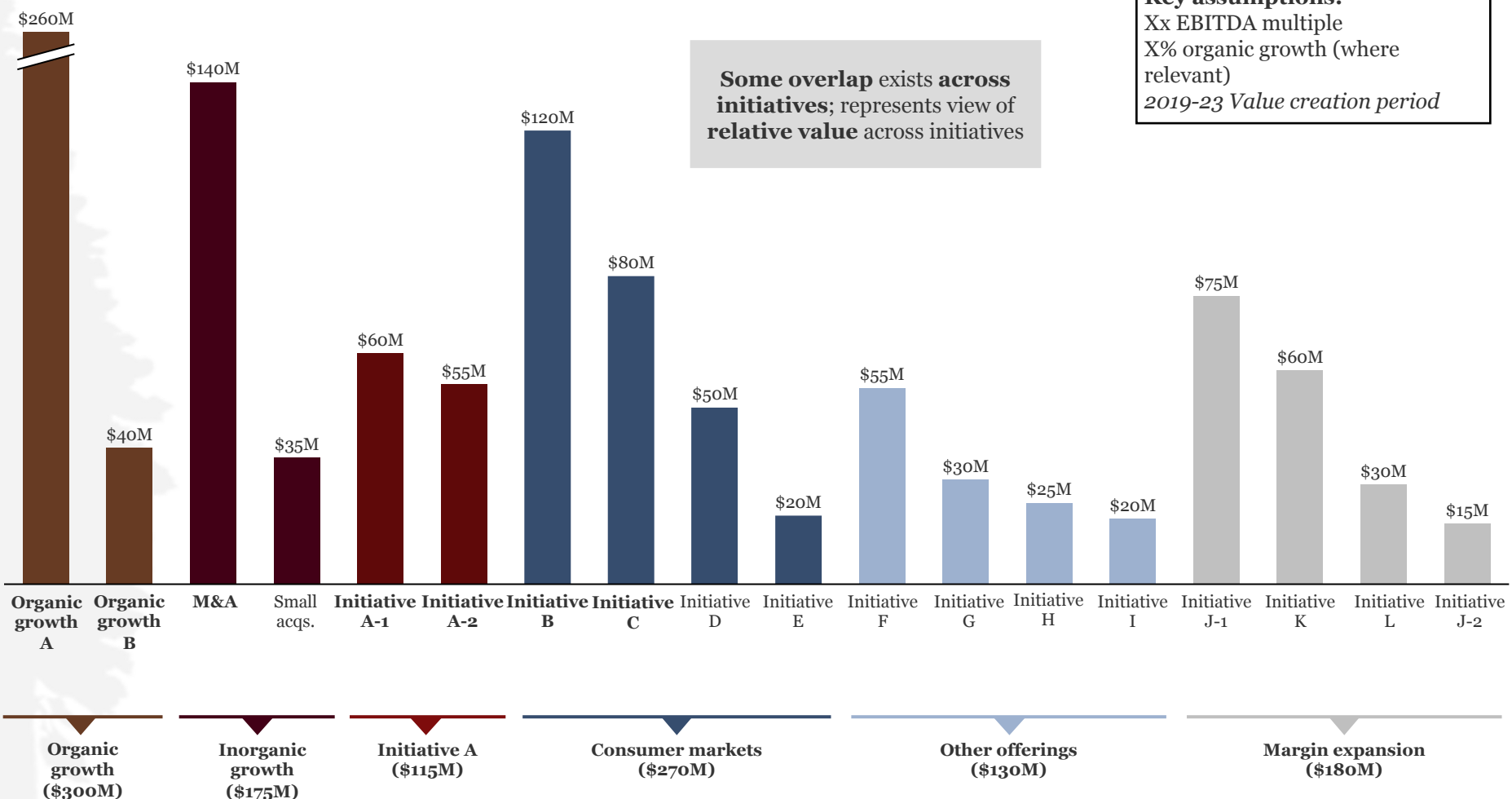
How will we win?

The unique right to win

- Our value proposition
- Our competitive advantage

Projects identify a universe of potential value initiatives and then estimate the enterprise value (EV) of each initiative

2023 Enterprise Value by initiative and category (\$Ms)



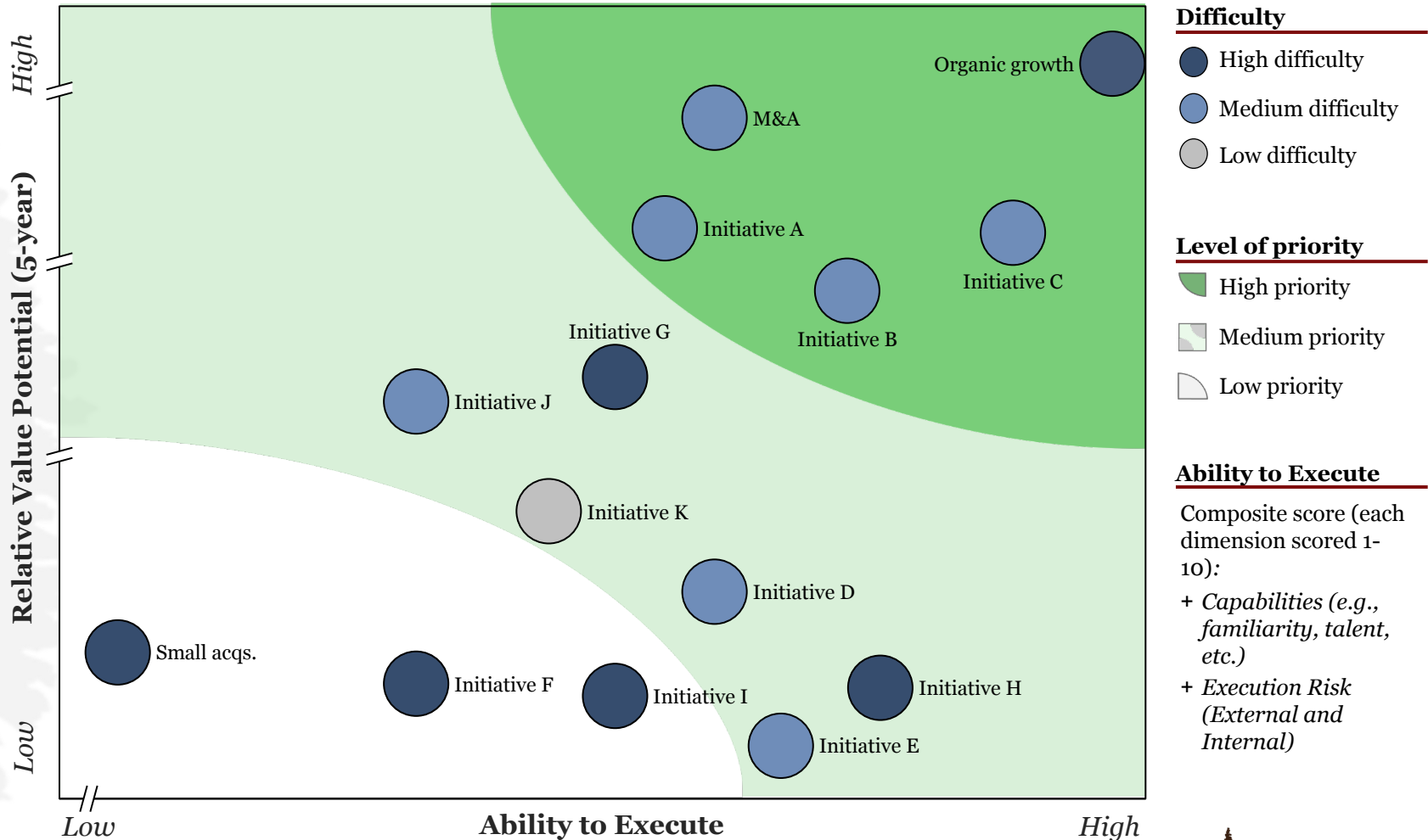
Some overlap exists across initiatives; represents view of relative value across initiatives

Key assumptions:
 Xx EBITDA multiple
 X% organic growth (where relevant)
 2019-23 Value creation period



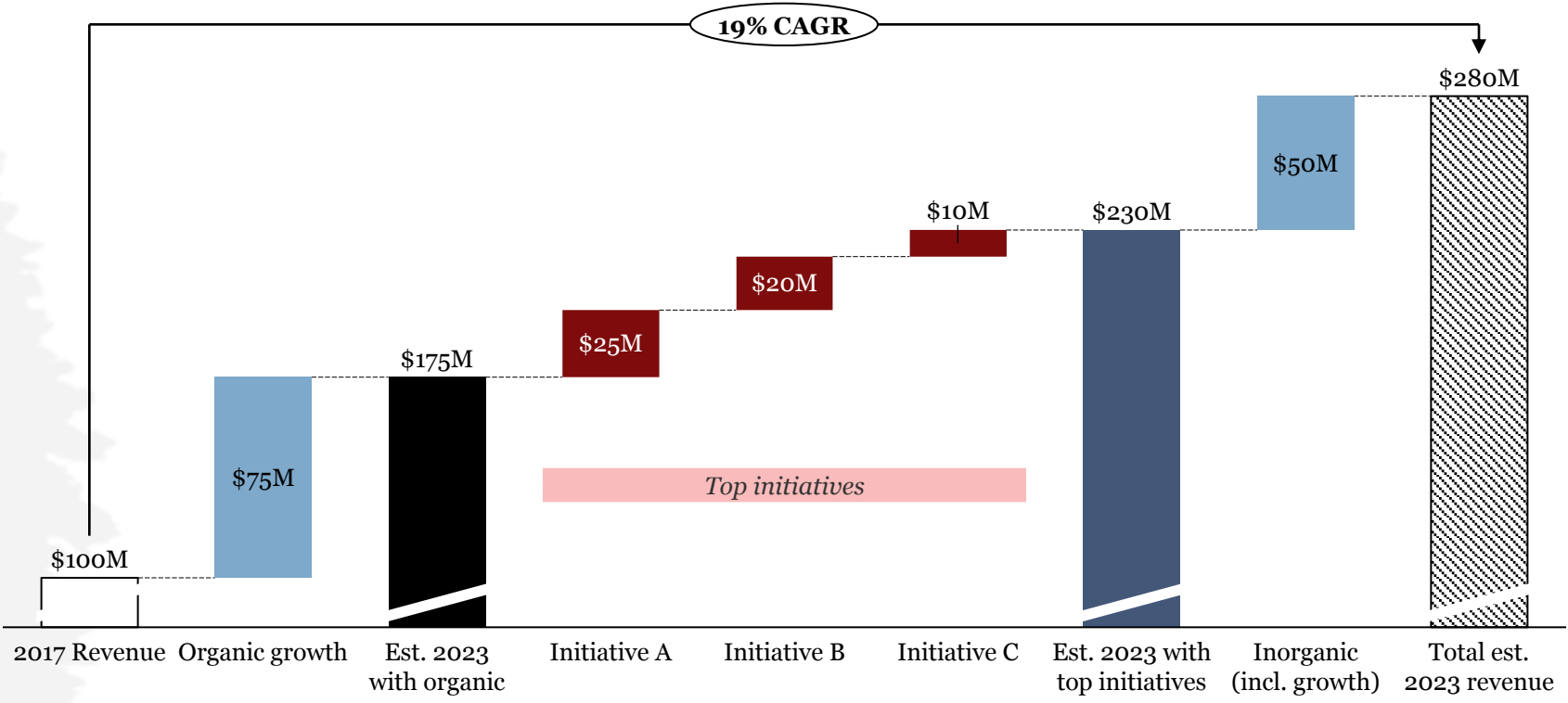
Initiatives are then prioritized according to their size (i.e., EV) and an assessment of the organization's ability to execute

Initiative assessment by relative value potential (EV) and ability to execute



Prioritization helps create an integrated, long-term financial (e.g., revenue) model based on capturing top priority initiatives

Est. growth by key initiative, 2017-2023 (\$Ms)

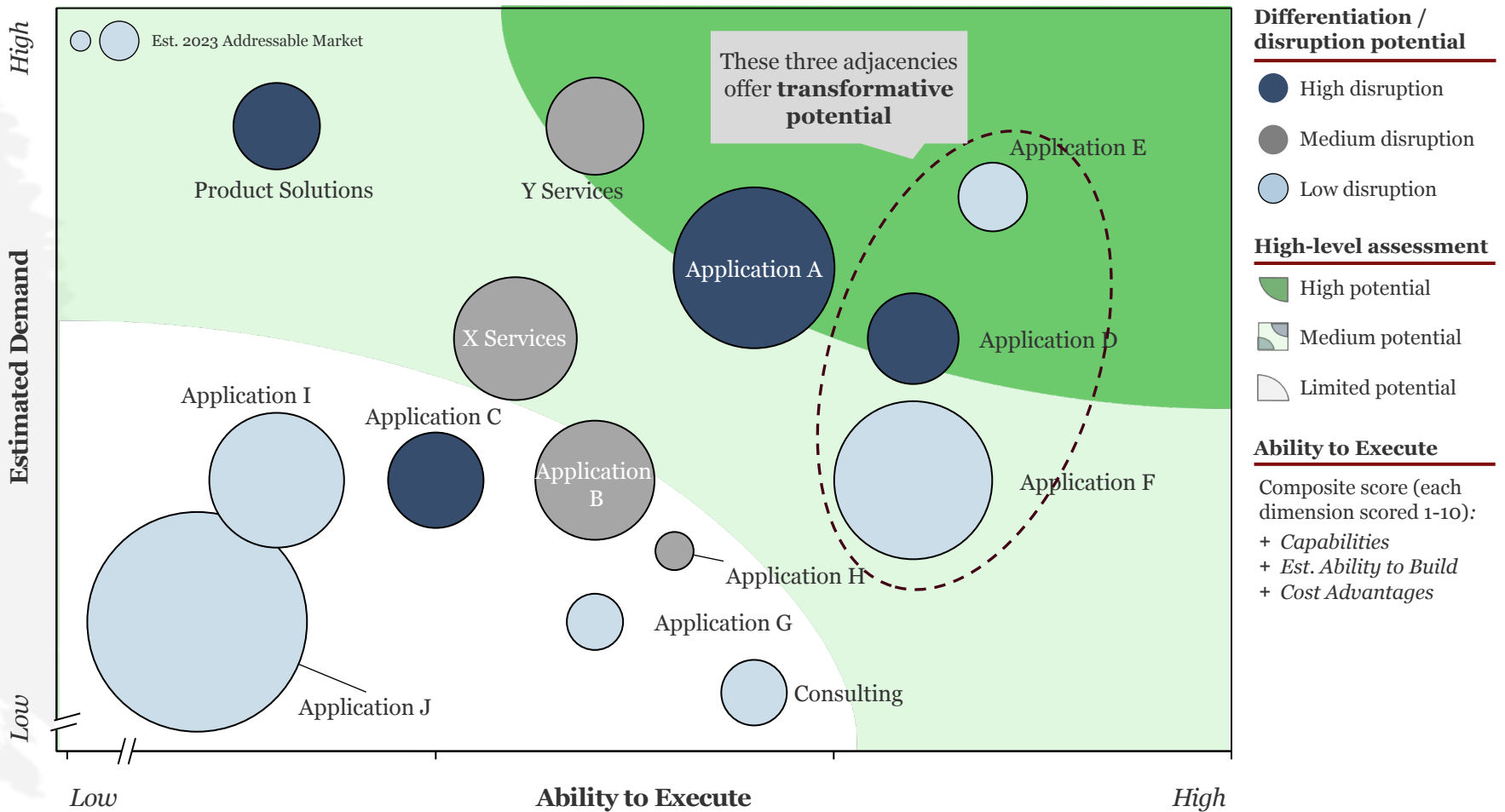


- ~X% segment A organic growth
- Organic growth for segment B assumed to be X% (mgmt. team estimate)
- Organic growth in other segments estimated at X%

X per year (\$XM each)

Value creation planning projects can also identify, assess, and prioritize potential adjacencies (i.e., new offers)

Market adjacencies by ability to execute and estimated demand



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■ New role need

□ Existing leader

In the resourcing phase, an organizational leader / owner is assigned to each prioritized initiative and key gaps are identified

Value initiative	Leader	Comment
Organic growth	Regional leaders	Decentralized system gives comprehensive ownership to regional leaders
M&A	Executive team	Executive leadership team jointly owns acquisition process; heavy engagement desired
Initiative B	Head of Market A	Leadership acquired through M&A; team has laid out growth plan through 2022 and shifting focus to execution
Initiative A	VP X	Existing role; additional staff needed to significantly grow business
Initiative C	Head of Market B	Leadership acquired through acquisition; team has laid out growth plan through 2022 and shifting focus to execution
Initiative F	New leader (TBD)	New executive leader to create vision, develop plan, and support execution; preferably will come from outside industry
Initiative G	Chief Financial Officer	Insights analytics-driven and can be housed in Finance under CFO
Initiative D	New leader (TBD)	Leader TBD; Market C can recruit resources to help drive end-user market strategy
Initiative J	Director of X	Existing role; needs support staff to drive execution at scale
Initiative E	Head of Market D	Existing role within team; additional leader not needed



Key resource needs (People, Technology, and Processes) and top next steps are identified for each prioritized initiative

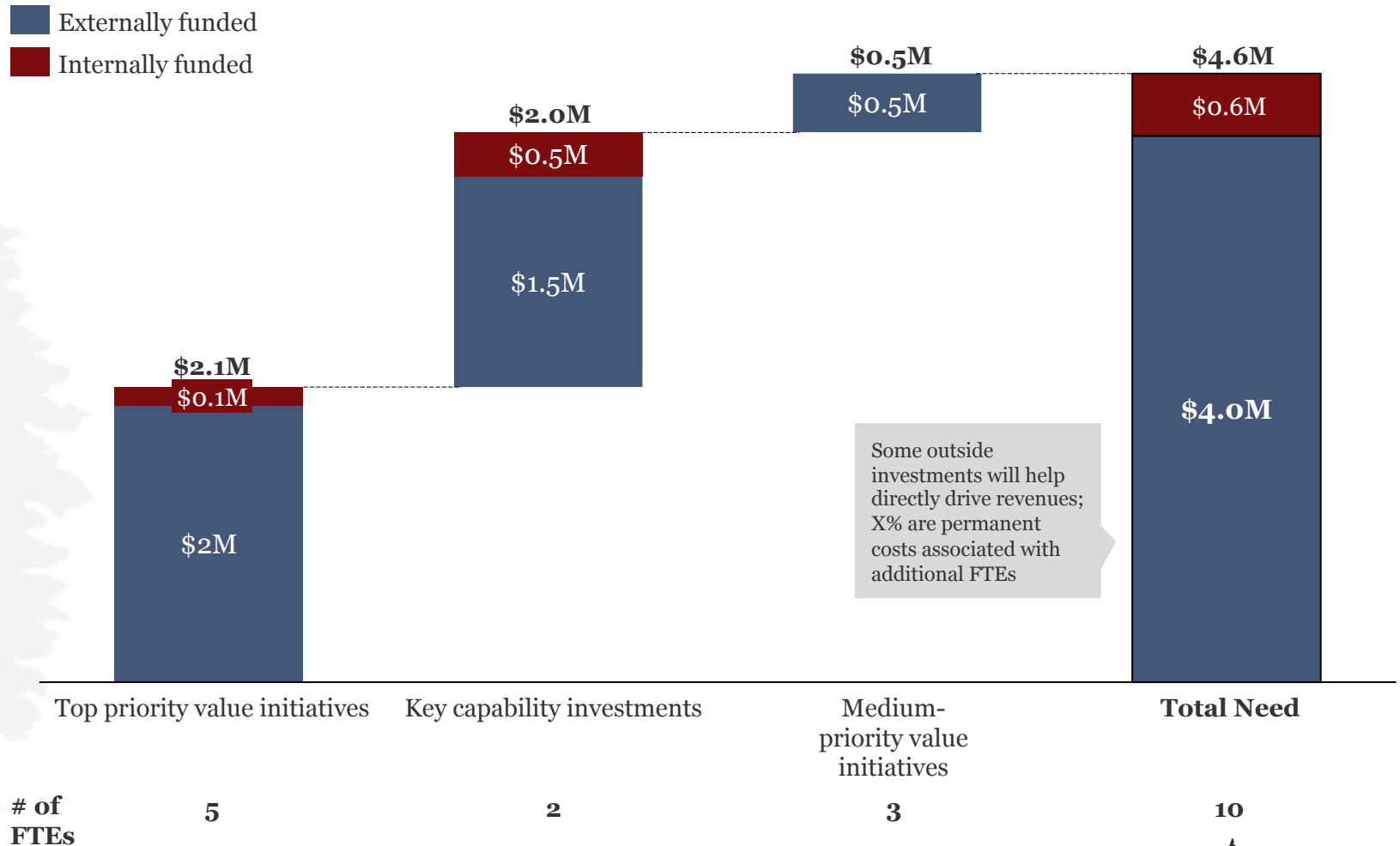
● 0-6 months ● 6-12 months 👤 People 🖨️ Technology 📅 Processes ▶ Other key actions

Key resource needs					
Key resource	Est. cost	Owner	Target date	RYG	
● 👤 1 additional sales member focused on new accounts	\$300K	VP X Accounts	2/1/2019	●	
● 👤 2 additional sales member focused on existing accounts	\$600K	VP X Accounts	2/1/2019	●	
● 👤 1 Proposal Coordinator	\$150K	VP X Accounts	1/1/2019	●	
● 👤 2 Senior Program Managers	\$400K	VP X Accounts	1/1/2019	●	
● 👤 1 additional sales member focused on existing accounts	\$300K	VP X Accounts	4/1/2019	●	

Key next steps				
Next step	Owner	Target date	RYG	
● Optimize account definition (e.g., key criteria)	VP X	11/1/2018	●	
● Develop target list of companies for new accounts	VP X	12/1/2018	●	
● Develop sales training plan to upskill sales team responsible for X accounts	VP X	12/15/2018	●	
● Stand-up and deploy proactive sales approach focused on new accounts	VP X	2/1/2019	●	

Identifying the resources needed to drive value for each initiative helps develop a view of the total investment required

Investment requests by category (\$Ms)



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Ongoing performance management can be broken down into two key areas

Performance Management Dashboards

Dashboards to track progress on key targets and milestones on the enterprise and initiative level

Governance

A management system for the Board, executive team and initiative teams to drive performance over time

Detailed execution plans for each initiative help lay-out a near-term plan to deliver long-term value

- High priority
- Medium priority
- Low priority

Activity	2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2
<ul style="list-style-type: none"> ▪ Formalize and expand re-negotiation strategy 						
<ul style="list-style-type: none"> ▪ Build-out more comprehensive pricing perf. mgmt. system to track pricing over time 						
<ul style="list-style-type: none"> ▪ Create standard pricing packages and build business case for each strategy 						
<ul style="list-style-type: none"> ▪ Develop set contracting templates, playbooks and processes 						
<ul style="list-style-type: none"> ▪ Identify list of customers with opportunities to improve pricing model 						
<ul style="list-style-type: none"> ▪ Pursue contract re-negotiations focusing, on highest potential value customers 						
<ul style="list-style-type: none"> ▪ Monitor and regularly review progress 						





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