



Tullamore Business Lunch

Growing, Protecting & Realising
Value from your Business

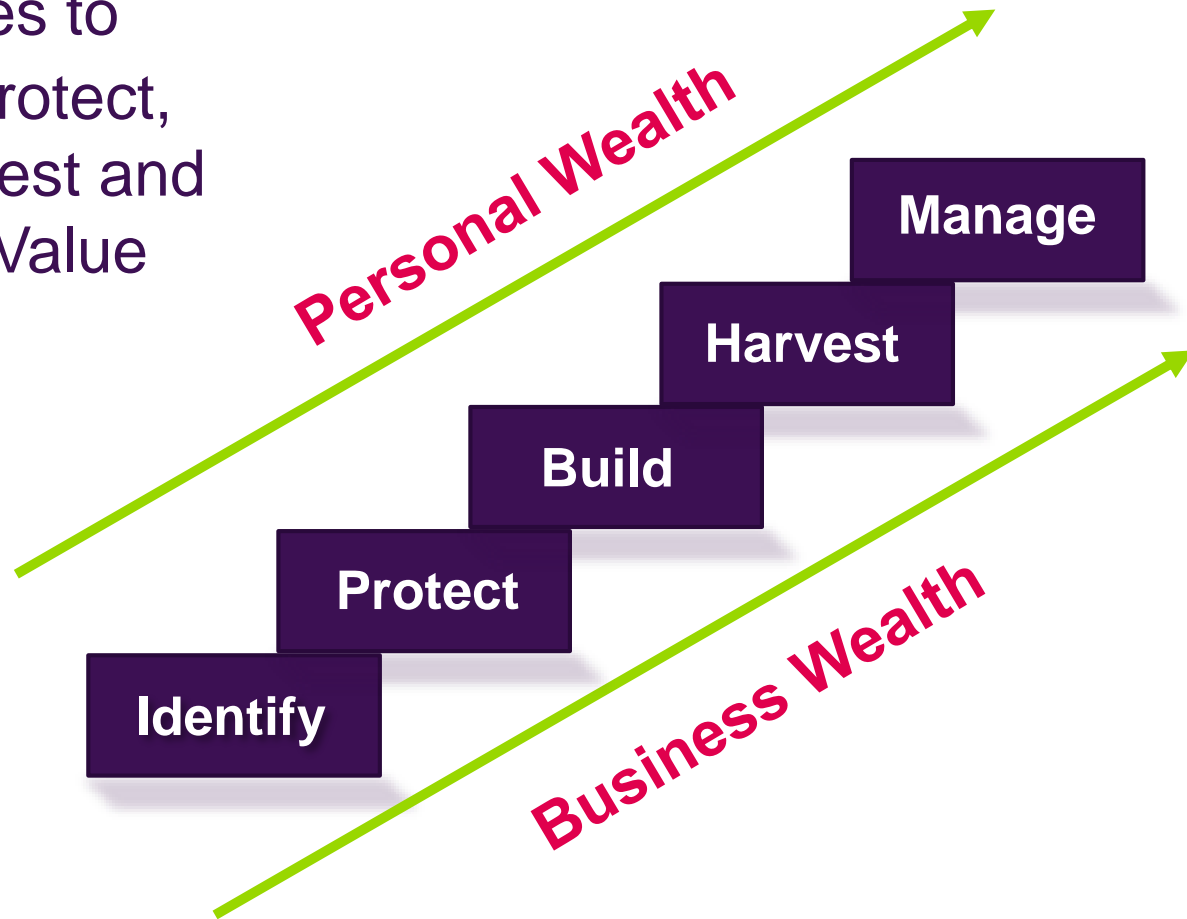
February 2020

We're by your side



Value Acceleration & Exit Planning

5 Stages to
Identify, Protect,
Build, Harvest and
Manage Value





Identifying & Building Value in your Business

(Value Acceleration & Exit Planning)

February 2020

BRIAN FEENEY

We're by your side

Benefits of Good Planning

**Results
Can Be
Greatly
Improved
with
Good
Planning**

YOU CAN...

- › Better control how and when you exit
- › Maximise value in good and bad times
- › Keep more of what you get rather than paying it to the tax man
- › Shorten the due diligence and documentation periods
- › Have better control over confidentiality
- › Have strategic options to choose from
- › Know the future is secure

**Why is
Value Acceleration &
Exit Planning
relevant today?**

Within six years, ALL baby-boomers will be over 60 years old

Own majority of the private businesses in Ireland

Most of their wealth is tied up in their businesses

Most of these will transition over the next 10 years

Only 18% of Irish family businesses have a formal succession plan

The Age Wave
Thousands of
Businesses
€ Billions in
Wealth

Always Be Ready to Transition

The 5 D's

Death

Disability

Divorce

Disagreement

Distress

Unsolicited offer to sell

Exit planning is Business Strategy

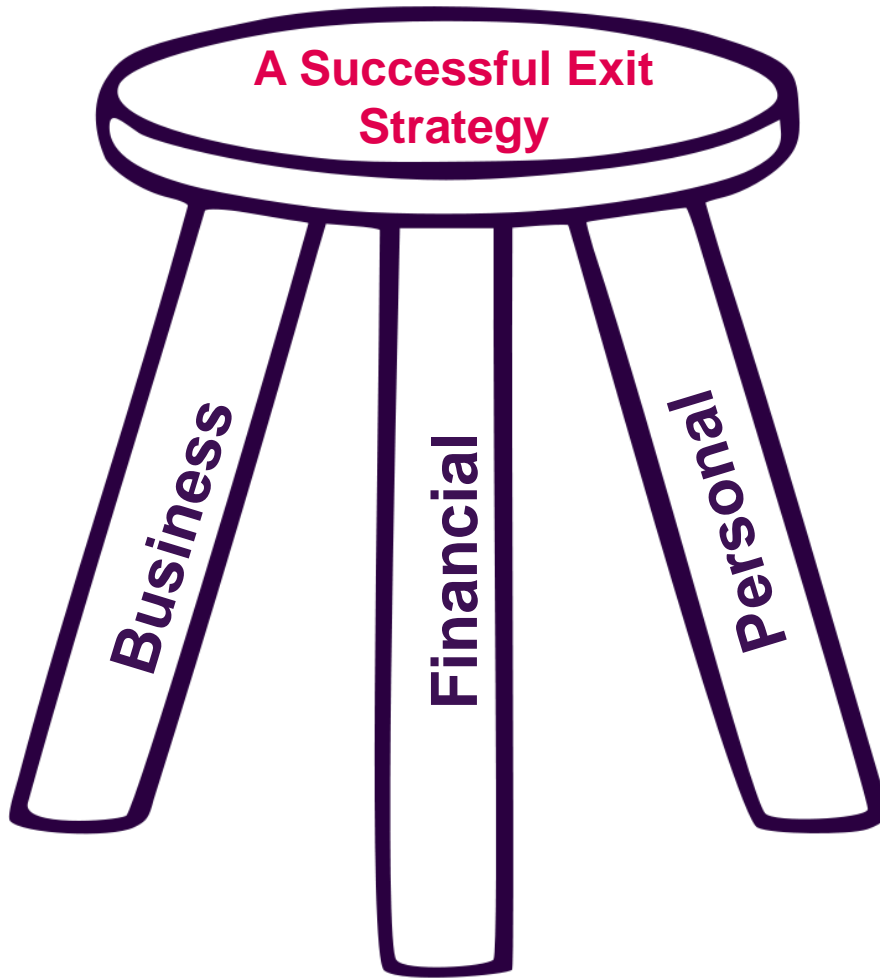
The Solution



Exit planning is **business strategy**.

- › Build, harvest, and preserve wealth
- › Identify, Protect, Build, Harvest, Manage Enterprise Value (5 Stages of Value Maturity)
- › Simplify the process & clarify the roadmap to success
- › Integrate the “three legs of the stool” into one Master Plan

The 3 Legs of the Stool



A Successful Exit Strategy Has Three Legs:

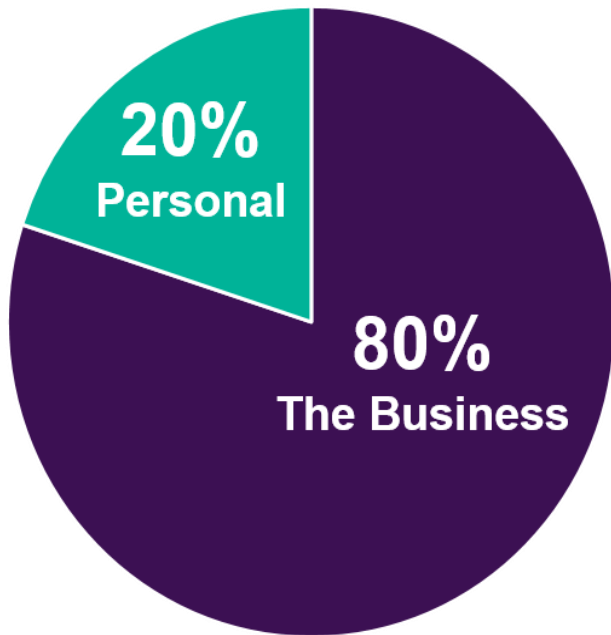
Business - Maximizes Transferrable Business Value

Financial - Ensures Owner is Financially Prepared

Personal - Ensures there is a plan for "What Next?"

Personal: Owner Financially Prepared

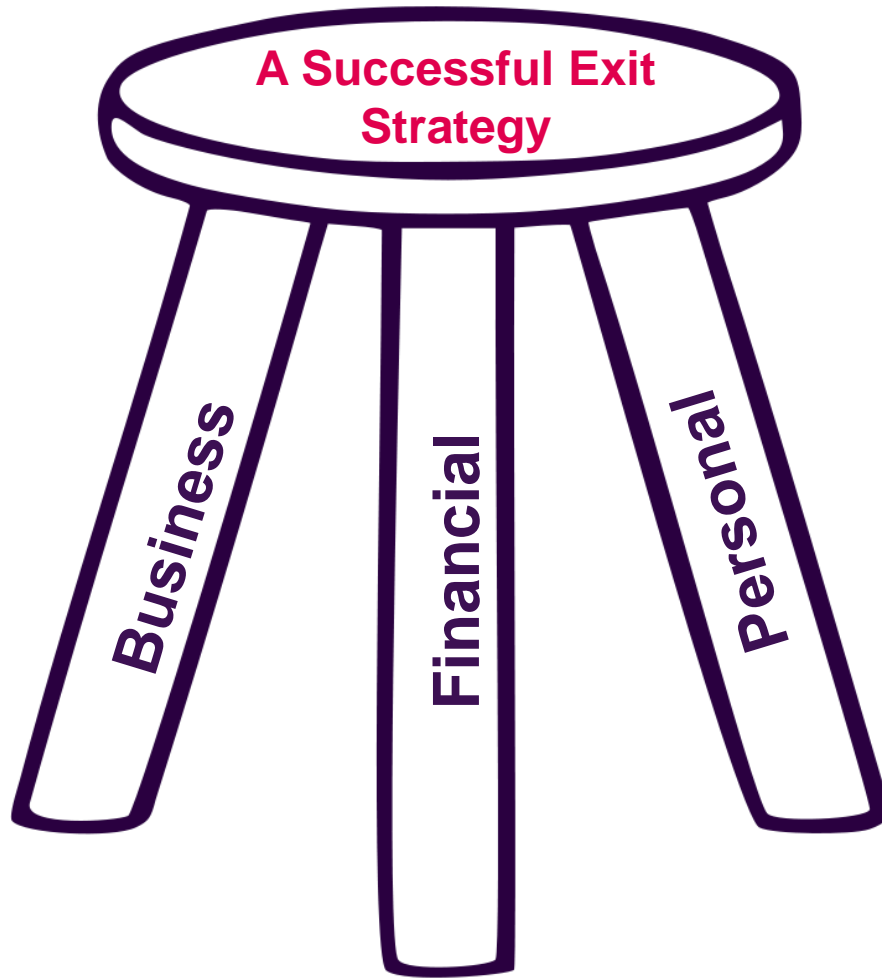
Wealth Gap Expectation V Reality



Wealth Management

- > Risk Management
 - > Retirement Planning
 - > Estate Planning
 - > Portfolio Management
-

The 3 Legs of the Stool



A Successful Exit Strategy

Business

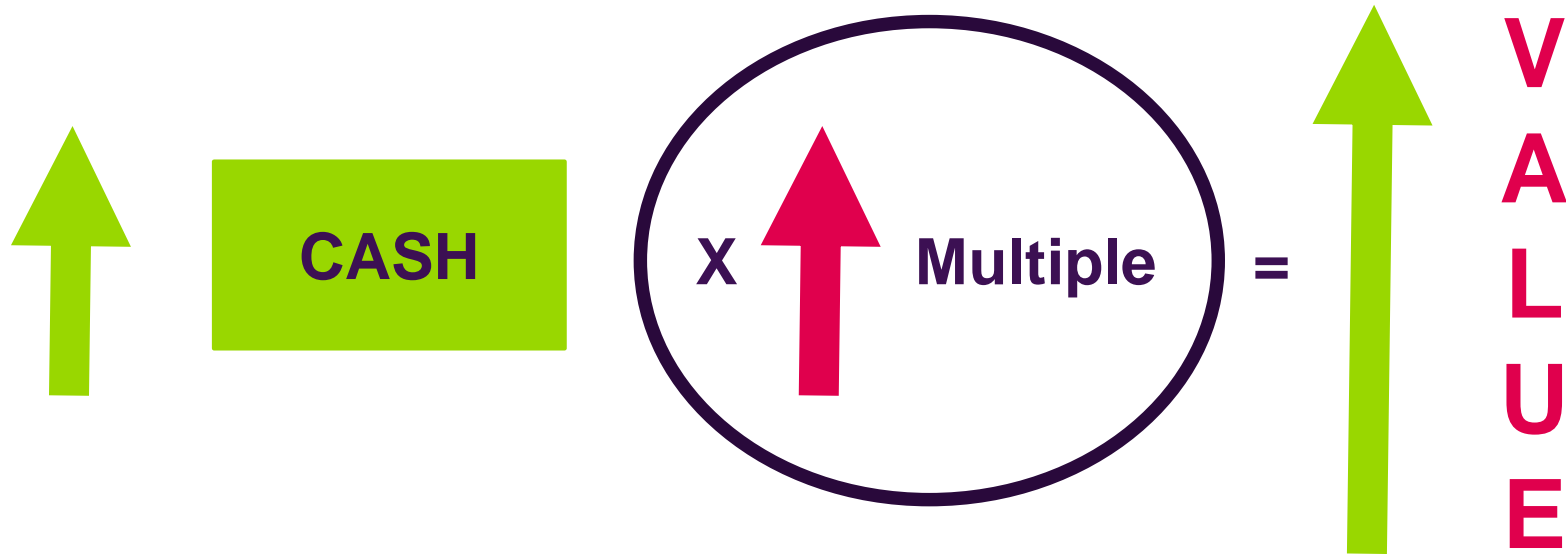
Maximizes Transferrable
Business Value

Value and Income



Owners are leaving € on the table
because they are focussed only on
Income generation and not on
Enterprise Value

Stage 1: Identify Value



(Profit Gap)

(Value Gap)

Most Valued Companies

Most Valued Companies

What do these companies have in common?

Company	Market Value (in billions)	Total Shareholders' Equity (in billions)
Apple	752	128
Google	580	152
Microsoft	508	72
Amazon	427	27

The 4Cs – What Builds Strong Capital?

CUSTOMER

- Relationships
- Contracts

STRUCTURAL

- Processes
- Technology
- Systems

HUMAN

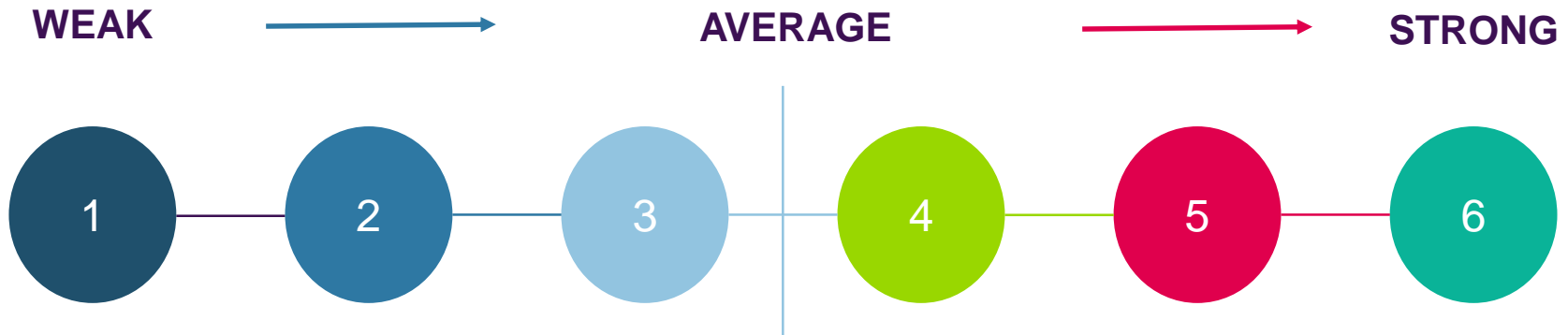
- Strong Management Team
- Talent
- Knowledge

SOCIAL

- Brand
- Culture



Common Sense Scoring



- Human capital
- Customer capital
- Structural capital
- Social capital

Maximizing Business Value

COMPANY A	Comparable Companies?	COMPANY B
25 Years Old Niche Product €30m €3m	Company Age Product Sales EBITDA	25 Years Old Niche Product €30m €3m
None Original and Worn Thin and Weak None Old, Antiquated Unreliable At Risk Haphazard Limited High	Product Development Program/IP Equipment Condition Management Team Strategic Planning Information Systems Financial Reporting Sustainability Training Branding Customer Concentration	Robust New, State-of-the-Art Deep and Experienced Highly Developed State-of-the-Art Highly Disciplined Industry Leader Regular and Formal Strong Well Balanced

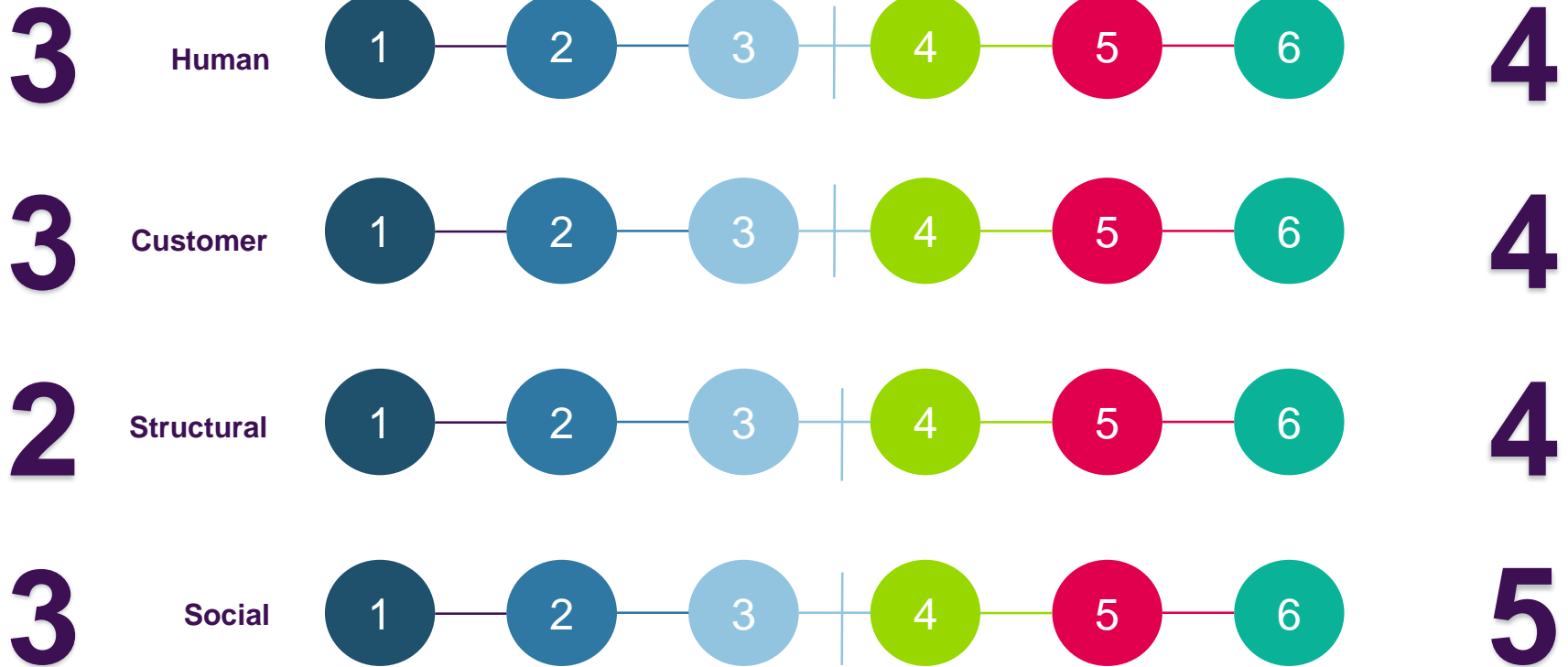
Would They Both Have the Same Value?

Which Company Has More Value?

COMPANY A

COMPANY B

WEAK → AVERAGE → STRONG



Change of Mindset

From



To

Future

Present

Business

Personal, Financial and Business

Income

Value

Individuals

Team

Project

Process

Plans

Actions

Tangible Assets

Intangible Assets

Tax Number

Real Number

What Can You Do?

Value
Acceleration
& Exit
Planning is
just good
business
strategy

1. Build a system that positions the business for a successful transition in good times or bad
2. Identify what you already have and protect it
3. Identify gaps and initiate steps to mitigate risk
4. Build value (not just Revenue/Profit) - Focus on value produces other positive outcomes

Chasing Revenue



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4. Build value (not just Revenue/Profit) - Focus on value produces other positive outcomes
5. Position the business so that you can unlock the wealth on your terms when time is right

Exit Planning & Value Acceleration

THE FUTURE IS NOW

“I believe luck is preparation meeting opportunity. If you hadn’t been prepared when the opportunity came along, you wouldn’t have been so lucky”

-- Oprah Winfrey




Thank You

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