



THE MASTERY PARTNERS WAY



WRITTEN BY

TOM BRONSON

**"A vision and
strategy aren't
enough. The long-
term key to
success is
execution.
Each day.
Every day."**

Richard M Kovacevich



Every business is

eventually going to transition. Mastery Partners is dedicated to helping business owners improve enterprise value and develop a transition strategy that meets their goals.

Mastery is creating a new category in business consulting - building and executing exit strategies without being tied to a specific outcome. Until we came along, when a business owner decided it's time to start thinking about a transition, they had few places to turn. Mostly, they would call in a business broker or investment banker whose primary interest is in selling the business because their compensation is tied to a transaction. Don't get me wrong - they are a necessary component of the business transition ecosystem when a business owner has decided to sell. And, there are plenty of great brokers and investment bankers out there.

48% of business owners do not have exit strategies for their business

There are plenty of

great consultants out there also - ones who focus on one or two specific areas of the business. As we partner with our clients to solve specific challenges in their businesses, we take a holistic approach by examining virtually every facet of the business.

**Our team
has
participated
in over**


500

transactions

We have the **ability to pull from our team of experts across every business discipline** - from branding to finance, from process to strategy, from growth to... well, you get the picture. Because all of our resources are in-house, we can dial up the heat in one area, and let others simmer until the right time to mix them together.

Mastery uses a proprietary process that we have developed based on years of experience buying and selling companies. In fact, our partners have participated in nearly 500 transactions with our managing partner participating in 100 transactions alone.





Wait...did I hear you right?
You've never considered an exit strategy?
Your business is an asset that can work for you when it's time.

Are you stuck?

We take the mystery out of **EXIT** strategies
with our 4-Step Process.

Our four step process to preparing a business for a future transaction helps business owners build a strategy for a successful transition and avoid costly mistakes - many of which we learned the hard way.

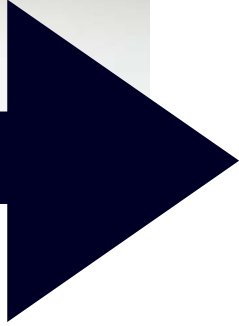


1. **Transaction Readiness Assessment (TRA)**
2. **Roadmap for Value Acceleration (RVA)**
3. **Strategy Execution**
4. **Transition on Your Terms**

This ebook dives into some of the details to help business owners understand our process.




STEP ONE:



TRANSACTION READINESS ASSESSMENT (TRA)

A primary objective of the first phase of this project is to evaluate the business regarding its current state to identify possible areas that need attention in order to prepare for a future transition event. Our signature Transaction Readiness Assessment, or TRA, is a tool designed to score a business across a variety of functional areas regarding the ‘current state of readiness’ as if a transition were to happen tomorrow. However, to be clear, the majority of our clients are


not really looking to sell their business any time soon. In fact, most of our clients have a 3 to 5 year transition horizon, and some much longer because frankly, our business is to help improve the Enterprise Value (EV) of the business, and that takes time. Additionally, many MP clients have no plans to sell their business at all, but want to have more options when the time is right.



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Transaction Readiness Assessment

Corporate	7.0
Legal	7.9
Finance	6.6
Resources	5.6
Operations	5.3
Marketing	4.3
Sales	5.6
Product	8.5
Manufacturing	5.3
Information	2.7
CORE	5.9
Unprepared	
Prepared, Needs Work	
Prepared, Needs Minor Work	
Well Positioned	





Mastery typically (but not always) works with clients that have **at least three years** to prepare for some exit event because there is little we can do to help a business that is urgent to sell (in less than 18 months). In that short time frame all we can do is make some cosmetic changes to present the business in the best possible light in its current state, which goes against our core mission to improve the ultimate outcome for our clients.



Why does it take so long?

To be perfectly frank, most buyers will not evaluate a business based on “futures.” They value the business based on its current state. And even if there are dramatic changes to improve the value, buyers won’t believe it until there is a solid Trailing Twelve Months (TTM) to prove that the changes have had a sustainable impact on the business. They will assume that one or two quarters of improvement is perhaps due to some “blip” on the radar or seasonality of the business. It takes a full 12 months of demonstrable outcome to prove that the changes have a lasting effect.

So, then, the TRA is a comprehensive report based on many hours of research, investigation and confidential interviews with relevant parties (typically the owners, or in larger businesses the management team) that will highlight the opportunities in the business to make some improvements that will ultimately impact the Enterprise Value of the business, whether the owner chooses to transition it or not. The functional areas we typically evaluate in most businesses include, but are not limited to:



Corporate Governance

Are the corporate records and affairs in order?

Legal Matters

Are there any current or potential legal threats to the business?

Finance & Accounting

Is the financial house in order?

Human Resources

Is the business protecting its most valuable assets?

Operations

Are there easily followed and documented processes in place?

Sales & Marketing

Is the business growing and does it have a positive outlook?

Strategic Planning

Is there a long term plan for the future?

Succession Planning

Are the right people on the bus and are there contingency plans?

Product & Development

Is the product and strategy forward thinking enough?

Infrastructure & IT

Can the infrastructure support the future?


The final component

of the TRA is an opinion on the current enterprise value of the business. It is important to note that this is only an opinion. The fact of the matter is that there is only one way to truly value an SMB and that is to have a willing buyer and a willing seller who agree on price. The opinion should not be used for any other purpose.



Once the TRA is complete, Mastery will conduct a review meeting to go over our findings and the valuation opinion and then we are off to the next step - the RVA.





Roadmap for
Value
Acceleration

STEP TWO:

ROADMAP FOR VALUE ACCELERATION (RVA)

Once there is an opportunity to digest and comment on the TRA report, Mastery Partners hold another discovery meeting to talk through the business, personal and financial goals - the Three Legs of the Stool. Our objective is to take the data and assemble a strategic action plan or roadmap to achieve sustainable results in key operating areas - as well as addressing the business owner's desired outcome.

During discovery we will explore all of the available options for successfully transitioning a business - internal transitions (to the people in the business), external transitions (to outside buyers) and other options. (Download our ebook - *Business Transition Options: Pros & Cons* at our website to learn more.)



The RVA will include

a proposed strategy and timeline to implement. Think of it as a strategic roadmap, which includes dependencies of action steps, to achieve the business owner's desired outcome. At the end of Step 2, Mastery will be in a position to develop a proposal for Step Three that makes the most sense for the business.

37%

**of business owners
have no structures
in place to shield
sale proceeds**



Execute
the
Strategy



STEP THREE:



EXECUTE THE STRATEGY



Once this roadmap is complete and presented, the business owner will have options to execute the plan. These options include a “Do It Yourself” (DIY) approach or partnering with Mastery Partners to assist in the implementation. Note that we say “assist” because it will also require work on the part of the business owner and other talent in the organization to implement the recommendations.

Engagement with Mastery to assist in the implementation typically takes one of **three** engagement models we offer.

RETAINER MODEL

Our retainer service model is budget friendly and provides access to the expertise you need, when you need it. While technically, it ensures a certain number of hours of high level consulting services each month, the Mastery Partners consultants are not “clock watchers” and the business would have unlimited access to our people. We also understand that typically there is more work required at the beginning of a project, and we have the ability to shift to the right resources as they are needed.

PROJECT MODEL

Our project service model is designed to complete specific projects outlined in the roadmap as quickly as possible without sacrificing quality on implementation and roll-out. Under this model, resources will be dedicated to those projects exclusively until the projects are complete. Specific deliverables and time frames will be agreed in advance, and progress billing will occur at each milestone.


HOURLY MODEL

The hourly model guarantees specific time frames, and can be turned on or off at agreed “check points.” If, for example, MP gets 60 hours into a project, and something dramatically changes on the client side to prevent the project from moving forward, the business will be billed for time spent only (plus expenses) with no further obligation.



Regardless of whether the business owner engages with Mastery or takes the DIY path, Mastery will maintain routine “check ins” at a cadence appropriate to the project, to ensure that the implementation is progressing according to plan.





Transition
on Your
Terms

STEP FOUR:

TRANSITION YOUR BUSINESS ON YOUR TERMS

Once the business finishes executing the strategy - it's time to pull the trigger on the transition - or explore other transition options because the business is more valuable than when the process started.

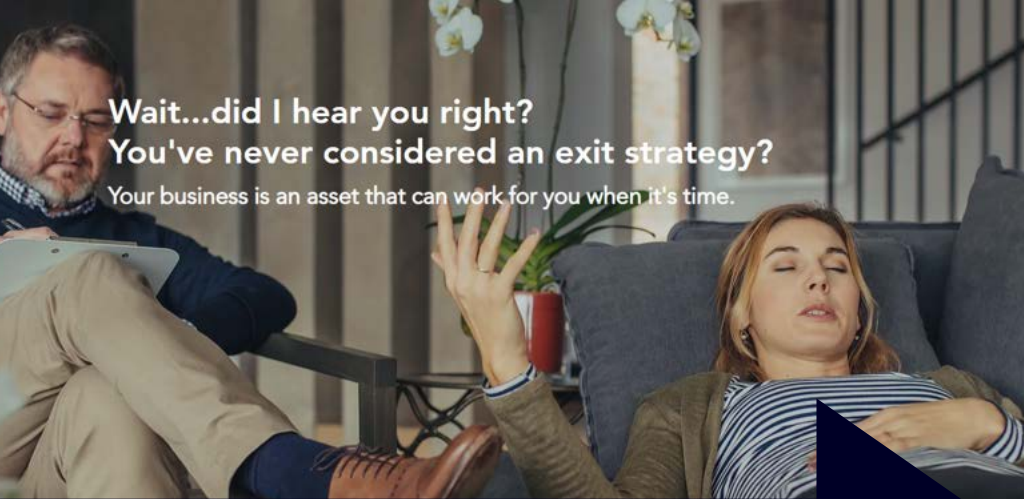
It's likely that during the entire process, Mastery has helped assemble the team the business will need to successfully transition. A great transition team will include the business owner (quarterback), Mastery Partners (coach), a competent transaction CPA, a business attorney, a certified financial planner, and possibly an estate planner and family advisor. You can learn more about assembling a great team by downloading our ebook *Building the Ultimate Transition Team* at our website - www.masterypartners.com.



MASTERY
PARTNERS

Helping business owners maximize business value, design an exit strategy, and transition their business on their terms.

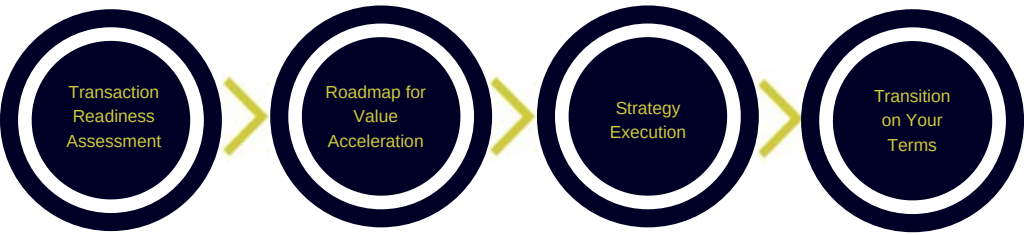




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REACH OUT TO US TODAY!

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