

THE GENDREAU GROUP REVENUE STRATEGISTS

Delivering revenues, not just strategies, to companies worldwide since 1989.



We are **REVENUE STRATEGISTS**.

We help clients maximize revenues and increase the value of their businesses.

We specialize in:

- Partner and channel strategies that maximize revenues and reach
- Finding untapped revenues by repurposing existing products and technologies
- Revenue Strategies to help clients prepare for merger, sale, or acquisitions

Our clients are high tech and services firms located in the US and abroad.

We have been in business since 1989.

We are located in the San Diego area.

East Coast Research Firm: *Enhancing Valuation in Advance of Exit*

In mid 2006, TGG engaged a boutique East Coast research firm to provide primary research services in support of work TGG was doing for a major Atlanta-based financial services company. Following completion of that engagement, the marketing firm's principals began exploring how TGG might help them with their own revenue strategy and exit planning. After a decade of hard work, the principals of this firm had developed an admirable reputation, impressive client list, and annual revenues of over \$6M. Although proud of past achievements, by the end of 2006, this team was seriously concerned about the direction and future of the primary market research industry. Therefore, in 2007, the principals engaged TGG to help explore ways to more effectively grow future revenues and prepare for possible sale of their company.

The first step: TGG began by conducting a two-day workshop with the client's principals and senior managers. During this workshop the following were discussed, evaluated, and documented:

- Which kinds of potential acquirers would have the most interest in, and produce the best deal for the client.
- Why productizing services and adding syndicated research products would help this client achieve a higher valuation.
- What the syndicated research value chain and business model looks like, and what the client would need to do to successfully build a syndicated research business – a step that would be key to growing the firm's valuation.

Next steps: Over the next six months, TGG worked side-by-side with the client's team, helping them rethink their positioning in the market research industry and across the client segments they were then serving, determining which industries and clients offered the greatest revenue potential, identifying target acquirers, and creating the business case, planning tools, and other artifacts that would be needed when it came time to sell their business.

At the end of the six months, TGG had helped this client produce following:

- **A product planning, distribution and pricing framework** for its syndicated research offerings
- **A set of metrics to measure business progress**, adjust as required, and track progress toward valuation goals
- **A brand strategy and brand promise** that would enhance the firm's market potential and exit valuation
- **An understanding of the skill sets** that would be necessary to be successful going forward

Throughout the engagement TGG Chief Strategist, Timothy Gendreau, worked closely with the principals and key managers to provide coaching and guidance to help them learn how to effectively represent the client in the market, and how to think about, prepare for, and conduct themselves during negotiations with potential buyers or funding sources.

The Pain of Change: Despite emphasizing how painful change can be, and despite the fact that client's principals recognized the need for change, no one anticipated how dramatically a redirection of the company would affect the makeup of the client's team. To add syndicated research capabilities and to be able to move to a more consultative approach to delivering research insights to an increasingly sophisticated and demanding set of clients and end users, the client had to replace nearly 50% of its staff, including the newly-hired head of what would become the syndicated research group.

The Gain: By working with TGG to make the necessary investments in their business model and team, the client is evolving from being a firm that delivers "interesting" research, stats and data, to one that uses primary market research to deliver analysis and business **insights that are meaningful, compelling and actionable at strategic as well as tactical levels**. As a result, the client is now able deliver more business value to a more attractive class of clients and, in the process, has repositioned itself to attract a more highly-regarded group of potential acquirers.

Three months after the conclusion of the 2007 engagement, one of this client's peers – a potential competitor identified during the engagement as one of the client's most attractive potential acquirers – made an offer to buy this firm at a valuation multiple significantly higher than the client could have hoped for prior to working with TGG. Because the offer was premature, the principals declined in favor of pursuing their targeted exit valuation.

Postscript: In 2008, this firm engaged TGG once again to assist in negotiating the acquisition of a business unit from Citigroup. Although the client did not succeed in its bid, the exercise helped the principals and their CFO understand more about the procedural challenges and nuances of negotiating this type of transaction. Though disappointed in the outcome, the client's principals are better prepared to pursue the sale of their company if and when they determine the time is right.

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