Novus Business Services

Acquisition Process Model
EXTERNALLY GENERATED GROWTH

The Novus Business Services External Growth Process

- Strategic Planning
- Candidate Search
- Due Diligence
- Financial Evaluation
- Deal Structure
- Post Acquisition Integration

Highly Iterative

Acquisition Date

VALUE CREATION PROCESS

- Set Nature of Sources
- Identify Sources of Value
- Calculate Value
- Value Realization
Through the Implementation of Our Comprehensive Approach, Novus Business Services Not Only Assures a Diligent Conventional Approach, But Goes Beyond Standard Thinking to Identify and Capture Sources of Value Unseen by the Seller or the Market

**INSIGHT**

- **Strategic Perspective**
  - Industry and competitor analysis and evaluation foster proactive strategic planning
  - Understanding of strategic issues applied across the process assures business expansion is aligned with strategic goals

- **Operational Expertise**
  - Deep operations experience allows for accurate valuation of target operations
  - Operations improvement background fosters development of effective and practical integration plans

**APPROACH**

- **Continuity Across all Phases of the Process**
  - Business plan and integration plan completed prior to deal to direct and speed implementation
  - Candidate search and due diligence conducted with full understanding of strategic planning

- **Structured and Disciplined**
  - Developed process assures the execution of all critical steps
  - A complete due diligence and robust valuation from attention to detail and planned approach

Immediate understanding of the strategic implications of ideas generated and developed through the process

Operational expertise allows the analysis, development and valuation of innovations

Involvement in every phase of the process allows for development of value generation at any phase

“Covering all bases” assures that “change the game” opportunities will be discovered

**“Change the Game” Sources of Value**
STRATEGIC PLANNING

Steps:

1. Understand Competitive Landscape
2. Identify Value Proposition
3. Define Corporate Direction

- Corporate Perspective
- Industry Understanding
- Knowledge of Existing Initiatives
- Clear Vision of Growth Objective
- Growth Foundation

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Novus Business Services
CANDIDATE SEARCH

Steps:

1. Develop Candidate Profile
2. Identify Matching Candidates
3. Evaluate Candidate Fit

- Objectivity
- Thoroughness
- Single Faceted Relationship
- Adherence to Profile
DUE DILIGENCE

Steps:
1. Verify Tangible Information
2. Analyze Business Projections
3. Identify Risks and Mines
4. Evaluate Policies and Procedures
5. Evaluate Management
6. Evaluate Corporate Culture

Application of
Expertise

Personal Contact

Well Structured,
Organized Approach

Disciplined Linkage of Efforts
FINANCIAL EVALUATION/VALUATION

Steps:

1. DCF Analysis
2. Determine and Understand Key Drivers
3. Simulate to Profile Risks and Potentials
4. Detail Alternate Views and Positions

Segregation of Value Sources
Developed Range of Outcomes Profile
Detailed Key Drivers
Understanding of Other Valuations
DEAL STRUCTURING

Steps:

1. Deal Formation
2. Management Review
3. Negotiation

- Maintain focus on Sources of Value
- Understanding of Targets Stakeholders
- Understanding of Client Capabilities
- A Solid Proposal and Acquisition Document
INTEGRATION

Steps:
1. Outline Current and Desired Situations
2. Outline Action Plan
3. Identify and Assemble Resources
4. Execute and Follow Through

Focus on Speed
Availability of Proper Resources
Well-Defined Plan
The Correct Metrics

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Availability of Proper Resources
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External Growth Process

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VALUE CREATION PROCESS

Set Nature of Sources → Identify Sources of Value → Calculate Value → Value Realization
VALUE CREATION PROCESS

**Process**

1. Set Nature of Sources
2. Identify Sources
3. Detail Plan
4. Calculate Value
5. Realize Value

**Deliverables**

- Defined corporate strategy
- Target candidate profile
- Going forward business plan
- Detailed integration plan
- Acquisition risk profile
- Results, improved cash flow
- Business metrics recommendation
A Holistic Approach to Successful Deals and the Achievement of the Desired Operational & Financial Results