



Operating Playbook

Evolve Enterprise Solutions (EES) Limited
as applied under the Mollica Group proposition

We follow an experience-based perspective on operational value creation

Operational value creation is a top-down management methodology

Operational value creation is a management philosophy that focuses on the evolution of businesses across the corporate lifecycle with emphasis on institutional growth, operational excellence and corporate development

- Defined by the concept of intrinsic value that measures the financial impact (KPIs, e.g. cost of capital) of dedicated strategic and operational initiatives across the corporate and M&A lifecycle
 - Incubation
 - Scale-up
 - Performance improvement
 - Turnaround & transformation
 - M&A
- Technology innovation and transformation adds a specific value creation lens with focus on how we do business and operate (i.e. the impact on commercial and operating models)

Operational value creation is a fundamental part of the deal-life cycle

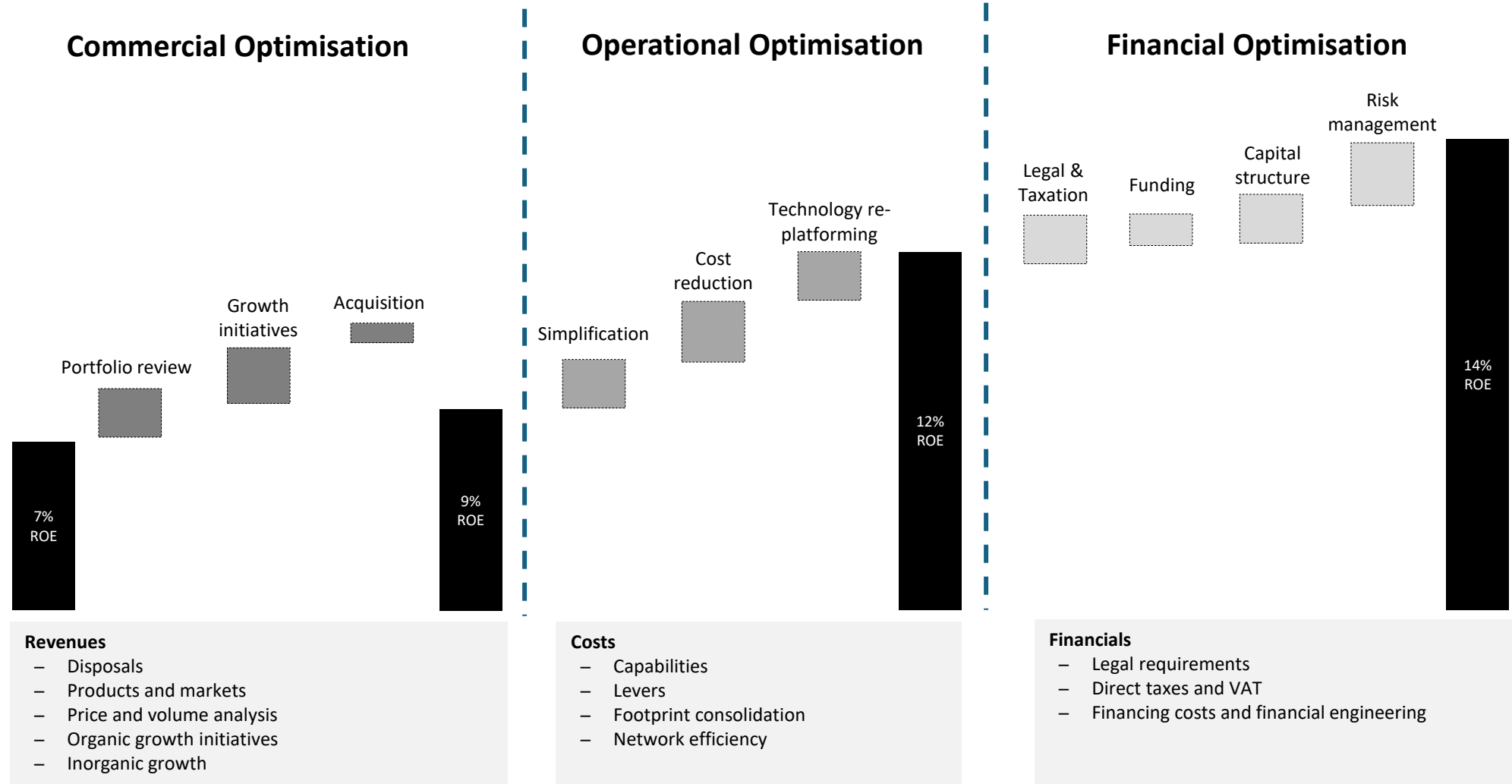
Post-deal value creation

Deal strategy & Offer Process	Due Diligence (DD)	Deal execution	Planning	Harvesting
<ul style="list-style-type: none"> ▪ Idea generation ▪ Market screening ▪ Target identification ▪ Evaluation and first assessment ▪ Value driver analysis ▪ Investment rationale ▪ Initial and non-binding offer (NBO) ▪ Preparation for DD 	<ul style="list-style-type: none"> ▪ Commercial DD ▪ Operational and technology DD ▪ Financial DD ▪ Financial valuation ▪ Pre-deal value creation plan 	<ul style="list-style-type: none"> ▪ Negotiation ▪ Legal documentation ▪ Closing and completion ▪ Price adjustments 	<ul style="list-style-type: none"> ▪ Post-deal value creation plan and operational blueprint ▪ Plan for day 1 <ul style="list-style-type: none"> – Urgent action list – 100 day-implementation planning ▪ Set-up central programme management, i.e. separation/integration office and processes 	<ul style="list-style-type: none"> ▪ Execution of urgent actions ▪ Execution of 100 days plan ▪ Detailed post-deal plan ▪ Focus on business imperatives, operational issues, financial and management reporting ▪ Extracting cash

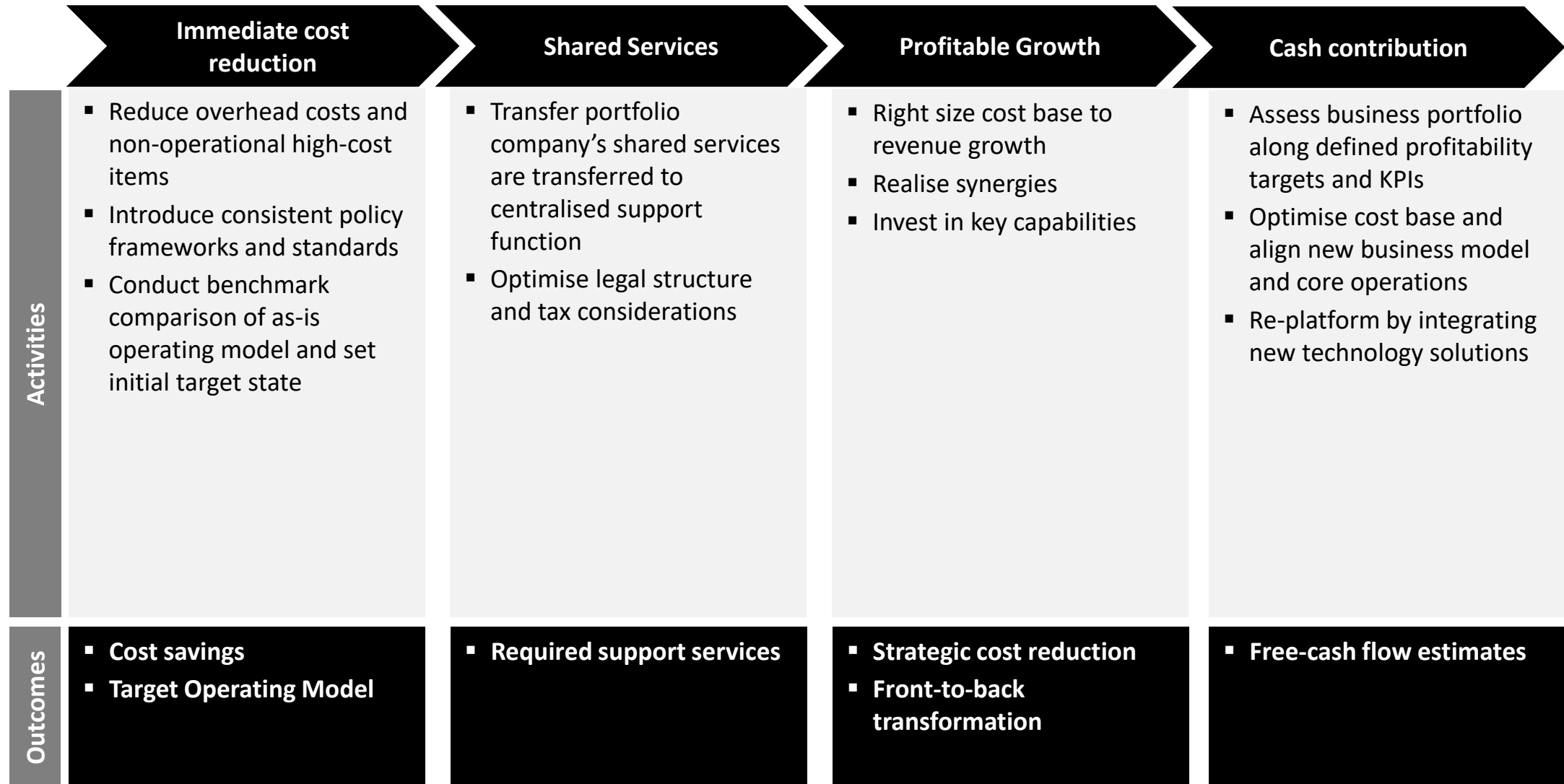
Our value-creation approach has four key modules

Value Creation Approach				
Levers	Capabilities	Operational Design	Synergies	Commercialisation
Features	Distinguished product, engineering and business development capabilities coherent with our mission and selection criteria	Fit for Target Operating Model (TOM) with transparent cost mapping for synergy realisation and capability optimisation	Synergy realisation with initial focus on general and administrative (G&A) expenses	Central support for business development through dedicated marketing, sales-enablement, revenue operations and leadership
Impact	Product, engineering and client success	Improved service and delivery model	Consolidation of support services	Fractional Marketing and Revenue Leadership with dedicated resources on our central platform

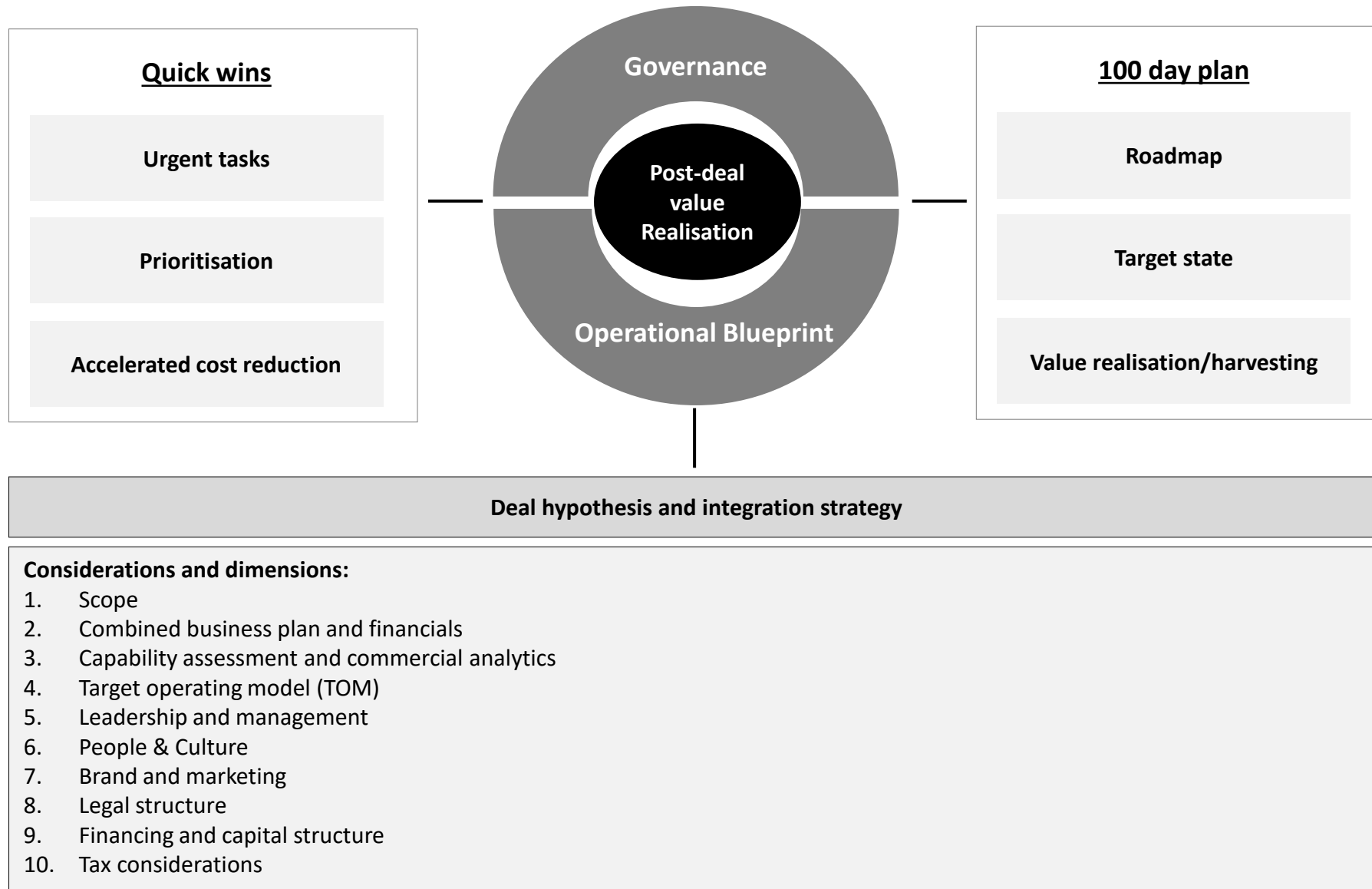
We establish a value creation plan across three areas of optimisation



Our operational blueprint with its initial 100-day plan drives accelerated cost reduction and performance improvement, and sets out the strategic direction

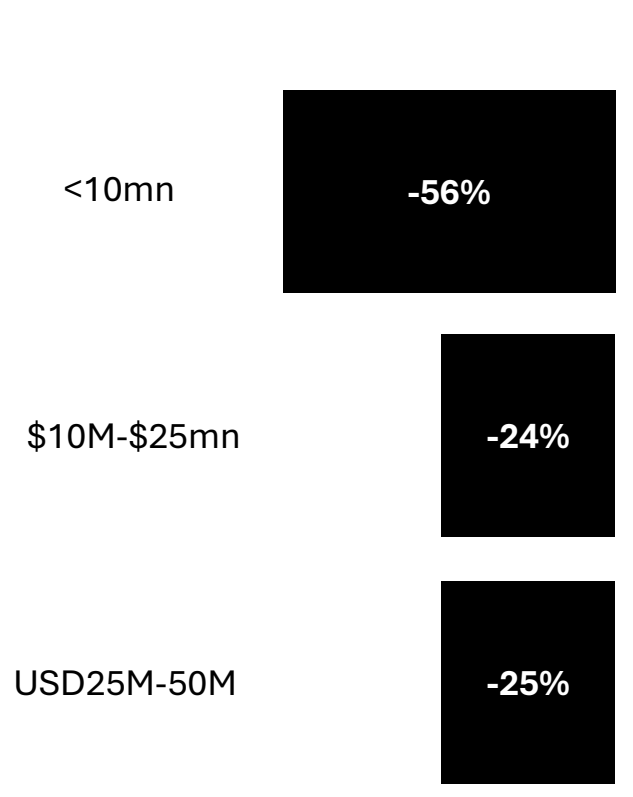


Our integration methodology is based on quick wins and focuses on the execution of the 100-day plan with the deal hypothesis at the core

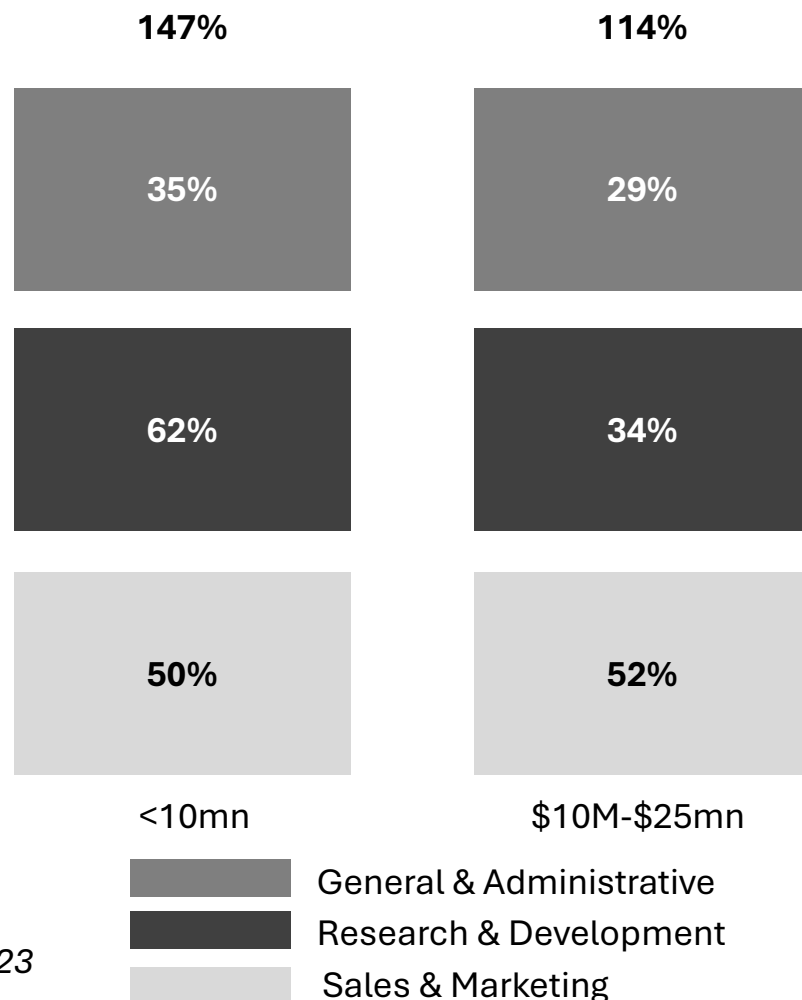


We follow a set of key performance indicators and financial metrics that guide our decisions and actions along a set of established operating procedures

EBITDA margin by ARR segment



Operating expenses as % of Revenues



Approach

- There are substantial cost savings up to 33% by building a centralized G&A function and integrating different product companies
- Sales & Marketing can be streamlined through an integrated Commercial Organization with Revenue Operations and Sales Enablement deliver synergies of 10-15%
- Research & Development costs will fall over time with product maturity and centralizing engineering costs

Source: KeyBanc and Sapphire Venture SaaS Survey 2023

Case Study I: Centralised Shared Services

Situation	Approach	Outcome
<ul style="list-style-type: none"> ▪ Global technology company built two products, initially based on a specific client situation that became a product line and deviated over time from their combined development roadmap ▪ Combined product management and engineering teams without individual roadmaps and dedicated leadership ▪ Inconsistent profit and loss (PnL) presentation and cost attribution with Finance, People and Legal working across both products ▪ Profitable product line subsidised new one and deviated from its growth trajectory while the overall company became loss making 	<ul style="list-style-type: none"> ▪ Established new Target Operating Model that set out two product divisions with clearly defined resource allocation and PnL contribution ▪ Built Shared-Services function across Finance and People while outsourcing Legal services ▪ Defined cost-allocation methodology with a key in accordance with the use of resources 	<ul style="list-style-type: none"> ▪ Clear view on PnL and allocation of resources ▪ New operating model that was implemented within six to nine months ▪ Reduced headcount by 20% in supporting roles ▪ Built up new divisional leadership teams across Product and Engineering with a dedicated Commercial Organisation (Marketing & Sales) that reported in a small group of key executives, i.e. CEO, COO and CFO who run the overarching organisation ▪ The profitable product divisions was eventually sold, and the unprofitable became an independent company

Case Study II: Commercial Organisation

Situation	Approach	Outcome
<ul style="list-style-type: none"> ▪ Software and service company has built a revenue pool of USD 20mn across a core access platform and a software and service catalogue for data management and workflow optimisation ▪ Revenue growth is trailing off while the company pursued an aggressive international expansion strategy ▪ Product and marketing strategy is ill defined with a lack of commercial viability assessment of its features and product-market fit analysis for each location ▪ Sales funnel remains narrow with decreasing conversion rate from marketing- to sales-qualified leads 	<ul style="list-style-type: none"> ▪ Established detailed product roadmap and validated each feature for product market fit in feedback loops with marketing and sales leader ▪ Scaled centralised commercial organisation by appointing Chief Revenue Officer (CRO) with Marketing and Sales leader as direct reports ▪ Created dedicated Revenue Operations and Sales Enablement Function under the CRO responsibility ▪ Aligned incentives for sales org ▪ Launched dedicated Marketing initiatives, based on validated product roadmap and closely coordinated with Sales team 	<ul style="list-style-type: none"> ▪ Aligned product and commercial roadmap leads to product-market fit ▪ Reduction of 10% of engineering function through return-on-investment analysis across the roadmap features ▪ Reduction of marketing spend through thorough impact analysis of each initiatives ▪ Standardised sales handbook ▪ Increase of sales funnel and conversion rate across Marketing and Sales teams

Case Study III: Bolt-on integration

Situation	Approach	Outcome
<ul style="list-style-type: none"> ▪ Analytics company acquires smaller data providers to build dedicated thematic data sets and machine-learning capabilities to contextualise and integrate large sets of unstructured data for thematic use ▪ Complex integration journey from a product, technology and commercial integration ▪ Part of a scalable bolt-on integration of individual data set and supporting technology 	<ul style="list-style-type: none"> ▪ Streamline legal entities und a HoldCo structure ▪ Integrate finance and HR on one centralised platform ▪ Established centralised development roadmap across different data sets and analytics ▪ Rebranded each data set under one brand through establishing a thematic catalogue ▪ Validated data set through Bayesian optimisation engine for broader thematic use-case applications ▪ Launched 	<ul style="list-style-type: none"> ▪ Removed entire Support Functions with 25% cost reduction in first six months ▪ Strong product-market feedback loop ▪ Aligned commercial incentives to facilitate cross-selling

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