



GROWTH THAT LASTS

## ACHIEVING LONG-TERM GROWTH WITH ISAP™

"Their expertise in integrating a view of events in the capital markets and key technology trends and customer needs, coupled with their transaction execution ability, has made The Cowper Group the ideal partner for our key corporate development initiatives."

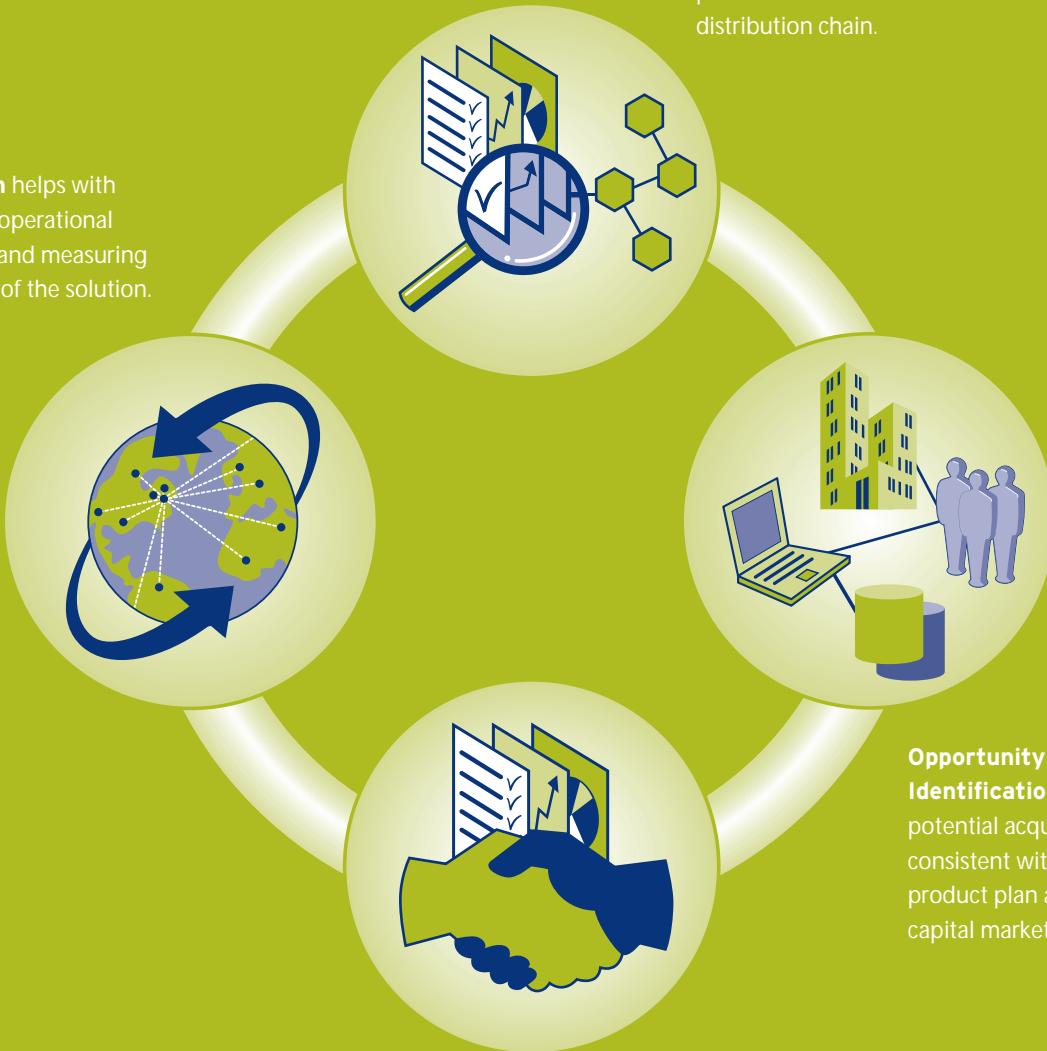
**Philippe Szwarc, CEO**  
*Arel Communications and Software*

"We needed someone to own the process and drive it forward. The Cowper Group had the expertise we were looking for, and because of its unique approach, was willing to work with us to keep our strategic goals at the forefront. They started at the very beginning of the process by working with us to evaluate our company strategy and our strategic goals for the merger. By working with our management team through the deal's closing and the early stages of integration, they helped drive shareholder value while enabling us to focus on keeping the business running."

**Peter Weber, CEO**  
*SevenSpace*

## Integrated Strategic Acquisition Program

**Integration** helps with fine-tuning operational efficiencies and measuring the efficacy of the solution.



**Strategic Audit** or strategic product planning phase identifies gaps in your whole product solution and its distribution chain.

**Opportunity Identification** identifies potential acquisitions consistent with your product plan and the capital markets.

**Transaction Execution** consists of origination, due diligence, deal financing, negotiation, transaction structuring and consummation.

## ACCELERATING GROWTH WITH MERGERS AND ACQUISITIONS

Strategic mergers, acquisitions, and divestitures can accelerate your company's growth and access to capital. But first, you need to identify the right one or more acquisition opportunities that fits into your organic growth strategy, negotiate a deal with each company, complete each transaction, and integrate each acquisition into your existing operations. We can assist you with all these tasks and keep the process on track. We can guide your corporate development initiatives, driving them quickly and efficiently, without distracting you from running your core business.

We offer comprehensive acquisition strategy, opportunity identification, transaction execution, and transaction integration services that are specifically designed for small- and medium-sized organizations. We provide a holistic service across the entire acquisition lifecycle, with detailed expertise within each step of the acquisition program to maximize your chances of success. We can also deliver best practices in any desired phase.

Our unique Integrated Strategic Acquisition Program (ISAP) creates a holistic view of organic growth and mergers and acquisitions (M&A) strategies and then assists with identifying, completing, and integrating the desired transaction(s). ISAP is our proprietary process for sourcing and closing well-integrated deals.

## THE INTEGRATED STRATEGIC ACQUISITION PROGRAM

By following ISAP, we provide you with a holistic approach to the entire transaction lifecycle and best practices within each phase: Strategic Audit, Opportunity Identification, Deal Execution, and Integration.

### **ISAP accelerates growth for emerging enterprises**

ISAP is particularly well-suited for the emerging enterprises who may be seeking downstream acquisition. Strategic Audit uncovers gaps between your current capabilities and those most sought by potential acquirers, and helps develop a blueprint for closing these gaps. Because of its strong financial planning foundation, it also offers high potential value if you are seeking additional venture or debt financing, as it gives potential investors greater confidence in the maturity of the growing enterprise. Strategic Audit and

Opportunity Identification can help you improve your company's valuations. Transaction Execution and Integration help you ensure that you get the best deal terms and are successfully reaping the benefits from the acquisition. After each integration, the Strategic Audit can be adjusted to reflect changes in your company's capabilities, capital, competitive and customer markets. This leads to a different Opportunity Identification and so forth and so on. Using this iterative process, you achieve a true closed-loop system and reap the rewards of lasting values.



**Strategic Audit Questions:**

- How has the company's market changed, and how do the company's capabilities match what the market is demanding?
- How is the company positioned among key competitors, and how do consolidation and threats from incumbents affect that positioning?
- What channels matter?
- How do size, growth, profitability and consistency affect the market's perception of value?
- Are venture and private equity firms funding new competitive entrants?
- What types of transactions could fuel higher long-term growth and premium valuation?
- What capabilities are required to maximize the organization's ability to execute well-integrated transactions in a timely way?

**ISAP STRATEGIC AUDIT**

While applicable to a broad range of growth challenges, ISAP Strategic Audit is specifically designed to consider potential transactions within a broader growth company context. The Strategic Audit helps you understand potential transaction activity within the context of your company's key capabilities, its operating and customer environment and the capital markets landscape.

Since transactions can move quickly, understanding your objectives and trade-offs in advance is key. The audit includes an assessment of your "internal" M&A environment: preparedness, expectations, and process.



**Approach:**

*Primary Research:* Conduct primary interviews with key internal and external players.

*Secondary Research:* Assess company "core" capabilities in key operating areas, including the product market landscape: customers, market trends, competitors and channels.

*Financial Analysis:* Summarize the financial model and potential profit and loss (P&L) impact of desired changes.

*Synthesis:* Integrate the capital market viewpoint with product market and internal learning.

*Acquirers:* For companies seeking an exit in less than two years, research the universe of likely acquirers, their potential requirements, and the competitors vying for acquirer attention.

**Results:**

The ISAP Strategic Audit culminates in a detailed gap analysis with specific, actionable recommendations for addressing identified gaps. Financial planning and analysis are critical to the approach.

In essence, your ISAP Strategic Audit helps you identify important criteria for evaluating acquisition opportunities, so that you would consider acquisition candidates that you might otherwise overlook.



## Opportunity Identification Questions:

- What sectors are most interesting to consider for acquisitions?
- What is the complete universe of potential transactions?
- What company characteristics are most important in desirable deals?
- What are the “Tier A” acquisition candidates, and why are they ranked that way?
- What is the right entry strategy for these opportunities?

“Our experience is that a seller’s CEO often feels uniquely comfortable opening up to a third party whose interests are closely aligned with ours. The Cowper Group helped us establish a positive tone throughout the acquisition by putting our management team in a position to say ‘yes!’”

**Matt Soska, CFO**  
*Apptix*

## ISAP OPPORTUNITY IDENTIFICATION

Identifying potential acquisition opportunities begins with creativity, persistence and a broad perspective to create an expansive universe of potential transactions. Reducing the list to the most likely candidates requires faithfulness to your criteria for the right deal (results of ISAP Strategic Audit), the research tools to consider fully a target’s true prospects, and a network of contacts among transaction professionals. We provide the right process, tools, experience and contract to help you create a prioritized roadmap that guides tactical execution.

### Approach:

*Long list:* Generate an expansive list of opportunities based on the target segments identified during the Strategic Audit.

*Proprietary Database:* Place identified opportunities into a proprietary database. This database includes important data encompassing key corporate and investor information, financials, product analysis, key partners and channels, and contact information for decision makers or key entry points. The database is available on a secure extranet to enable close collaboration and accelerate progress.

*Collaborative Iteration:* Collaboratively decide on a set of weighted deal criteria to cull and prioritize opportunities. Some of these qualification criteria are intrinsic to the transaction process itself — likelihood of completing a transaction or restrictions resulting from a desired deal structure, consideration mix, financing requirements, and integration risk. Others are more situation-specific and tied to the strategic rationale for the transaction.

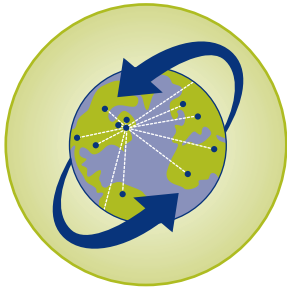
### Results:

The ISAP Opportunity Identification step is an iterative process of thesis exploration and refinement that leads to a prioritized list of opportunities. Displayed next to each firm is a wealth of relevant information, including the plan of attack and the all-important entry point.

This collaborative process is crucial to better decision-making and organizational buy-in. Our proprietary and secure extranet empowers your internal working group by showing all work-in-progress and key information. In real time, your executives and Board of Directors can screen and augment the opportunity database, view a dynamic list of relevant contacts, skim important reports, connect to critical web links, and download completed reports and recommendations.

In addition to companies seeking to acquire, investors have called upon us to deploy ISAP Opportunity Identification to uncover ways to invest capital. Venture and private equity investors have relied upon us to deliver theses consistent with their investment strategies. Also, special purpose acquisition companies (SPACs) have benefited from our unique ability to drive their expansion.





### Integration Questions:

- Is the original business case intact?
- How does your integration “dashboard” look on standard business metrics: employee and customer retention, revenue per customer, and others?
- Are you realizing the various synergies you expected before the merger — i.e., has salesperson productivity increased, have economies of scale been achieved, etc.?
- Can your employees and management team communicate the reasons behind the acquisition?
- Was the internal acquisition process smooth?

## ISAP INTEGRATION

Once an acquisition is consummated, it is easy to focus on tactical integration, like getting e-mail to work or ordering business cards. However, true strategic and cultural integration initiatives are most important in gaining lasting value from the deal. According to Ernst and Young, more than 70% of acquisitions fail to reach their objectives, mostly because of failed integration. Integrating or “closing the loop” requires monitoring your progress against the strategic imperatives that caused you to complete the transaction in the first place.

The ISAP Integration phase helps you consistently track and manage against key strategic metrics used to construct the business case for the merger. These were identified in Strategic Audit, Opportunity Identification, and Transaction Execution. We also help you to prepare for subsequent deals by identifying gaps within each step of the process, or across all three steps.

### Approach:

*Review strategic rationale and projections:* Review results of ISAP Strategic Audit, Opportunity Identification, and Transaction Execution, specifically focusing on projected operational improvements and pro-forma projections. Identify key operational metrics that will help you track your progress. Review deal process to determine the impact on your company’s day-to-day operations and your management team’s involvement.

*Design and implement integration dashboard:* Place identified metrics into a tracking mechanism that is monitored regularly. Decide on the right sub-committee to receive monitoring results.

*Monitor integration metrics, and adjust operating plans accordingly:* Report regularly — weekly, if possible — on progress of key integration tasks and status of key indicators. If considering other deals, use these weekly updates as a forum to incorporate “lessons learned” into new transactions.

### Results:

The ISAP Integration phase usually reflects the cohesion of the previous ISAP phases, helping you to retain and measure effectiveness of specific programs. The ISAP Integration also helps you to prepare for contemplating, sourcing, valuing and executing future transactions.

Lessons from integrating each transaction can be fed back into the next Strategic Audit. This iterative process helps you refine the organic strategy as you get a better sense of truly achievable synergies.

## CONCLUSION

We can help assess your current portfolio of businesses, design an integrated transaction and organic growth strategy to optimize this portfolio, execute one or more transactions in support of the new strategy, and help integrate new components into the overall whole. Our Integrated Strategic Acquisition Program (ISAP) helps you build shareholder value using systematic processes that integrate strategy and tactics into one cohesive whole. By providing a holistic service across the entire acquisition lifecycle or delivering best practices in the most relevant phase(s), we deliver lasting value.

