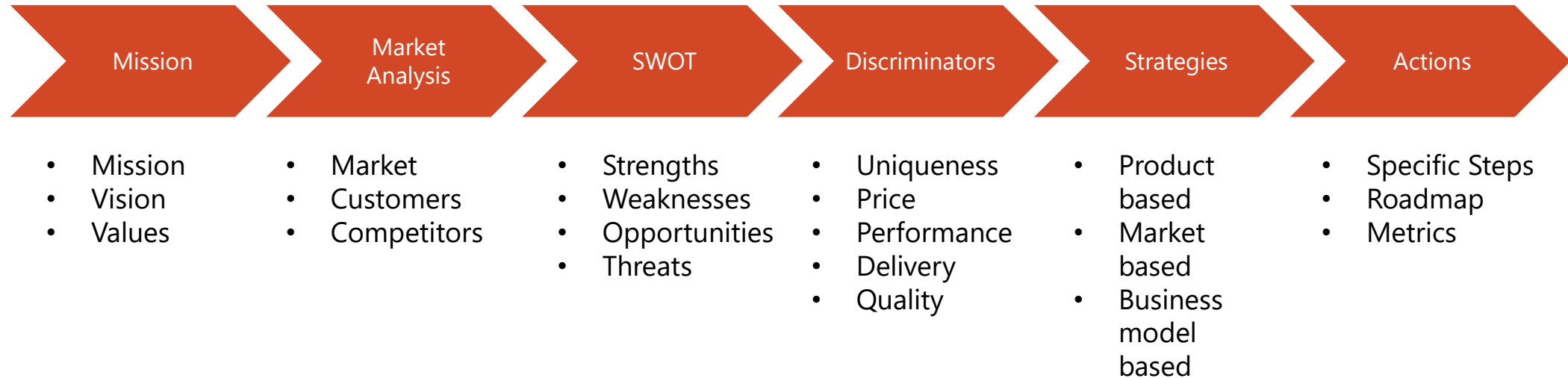


# Strategic Planning and Partnerships

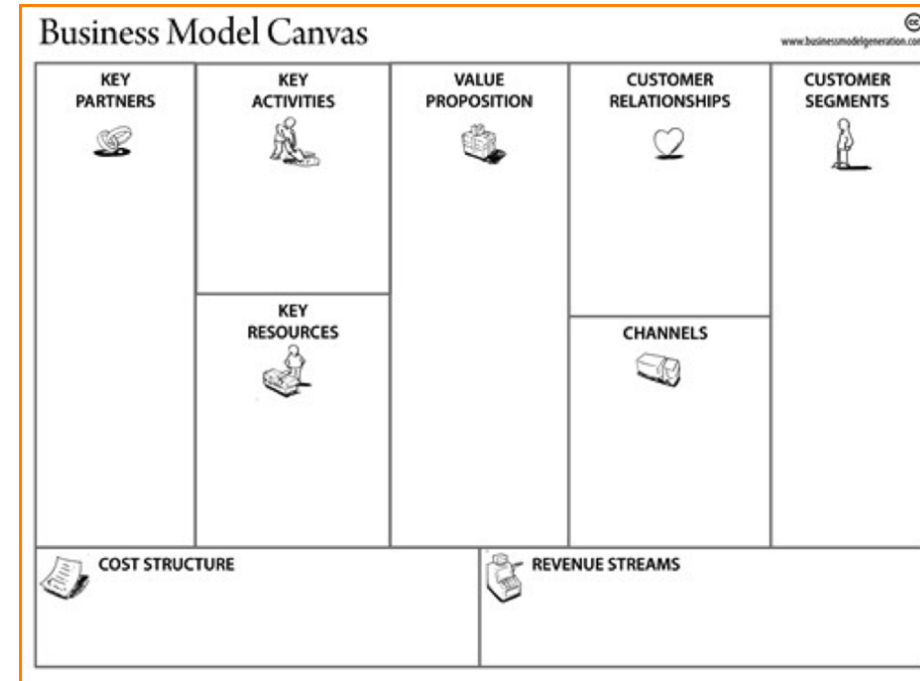
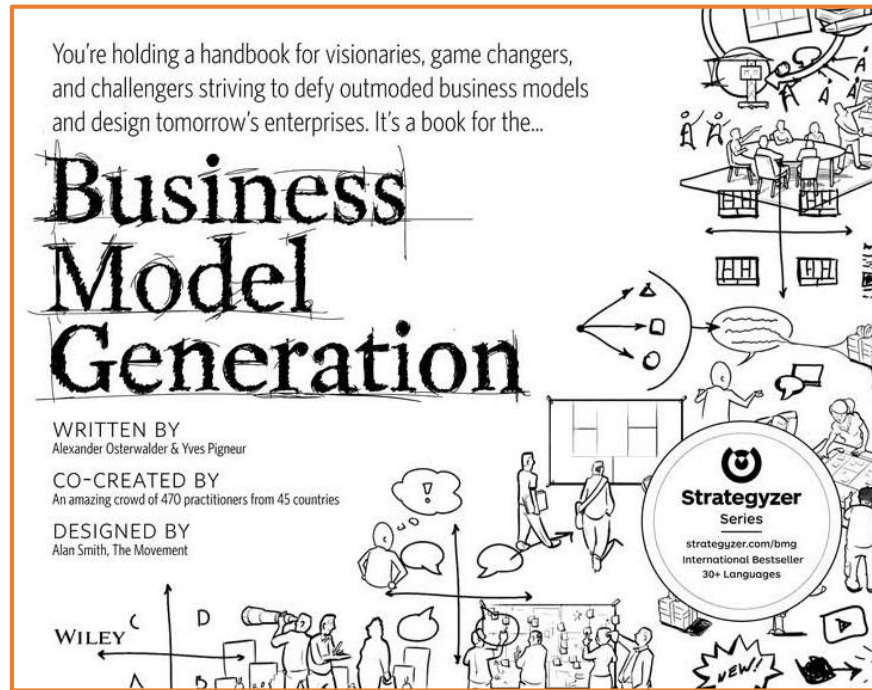
Jonathan Reed  
2 August 2017

# Strategic planning – a structured methodical process



Strategy = Objective + Guiding Principle + Action

# Business modelling - reveals your ecosystem



"Business Model Generation", Alexander Osterwalder and Yves Pigneur, Wiley and Sons, New Jersey, 2010.

# Partners, strategic alliances and M&A – all tools to achieve your business goals

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## Partners – Build out your ecosystem

- Can be informal, non-exclusive, short-term, little commitment
- Can include investment in your business (or vice versa)

## Strategic Alliances – Formalize a partnership

- More formal, generally exclusive, longer term, commitments, almost an acquisition
- Investment in product development, marketing, operations, etc.

## Acquisition – Fill a strategic gap, accelerate your plan

- Formal, exclusive, longest term (forever!)
- Largest commitment and investment

## Divestiture – Exit strategy

- Doing great, cash out – best financial outcome
- Doing okay but time to move on (retirement, relocation, etc) – average financial outcome
- Not doing well, get out – worst financial outcome



- Bankers and Consultants
- Teasers and CIM Books
- Indication of Interest (IOI)

- Management Meetings
- Letter of Intent (LOI)
- Data Library

- Financial Valuation
- Purchase Agreement
- Negotiation
- Closing

- Legal and Financial
- Organizational
- Operational
- Cultural

From Buyer's perspective – finding the right company to acquire

- Part of on-going strategic planning process, where are my gaps?
- Initially engage bankers in industry area to receive teasers, consultants later
- Establish a responsible office/person and a process ("Corporate Development")
- Be patient!

From Seller's perspective – finding a buyer or investor

- Identify bankers, consultants, venture capitalists in your industry area and provide them a teaser
- Initially engage your own ecosystem (suppliers, partners, customers) then competitors
- Public auction/sale as last resort (post on internet)
- Be patient!