

## Recent Engagement – Increasing Value in a Professional Services Business

**Scenario:** The CEO of a 4-year old Telecom Expense Management company wanted to accelerate the growth of his business beyond himself being the primary billable consultant. Here are some of the questions he was wrestling with. I want to shift from a lifestyle business to growing enterprise value; what key things do I need to start paying attention to? What is the best way for me to accelerate growth and increase value: increase my professional services staff? Build my managed services offerings? Given my strengths and the opportunities in this market space, where should I focus my efforts? Should I grow via M&A activity or organically? What are the pros & cons of both types of both?

**Engagement:** One advisor, with specific telecom industry experience, led the overall engagement while drawing on the skills of three other Harvest advisors to deliver a robust 2-year business strategy to transform the company into a business with a trajectory to become a \$10 to \$20 million enterprise in the next 5 to 10 years. An advisor with deep marketing skills delivered a market space roadmap followed by a managed services product development roadmap. An advisor who has raised over \$200 million to fund his businesses and has grown businesses aggressively via acquisitions delivered the capital plan. And an advisor who has founded and grown the world’s largest BPO advisory company delivered strategic advice on growing a consultancy and building enterprise value. A strategic “playbook” was delivered including a detailed market attack plan, a 90-day action plan, a capital plan and a 2-year business roadmap with specific execution components.

**Current Actions:** The CEO informally refers to Harvest as his “Board of Advisors”. He has grown the business to the point where he personally bills out only ~10 hours / week. Here are the key actions he has taken:

- Did *not* pursue an acquisition he was considering; it was overpriced and not core to his expansion strategy.
- Strengthened his relationship with one key executive and brought on a second key executive.
- Developed clear advisor / consultant roles (responsibilities, key performance indicators, compensation) and hired two new consultants
- Clearly differentiates between tactical alliances (help each other grow revenue) and strategic alliances (align & work closely to grow revenue, develop managed service offerings and open up future options)

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