

CUTWATER INVESTMENT ALGORITHM™

CUTWATER
SHIFT

EQUITY REVITALIZATION

MISSION STATEMENT

We activate and realize our clients' optimal value by driving improved business results, overcoming challenges and eliminating vulnerabilities.

CUTWATER SHIFT

S = Sustainable
H = Holistic
I = Innovative
F = Fiscally-Focused
T = Transition

Ask us about each of the components of our SHIFT Implementation - they are critical to a successful transition.

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What is the Cutwater Investment Algorithm™?

The Cutwater Investment Algorithm™ is a full evaluation of a business from 39 critical metrics custom-designed by 30 year business veterans. With expertise in investment banking, private equity and private business ownership, the Cutwater Investment Algorithm™ identifies the sustainability, future potential, operating health and other customized objectives for the client in preparation of a transaction or capital event.

Who uses the Cutwater Investment Algorithm™?

- Merger & Acquisition Firms
- Private Equity Groups
- Venture Capital Groups
- Banks & Other Lending Institutions
- Risk Management Firms
- Private Companies
- Internal Boards of Directors
- Investors

What does the Cutwater Investment Algorithm™ evaluate?

- Companies for takeover
- Companies considering a sale, or already for sale
- Companies under evaluation for lending
- Investment groups selling portfolio companies
- Investment groups seeking acquisition
- Private business owners seeking objective evaluation and direction

What are the primary uses of the Cutwater Investment Algorithm™?

- Potential fit for a strategic acquisition including redundancies, risk, market penetration, cash flow increases, etc.
- Market share, business development, channel partner and sales and marketing analyses
- Operating and organizational development analyses including executive leadership, culture assessment, synergy, production efficiency, etc.
- Loan repayment, return on capital analyses, investment opportunity analyses
- Risk management analyses including loss run analysis, work-comp assessment, policy/procedure analyses, sexual harassment and other investigative analyses
- Overall evaluation of the value and sustainable ongoing business concern from the perspective of investment banking, private equity and venture capital specialists using proprietary evaluation methods not available/accessible to the public.

Collaboration Opportunities

- Co-investment for growth capital
- Investment Banking transactions
- Connection to sector-focused private equity or investment groups
- Strategic connection and alignment for vendors, channel partners, sector-focused consulting groups, etc.

Costs

- \$5,000 - \$10,000 analyses for most evaluations
- Fees waived for certain collaborative initiatives
- Customized pricing for specific analyses

Cutwater Investment Algorithm™

5/29/2015

Principal Contact
Operations Contact

Overall Score (1 -10) 5.52

Ownership Entity		40%
Operations Contact		41%
Legal Structure		43%
Competition		51%
Industry Trending		90%
Growth to Fortune 500		42%
Product / Service Survivability		89%
Strategic Acquisition Attractive		69%
Sustainability		45%
Timing to Optimum Value		42 Months

Critical Categories

Culture Assessment
Org Dev Assessment; Communication; Synergy
Growth Flexibility in Structure (Shareholders/founders)
Early Balls and Chains - people or land mines
Protection Measures for Critical IP
Current Market Share Competitor threats
Organizational Structure integration expandable to F500
Merger Precision Score to Merge with F500
Current Operations geared to continue indefinitely

Primary Strengths

Current Industry Appetite for Product
Future Trend of industry for product
Security of The Product/ Service in the marketplace
Security of the industry going forward
Demand for this type of company