

Due Diligence for Private Equity Investment in High Growth Business

The Situation



A private equity firm was looking to add a high growth enterprise

professional services business to its portfolio. Concerned that its traditional due diligence techniques would not fully answer the question, “can this company continue to scale at the pace it is presenting?” the firm came to the Alexander Group to help it make a more informed investment decision.

The Challenge

The target company was hitting a critical phase of growth with a number of emerging sales strategies. However, there were concerns that the existing sales model had not adequately evolved to exploit multiple growth opportunities. An inability to balance all sales objectives would drastically impact its ability to deliver forecasted growth and ROI.

The Solution

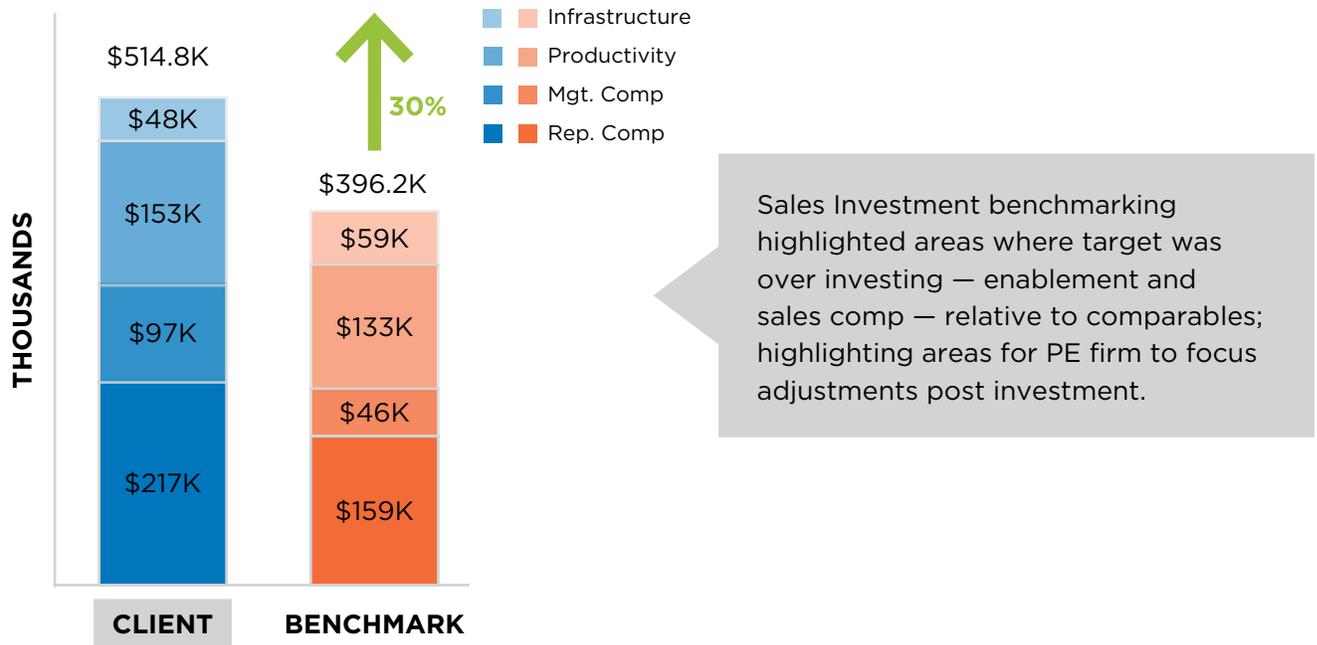
The Alexander Group conducted a comprehensive due diligence assessment evaluating the target company’s segmentation, coverage model, resource deployment, sales productivity and sales compensation programs. Key risks were identified that enabled the private equity firm to 1) rationalize the acquisition and 2) determine the investment and focus required post-investment to enable the target company to achieve its growth goals. AGI’s assessment indicated that while risks existed the sales model could support the growth plan with a number of targeted go-to-market adjustments.

The Benefit

The analysis led by the Alexander Group confirmed the target company’s attractiveness which led to the private equity purchase. Recommendations drove post-acquisition adjustments to segmentation, coverage and incentive programs and better positioned the new portfolio company to realize its growth potential.

Sales Investment Benchmarking To Identify Ares to Invest, De-invest, and Balance

COST PER REP AGAINST BENCHMARK



Coverage Assessment Indicated Coverage Gaps in both Hunting and Account Management Due to Blended Jobs

SALES STRATEGY MATRIX™

