

Case Study - Corporate Growth

Defense/Aerospace Contractor

Background

In 2013, an aviation services provider approached growth[period] for assistance in growing its business. At the time, the organization had approximately 100 employees and was approximately \$20M in revenue.

Challenge

Their leadership's goal, at that time, was to increase revenue to \$250M in five years and then sell the company for a multiple of 10X. A typical organization in this industry could expect to increase revenue between ten and fifteen percent annually. Clearly, relying on the standard rate of growth would result in falling short of the desired \$250M revenue target.

Recognizing these challenges, the company's leadership hired growth[period] to find a create a strategic growth-to-exit plan which would serve as a roadmap for achieving their desired end state. growth[period] created a five year strategic plan that included: targeted opportunities grouped in order of strategic priority; possible bolt-on acquisition targets; and strategic guidance pertaining to other aspects of the company's business development plan. The ultimate goal: successfully creating a very detailed plan to use as a literal roadmap to achieve smart growth.

The growth[period] Solution Included:

- Suggested roadmap with targeted milestones to achieve their growth objectives, along with supporting rationale
- Review of the company's current business for acquisition desirability and customer growth potential to include an analysis of their current business lines at that time, including market penetration possibilities
- Recommended customer/capability diversification complete with market interest/value metrics
- Recommended target revenue and EBIT goals over time, as well as recommended revenue growth and profitability mix
- Metrics associated with the recommended percentage of prime versus sub contracts

- Recommendations for potential bolt-on acquisitions (market segments as well as capabilities/company profiles and potential targets)

Results

After providing the strategic growth-to exit strategic roadmap in 2013, growth[period] was retained to help the company execute the plan. As of 2018, the company's revenue had grown to over \$300M - well exceeding the initial goal of \$250M in revenue. With growth[period]'s assistance, the company:

- Built out their strategic capabilities and strengthened their position in the market as a key player
- Achieved a contract and pipeline mix that increased the valuation of the company and helped successfully position them into new markets
- Successfully executed a C4ISR targeted bolt-on acquisition in the ISR market space of a company growth[period] had identified in the original growth-to-exit plan. Post acquisition the two companies integrated their C4ISR services businesses, resulting in an expansion of both companies' capabilities to provide and enable real-time situational awareness worldwide
- Created a business development organization that was the driving engine for targeting and winning quality, desirable (for future buyers), and profitable contracts

As a result, in 2018 the company successfully partnered for future strategic growth with New Mountain Capital. growth[period] continues to be retained to assist with future growth.