

SATOV

SATOV

[www.satovconsultants.com](http://www.satovconsultants.com)

**Advice is valuable. Help is better.**

# Founder and firm history

## Mark Satov

## The founding of SATOV Consultants

Family  
business owner  
and operator  
experience

2002



Bain advised on a merger resulting in a \$3B chemical manufacturer with tremendous planned cost synergies

Mark left Bain to work for the COO of NewCo to validate, plan and execute supply chain combination

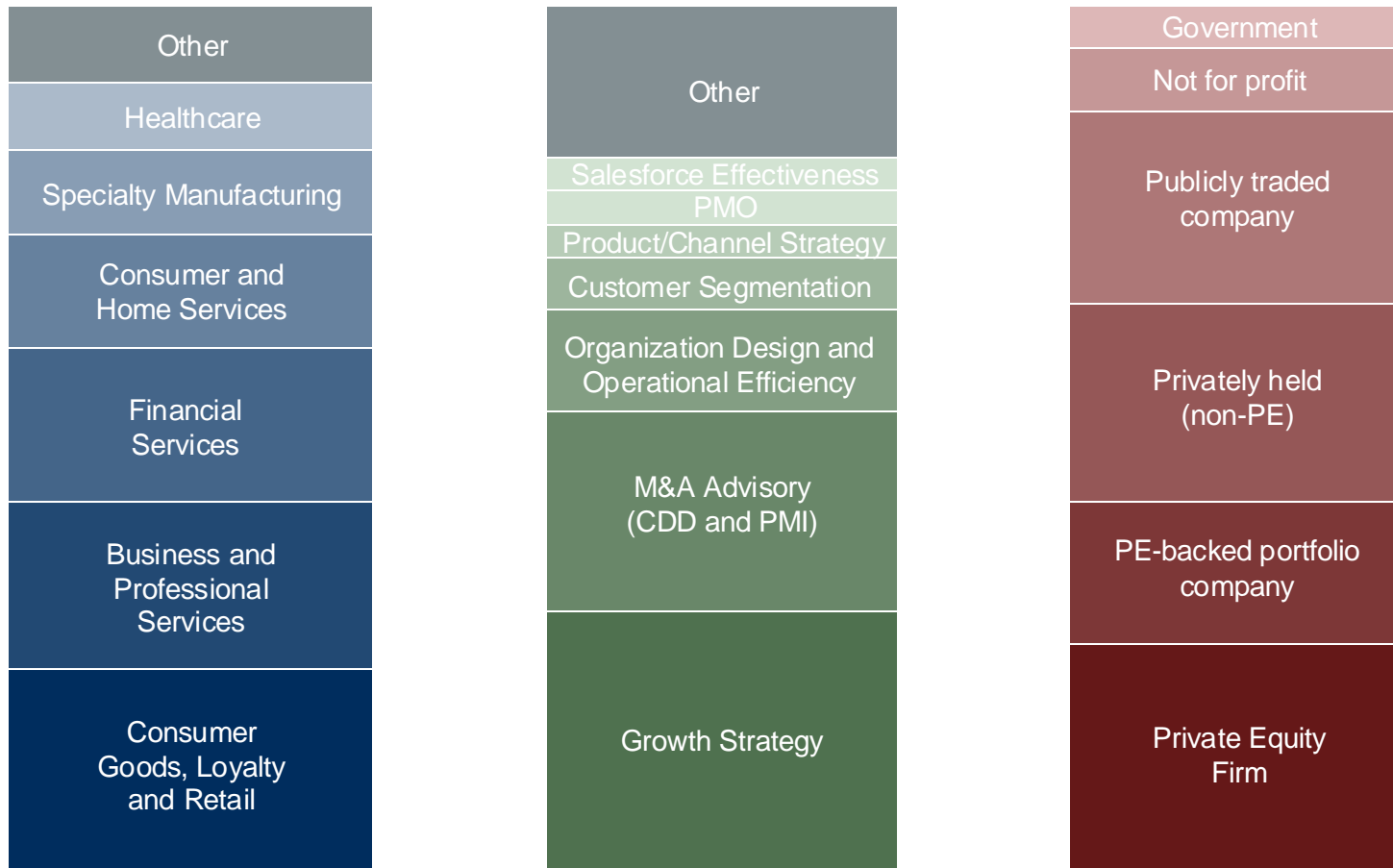
He rallied the team around a multi-faceted plan including factory closures, logistics changes, supply renegotiations and organizational redesign

Following supply chain integration Mark was hired to integrate all North American operations and hired a small team to help... an alternative consulting firm was born

**We work with senior leaders who have a bold vision but lack a detailed plan and the team to execute**

**We perform rigorous analysis to validate the vision, create the ideal approach and plan and manage execution**

# Since 2002, the firm has completed more than 500 projects across many industries and functions



# Our clients say we do it better

*We are **relentless** in our efforts to find the best answer*

*We **tell the truth** even when nobody wants to hear it*

*We bring a **breadth of experience** across industries to eliminate bias*

*We **collaborate with the client team** at all levels so that they truly own the work and the outcome*

*We will stay **as long as needed** to ensure execution is successful;  
**no more, no less***

# We offer flexible diligence engagements

## Business and market overview

**What are the most important characteristics of the market and the target? What drives success?**

### Pre-LOI phase

**What is the upside for the business? How much could we pay?**

What are the sources of upside?

What is the size of the upside? How likely is it?

What are the potential red flags?

### Post-LOI phase

**Is the purchase price justified? How big and likely are the risks?**

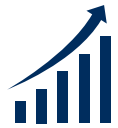
Are we capable of achieving the upside?

What are the risks? Are they manageable?

Our expertise



# Consumer and retail



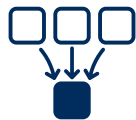
## Growth Strategy

- Value proposition design
- Product, pricing and channels
- Loyalty and retention
- Multifaceted segmentation
- Customer profitability analysis
- Long-term strategy and facilitation
- Primary consumer insights



## Operational excellence

- Organizational design and development
- Cost control and optimization

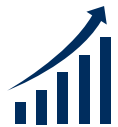


## M&A Advisory

- Market study and target selection
- Commercial due diligence
- Post-merger integration
- Value creation



# Financial services



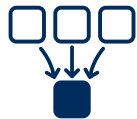
## Growth Strategy

- Comprehensive strategy
- Channel strategy
- Product and portfolio strategy
- Multifaceted segmentation
- Customer profitability analysis
- ROMI analytics
- Salesforce effectiveness
- Primary consumer insights



## Operational excellence

- Organizational design and development
- Cost control and optimization
- Process efficiency



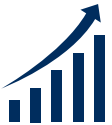
## M&A Advisory

- Market study and target selection
- Commercial due diligence
- Post-merger integration
- Value creation

### Past experience



# Industrials and specialty manufacturing



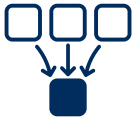
## Growth Strategy

- Comprehensive strategy, strategic planning and facilitation
- Customer segmentation
- Product portfolio optimization
- Plant strategy
- Salesforce effectiveness



## Operational excellence

- Organizational design and development
- Process optimization and cost control
- Inventory analysis
- Supply chain & logistics diagnostics



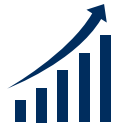
## M&A Advisory

- Market study and target selection
- Commercial due diligence
- Post-merger integration
- Value creation

### Past experience



# Healthcare



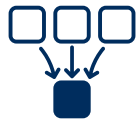
## Growth Strategy

- Growth strategy and facilitation
- Value proposition design
- Product, pricing and channel strategy
- Loyalty and retention
- Multifaceted segmentation
- Customer profitability analysis
- Primary consumer insights



## Operational Excellence

- Organizational design and development
- Cost control and optimization



## M&A Advisory

- Market study and target selection
- Commercial due diligence
- Post-merger integration
- Value creation

### Past experience



# Business and professional services



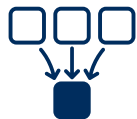
## Growth Strategy

- Comprehensive strategy and strategic planning
- Value proposition design
- Sales forecasting and salesforce effectiveness
- Customer analysis and segmentation



## Operational excellence

- Organizational design, development, and restructuring
- Cost control and optimization
- Process mapping and efficiency
- Resource, capacity planning, and outsourcing strategy



## M&A Advisory

- Market study and target selection
- Commercial due diligence
- Post-merger integration
- Value creation

### Past experience



# Our senior team



**Mark Satov**  
**Managing Partner**

Mark is a business advisor who pushes his clients to do better. His early entrepreneurial background and consulting stint at Bain & Company have helped shape Canada's leading boutique consultancy that business leaders trust today.

Mark has experience across a range of industries, most notably retail and consumer goods, loyalty programs, and business services, including marketing services. Mark regularly acts as a facilitator for our clients and is known for his ability to manage tough discussions, from strategic planning to reorganizations.



**David Saffer**  
**Partner**

David brings three decades of experience advising retailers and consumer goods companies. He leads our consumer insight practice and supports our clients in a range of areas from brand positioning to hands-on marketing planning and execution. David is a consumer and B2B research expert and sought-after strategy facilitator.

David was a founding partner of Groupe SECOR's Toronto office (now KPMG Strategy) and later co-founded Jackman Reinvents where he built the management consulting and research practices.



**Andy Spears**  
**Senior Advisor**

Andy brings over 20 years of financial services experience as a consultant, operating executive and entrepreneur. Prior to joining SATOV, he was a Managing Director of Novantas, the VP Channel Management for Presidents Choice Financial at CIBC and the CEO of NewCan where he focused on bringing a new banking model to Canada. Andy spent his early consulting career at Bain & Company and Mitchell Madison Group.

Andy's expertise includes retail banking strategy, distribution, product design, fintech pricing and consumer research.

Some samples of our work

## CASE STUDY

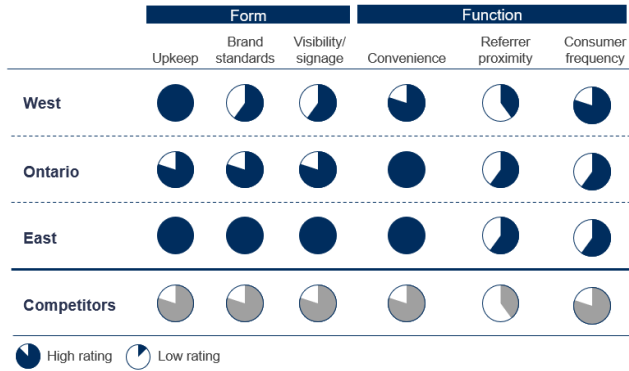
**PE portfolio company:**  
Dental services organization



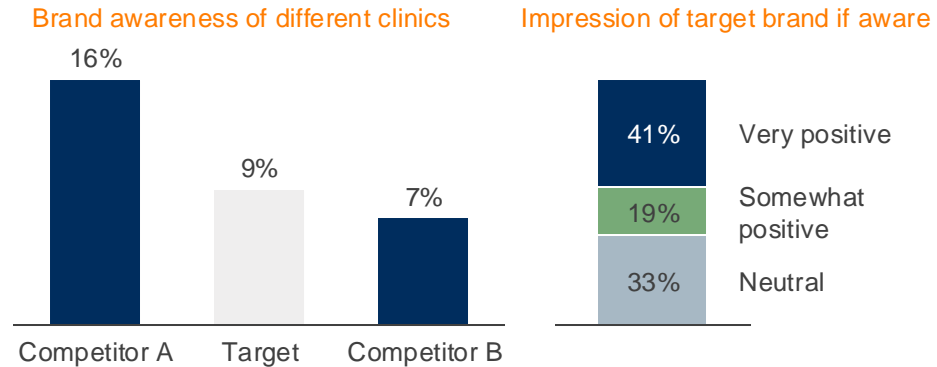
# A US-based PE firm asked us for help evaluating a dental service organization (DSO) in Canada

**Context:** A private equity fund was evaluating the purchase of a network of clinics and wanted to assess the quality of the locations, brand perceptions of the network and referrer and practitioner perceptions

## 1 We evaluated the physical quality and location of clinics

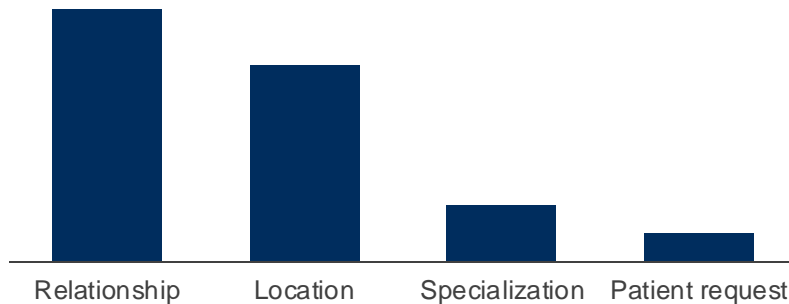


## 2 We assessed brand awareness and perceptions

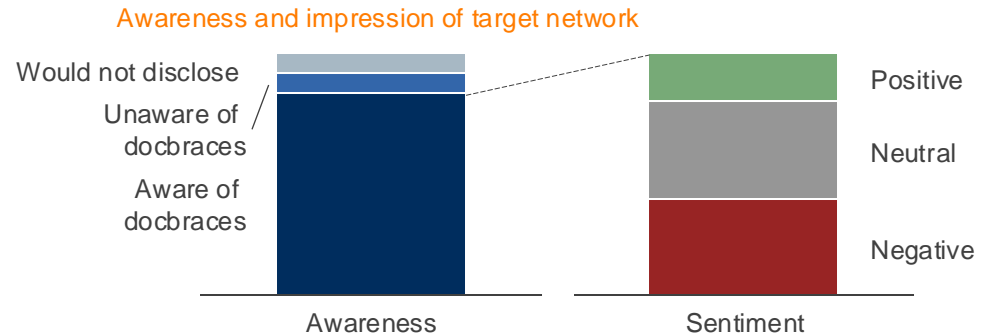


## 3 We determined referrer decision criteria

Clinic referral decision criteria



## 4 We assessed practitioner willingness to join the network

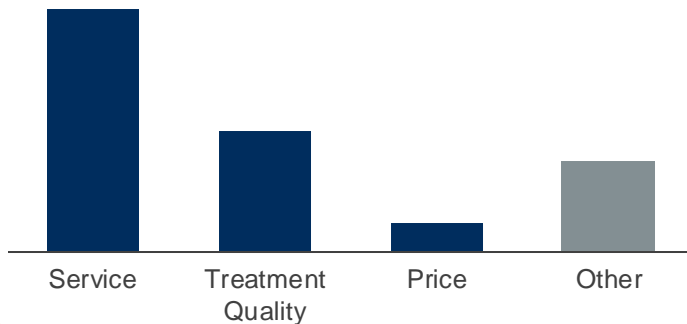


**Result:** We presented a favourable view of the target with optimistic growth prospects; the fund acquired the target and subsequently engaged us for further strategy and research support

# After acquisition, the portfolio company asked us to support the evaluation of a potential tuck-in deal

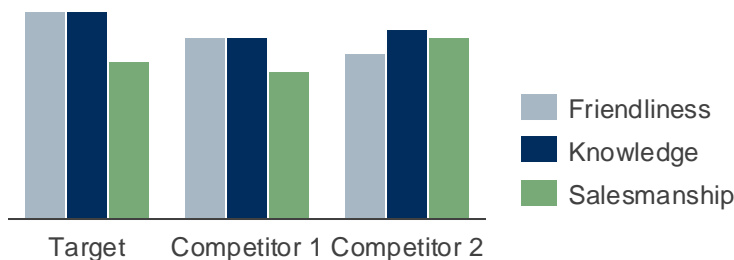
- 1 We determined the key selection criteria for consumers visiting clinics**

Consumer satisfaction criteria



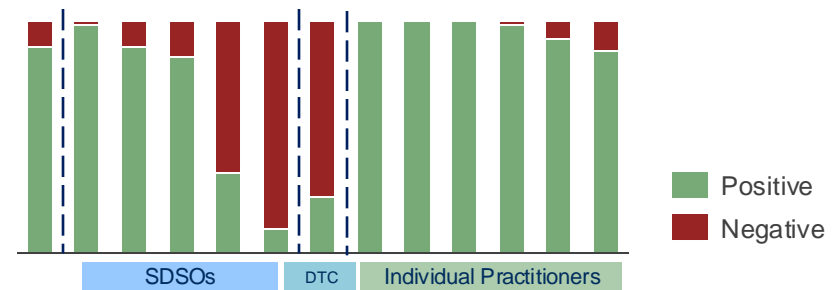
- 3 We learned how specific clinics and networks treated prospective patients**

Rating of prospective patient treatment by clinic



- 2 We evaluated consumer perception towards various clinics to compare satisfaction**

Consumer perception of clinics



- 4 We compared in-market offerings for existing players, including financing options**

Comparison of offerings in market

	Doctors/office	Virtual consult	Calls insurance	Direct Billing	Payment Plan
Target	<1		✓	✓	In-house
Competitor	<1		✓	✓	In-house
Competitor	<1	✓		✓	Lending partner
Competitor	<1	✓	✓	✓	Lending partner
Competitor	<1			✓	Lending partner
Competitor	<1				In-house

**Result:** SATOV determined that compared to other clinics, both regional clinics and large national DSOs, the target had a strong reputation and consumers perceived the brand positively

# Our in-house research team then supported the company with multiple customer experience initiatives

## Context:

After acquisition, the portfolio company was looking for support to monitor and optimize patient satisfaction

They also wanted to implement a balanced scorecard for continued performance management

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## Deliverables:

Designed and implemented a novel patient experience program which included a primary research strategy to support continuous data collection

Helped drive Google reviews among satisfied patients and allowed clinics to quickly identify unsatisfied patients to rectify customer relationships and improve processes

Implemented real-time dashboard reporting processes to optimize ongoing performance management

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**SATOV result:** Implemented a dynamic scorecard to monitor ongoing NPS scores and implement changes to improve patient experiences

## Sample deliverables:

### Patient experience dashboard



### Immediate actions for improvement



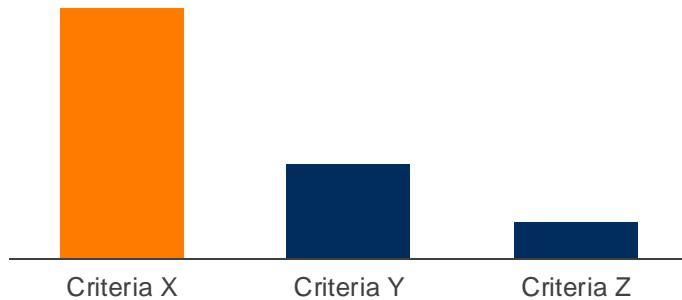
## CASE STUDY

# **Commercial diligence and growth** For-profit education

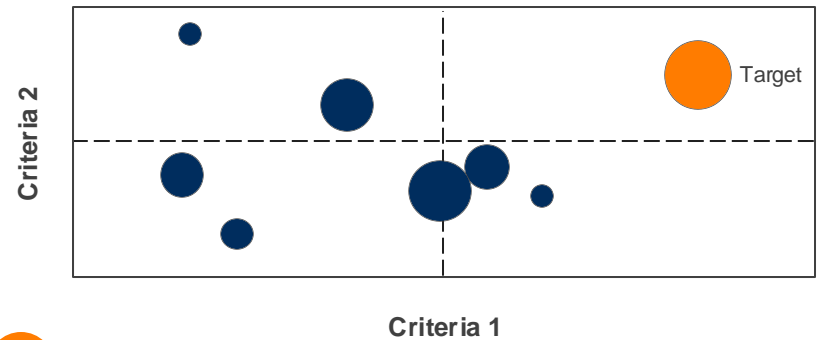
# We supported a PE firm's investment into a private education provider through a multiphase diligence

**Context:** We were engaged to perform a pre-LOI due diligence on a potential investment, with a particular concern about the sustainability of the target's customer pipeline

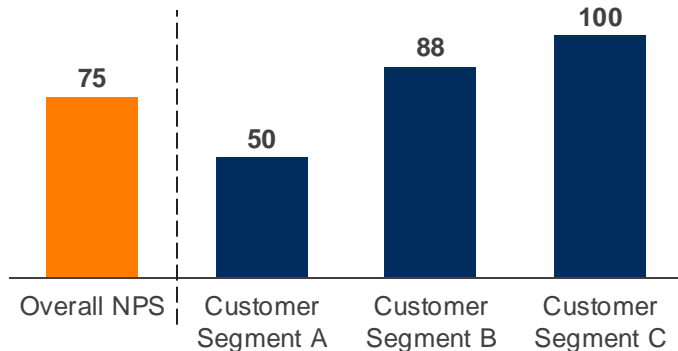
## 1 We identified customers primary purchase criteria



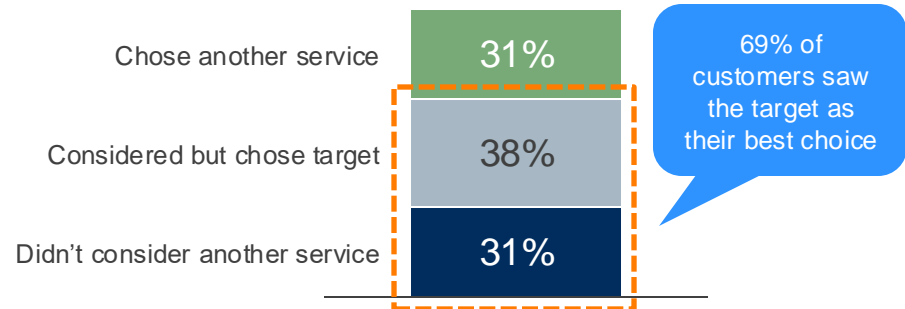
## 2 The target's flagship service was best aligned with this criteria



## 3 The target's customers promoted the brand



## 4 Our insights dismissed initial concerns about the target

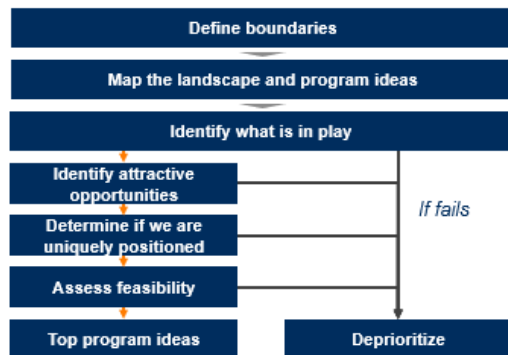


**Result:** The firm subsequently engaged us for a deeper, post-LOI commercial diligence assessment for which we provided a favourable view of the target which supported the investment thesis

# The asset performed well post acquisition and we were later asked to support the next phase of growth

**Context:** A private education provider needed help creating and implementing a process to informatively evaluate and launch new programs

## 1 We developed a funneling process to identify program opportunities



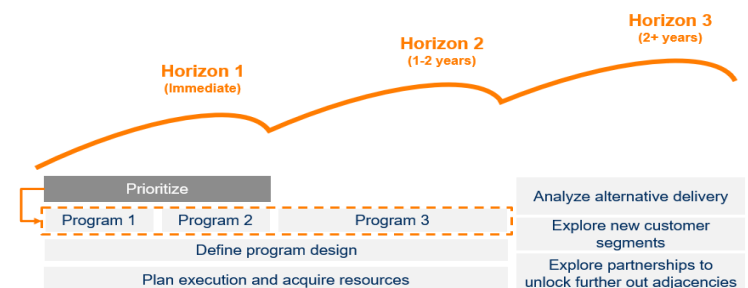
## 2 We created a framework to assess opportunity attractiveness

Program	Demand	ROI	Capacity Shortage	Action
A	Red	Yellow	Yellow	Cut
B	Green	Green	Green	Prioritize
C	Green	Red	Red	Cut
D	Red	Green	Yellow	Cut
E	Green	Green	Green	Prioritize

## 3 We evaluated the scale of high probability opportunities

Program	Unmet student demand	TAM (EBITDA)
A	X-X	\$X-X
B	X-X	\$X-X
C	X-X	\$X-X
D	X-X	\$X-X
E	X-X	\$X-X
<b>Total</b>	<b>X-X</b>	<b>\$X-X</b>

## 4 We created a plan for the future



**Result:** We identified a number of high probability programs for management to evaluate further and launch, with estimated total potential market size of \$50-100M (EBITDA)

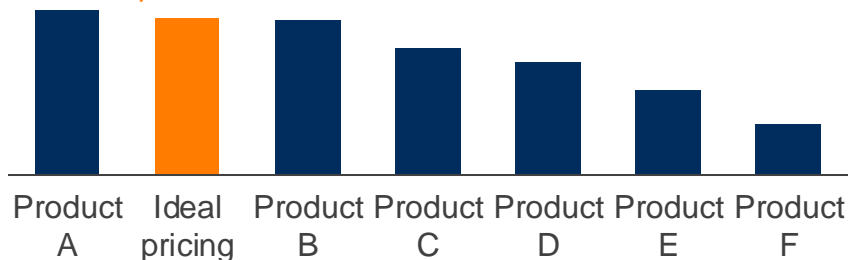
# Our recommendation led to another phase of collaboration on planning and implementation

**1** We identified design features that shape the product's value proposition

Feature Type 1	Feature Type 2
Feature 1 (e.g. xx, xx)	Feature 5 (e.g. xx, xx)
Feature 2 (e.g. xx, xx, xx)	Feature 6 (e.g. xx, xx, xx)
Feature 3 (xx, xx)	Feature 7 (xx, xx)
Feature 4 (xx, xx, xx)	Feature 8 (xx, xx, xx)
	Feature 9 (xx, xx)
	Feature 10

**3** We conducted primary research to identify the strongest option for each feature

Product prices



**2** We mapped products internationally to determine where the market stands

Product	Company	Feature 1	Feature 2	Feature 3	Feature 4
A	1	✓	✓	✓	X
B	2		✓	✓	Y
C	3	✓		✓	
D	4		✓	✓	
E	5	✓			X
F	6	✓			Z

**4** We evaluated the potential market size of the opportunity

Product	Unmet demand	TAM (EBITDA)
A	X-X	\$X-X
B	X-X	\$X-X
C	X-X	\$X-X
D	X-X	\$X-X
E	X-X	\$X-X
Total	X-X	\$X-X

**Result:** Identified and made recommendations on 10 product features for management to design and launch, including estimated EBITDA uplift

## CASE STUDY

### **Commercial diligence and PMI**

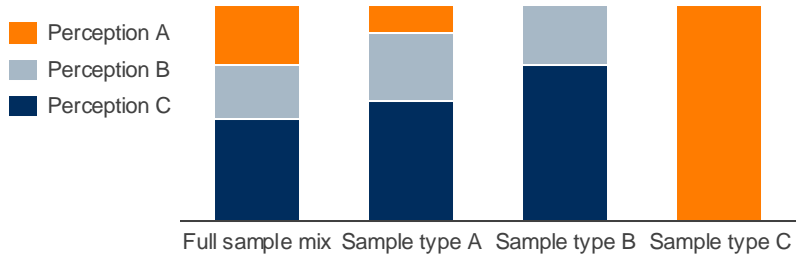
Private healthcare network



# A Canadian PE firm asked us to support the assessment of a private healthcare network

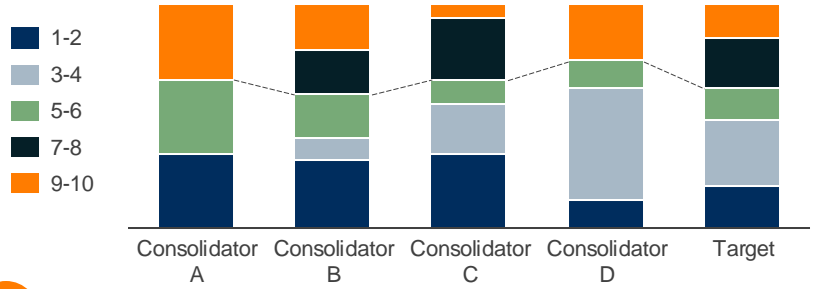
## 1 We assessed healthcare professionals' views of the consolidation model

Healthcare professionals perception of the model



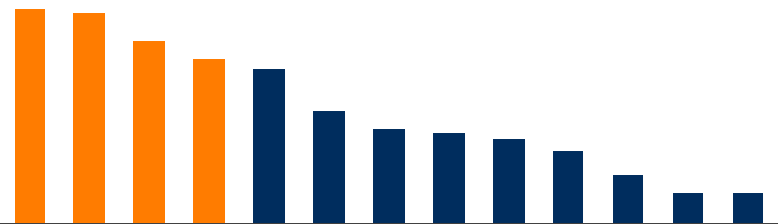
## 2 We determined the target's overall reputation was comparable to its peers

Overall reputation ratings by consolidator



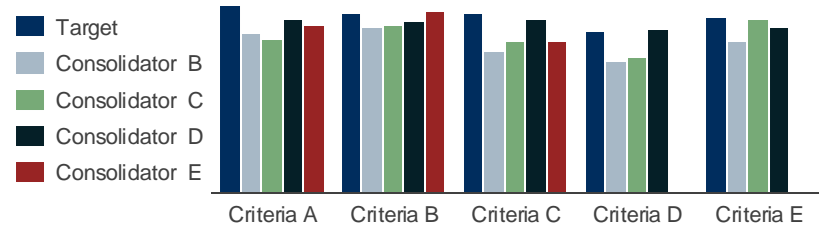
## 3 We identified the most important partnership criteria

Indexed scores for partnership criteria



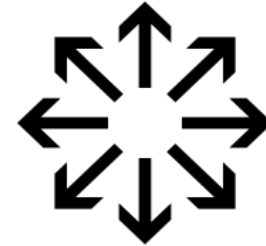
## 4 We found the target had favourable ratings across key criteria

Consolidators average ratings on top 5 criteria



**Result:** The firm acquired the target and subsequently asked us to support value creation and integration

# As part of the commercial diligence, we identified possible value creation opportunities



## Build brand champions

Use current partners to advocate for the brand

- More credible advocates  
Able to share lived experience including challenges (adds credibility)
- Can highlight advantages

## Win over younger professionals

Ensure positive experience for staff:

- Flexible schedules
- Less production pressure
- Control of patient care
- Favourable pay

Utilize staff for talent recruiting efforts

## Expand offering

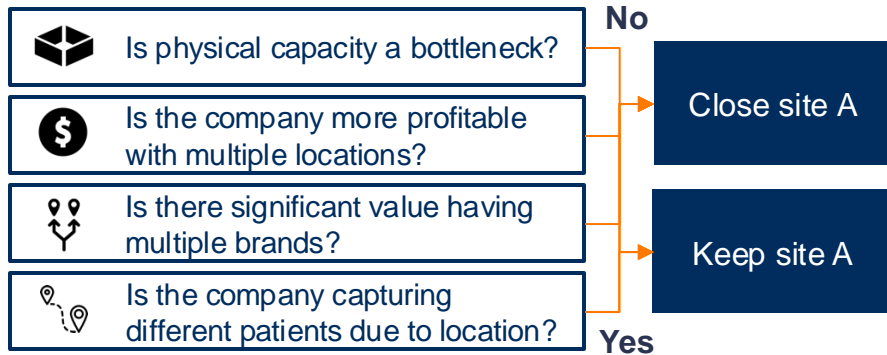
Expand offering to include:

- X
- Y
- Z

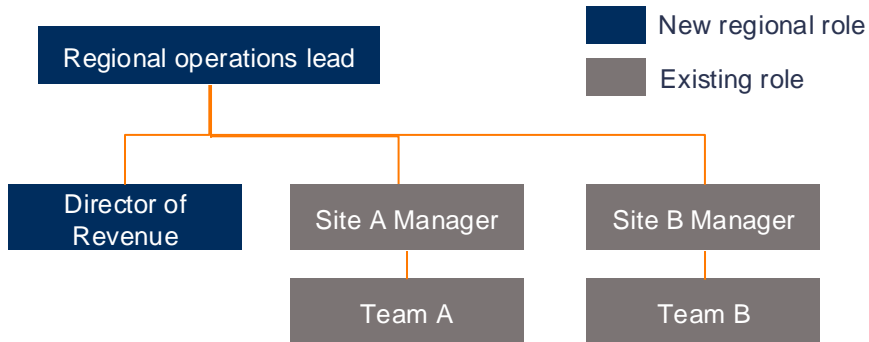
Create career growth opportunities for healthcare professionals

# We were then asked to support integration

## 1 We created frameworks to make each integration decision



## 3 We created a new regional organization and redefined roles



## 2 We evaluated profitability of different scenarios given our demand and staffing forecast

Scenario	Year 1						Year 2					
	Base			Best			Base			Best		
	A	B	Dif.	A	B	Dif.	A	B	Dif.	A	B	Dif.
Demand high	\$X	\$Y	\$Z	\$X	\$Y	\$Z	\$X	\$Y	\$Z	\$X	\$Y	\$Z
Demand low	\$X	\$Y	\$Z	\$X	\$Y	\$Z	\$X	\$Y	\$Z	\$X	\$Y	\$Z

## 4 We developed and managed the implementation plans

*Patient transfer plan status* ●

Current tasks and major milestones	Status	Target Date
Task A	Complete	D/M
Task B	On track	D/M
Decision	Status	Target Date
Decision C	On track	D/M
Risks	Mitigation	
Risk D	xx	

**Result:** The client pursued our recommendation to merge the two operations and we helped plan and execute the resulting site closure and operational changes, including implementing identified synergies

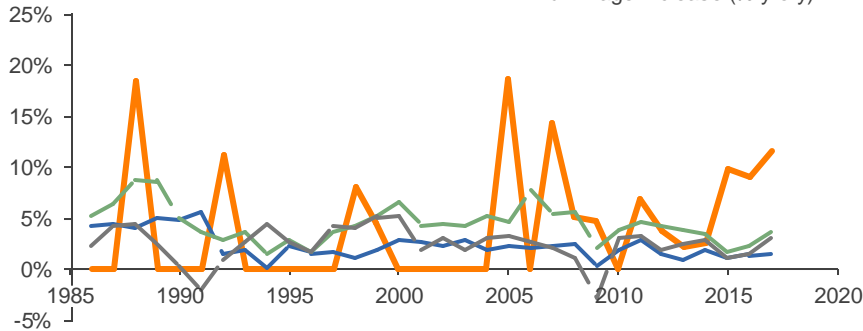
CASE STUDY

**Commercial diligence and growth**  
QSR

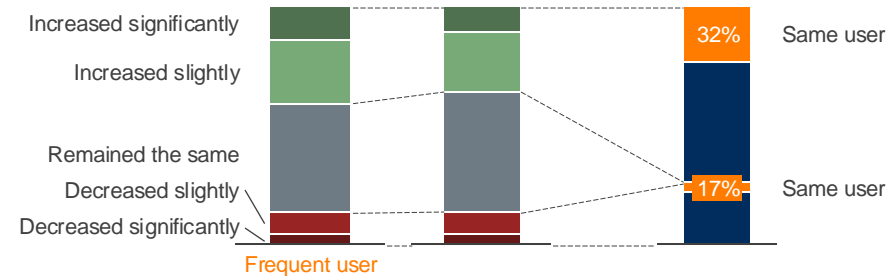
# We helped a PE firm evaluate a QSR's target market and validate management's growth projections

## 1 We determined the impact of economic factors on the target's performance

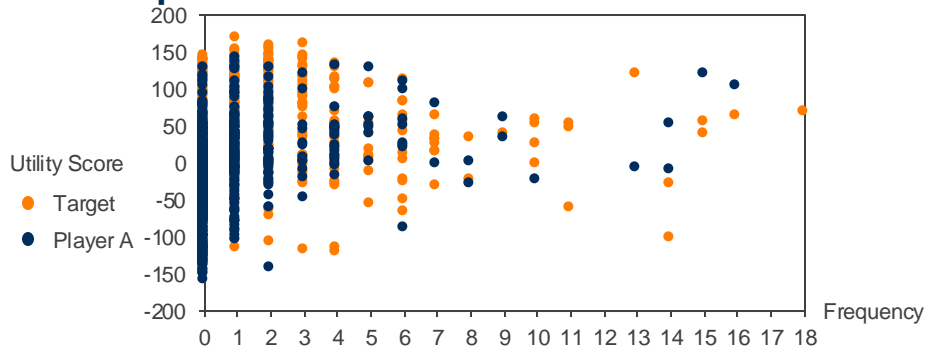
— AB minimum wage increase (% y-o-y)



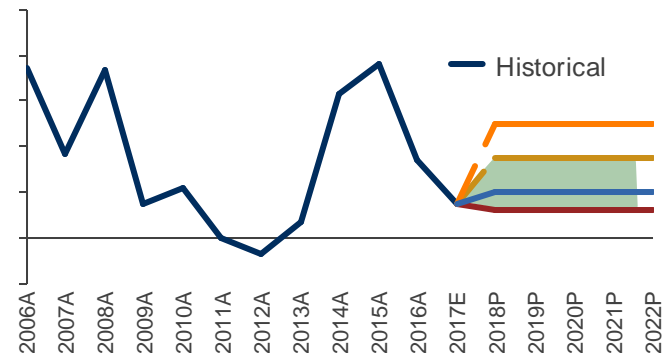
## 2 We identified the change in consumer preferences



## 3 We assessed brand utility relative to competitors



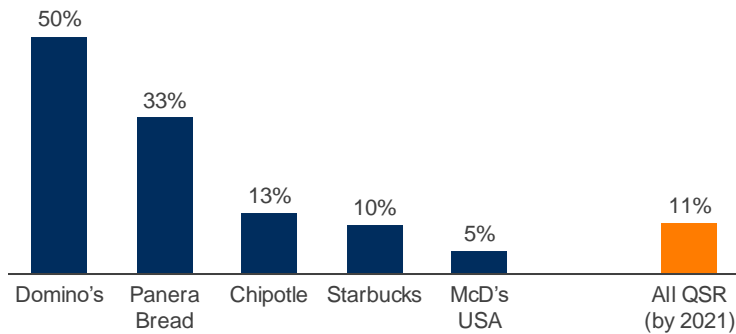
## 4 We validated the target's growth forecast



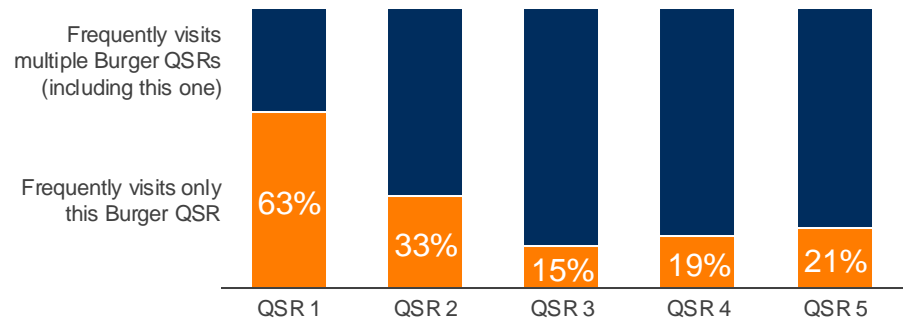
**Result:** We validated the investment thesis given favourable market overview and revenue projections

# We then engaged post acquisition to find ways to create value through digital ordering

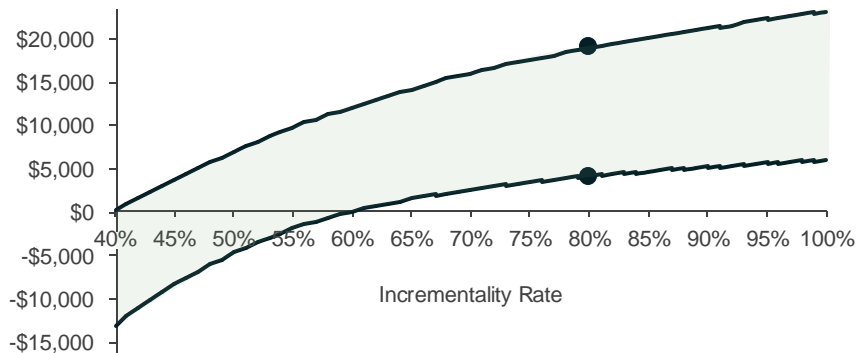
## 1 We determined that digital ordering represents a meaningful portion of QSR sales



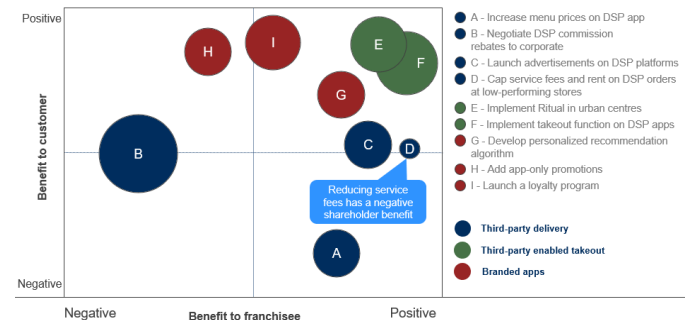
## 2 We determined the target had a loyal core that would value a digital application



## 3 We assessed gross margin growth for different technology options



## 4 We mapped the benefits of various opportunities for customers and franchisees



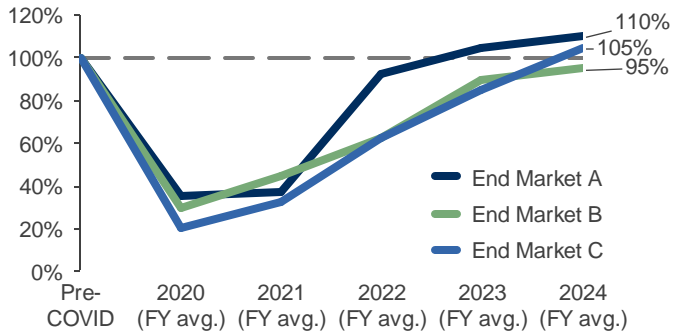
Other select CDD case summaries

# Commercial diligence: Lighting rental provider

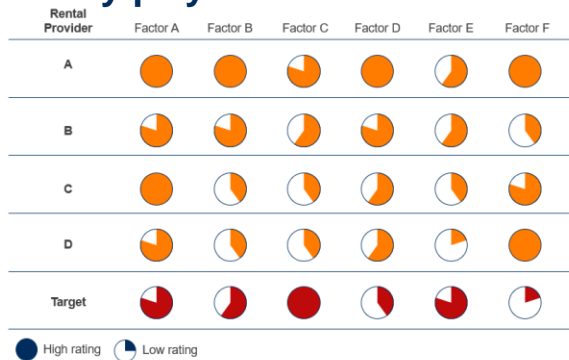
**Context:** A private equity firm was evaluating a lighting rental provider. They wanted to understand end-market dynamics, market changes due to COVID and the probability of regaining pre-COVID cash flows

## 1 We evaluated end-market recovery potential

Revenue and demand recovery path by end market



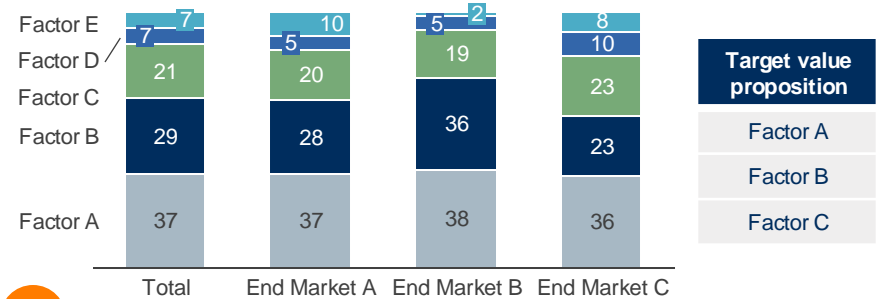
## 3 We mapped key differences between industry players



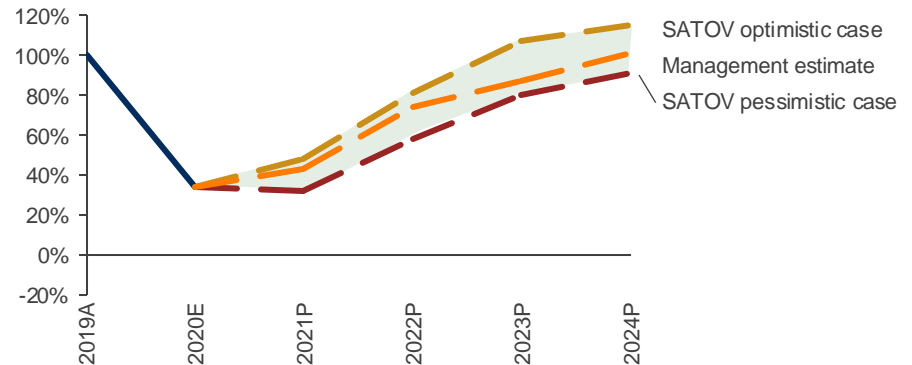
## 2 We confirmed that the target's value proposition aligned with customer purchase criteria

How would you assign 100 points between each of the following criteria?

AVERAGE OF POINT ALLOCATION



## 4 We validated the target's growth forecast



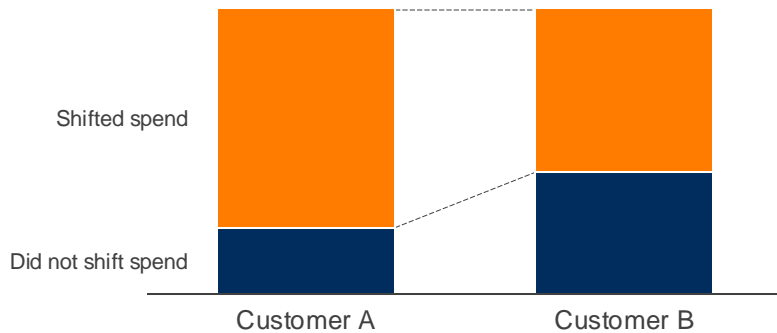
**Result:** Supported the investment thesis given favourable market overview and revenue projections



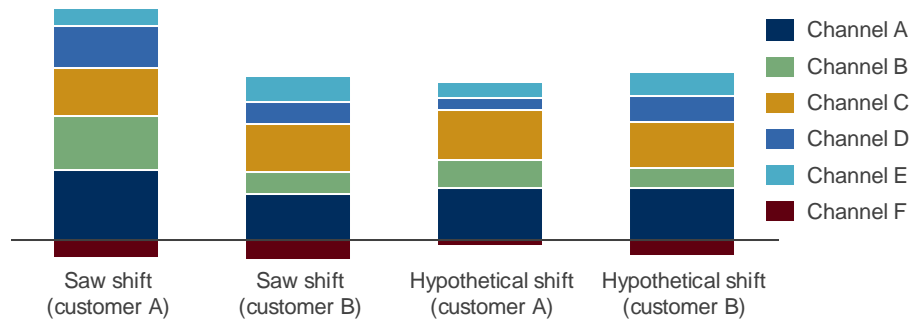
# Commercial diligence: Staffing

**Context:** A private equity fund was evaluating a business solutions provider and was looking for a partner to help capture forward looking perspectives on industry health

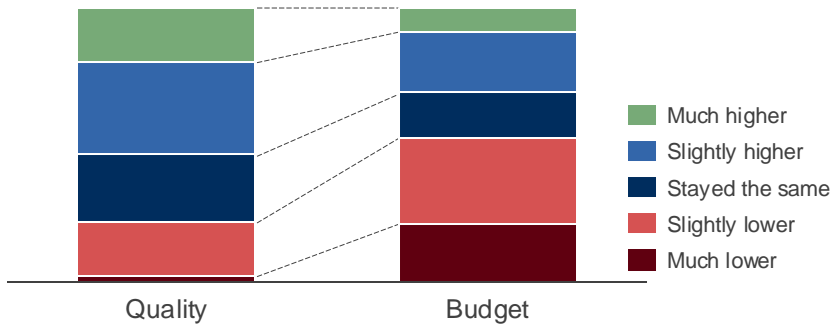
## 1 We analyzed the shift in buying behaviours



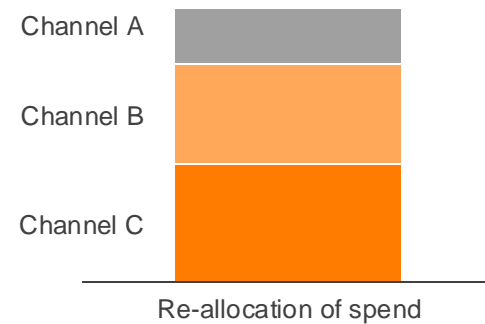
## 2 We identified the channels that will face the greatest change



## 3 We developed a perspective on quality and budget perceptions on changing channels



## 4 We quantified the proportion of the shift in spend across channels



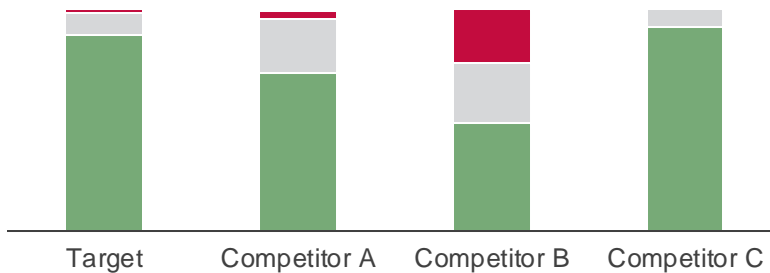
**Result:** We determined the impact the change in budgets would have on the market in the scenario where spend declines

# Commercial diligence: Food distribution

**Context:** A PE firm was evaluating the acquisition of a food manufacturer and needed assistance understanding specific market dynamics, post-COVID segment recovery, and new growth opportunities

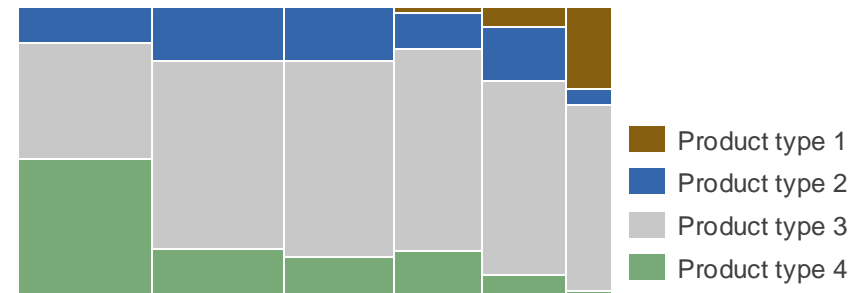
## 1 We determined consumer perception of the target and its main competitors

What is your perception of the following brands?



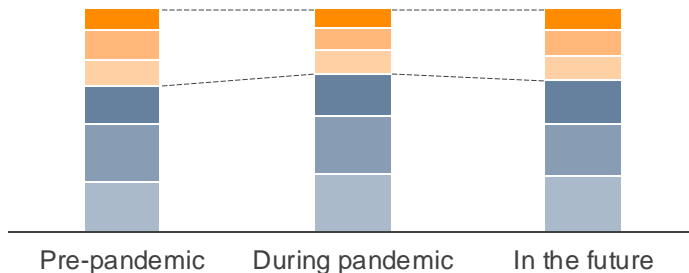
## 2 We evaluated product type shares at various customer accounts

Shelf space by product type



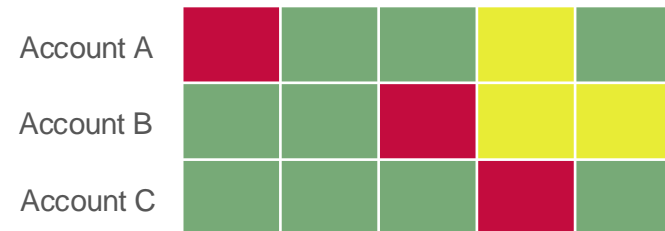
## 3 We estimated the recovery of segment sales post-pandemic

Distribution of product spend by channel



## 4 We analyzed growth opportunities for existing and prospective accounts in new markets

Decision criteria



**Result:** We provided a view of the asset's strengths and weaknesses vs. competitors and showed that a post-pandemic recovery along with white space in new markets would likely allow for continued growth

# Commercial Diligence: Marketing services firm

**Context:** A private equity firm engaged SATOV to assess the platform stability and organic growth opportunities for a marketing services acquisition target

## 1 We determined the target's position in the value chain

Model #1: [Target Industry] Led

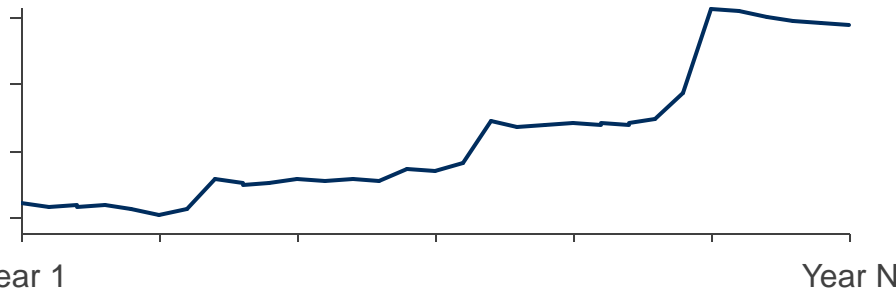


Model #2: Agency led



## 3 We developed a perspective on market growth

Market revenue over time



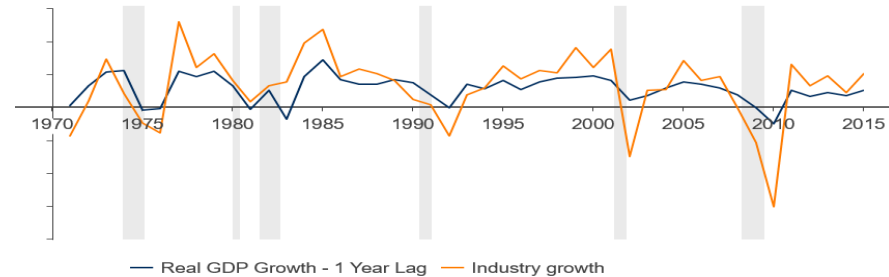
## 2 We assessed the target's exposure to a 'high-risk' service offering

Target revenue by offering



## 4 We evaluated the target's exposure to economic cycles

Real GDP growth and industry growth over time



**Result:** Quantified potential commercial risks for the target

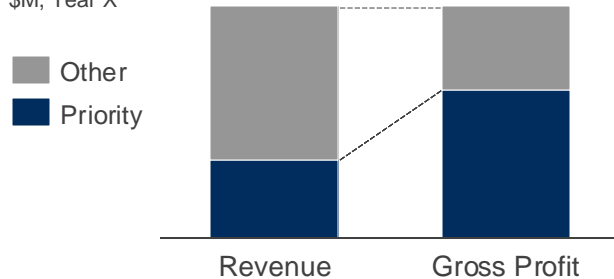
# Commercial diligence: Industrial services

**Context:** A private equity client came to us to evaluate a potential investment in an industrial services company that had suffered from slow growth and low profitability but had begun a recovery

## 1 We evaluated target performance by vertical

Revenue and gross profit by client vertical

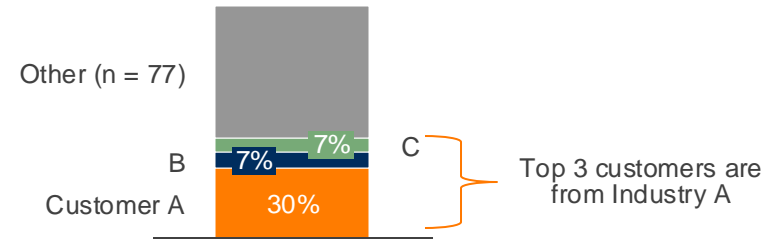
\$M, Year X



## 2 We identified concentration risk

Gross profit by customer

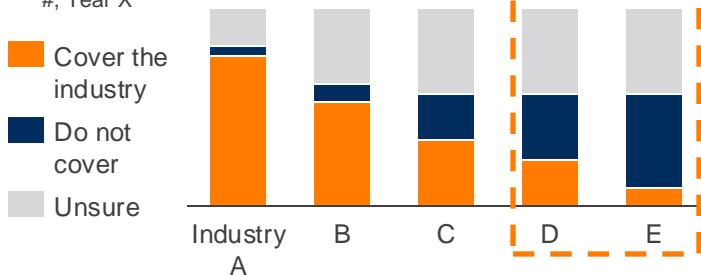
\$M, Year X



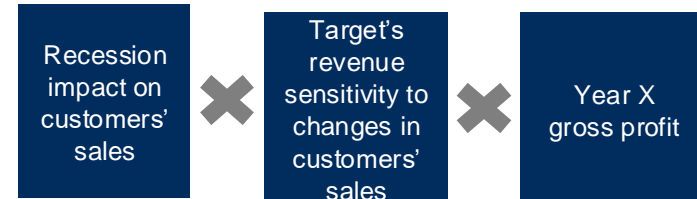
## 3 We found opportunities competitors missed

Competitors by covered industry

#, Year X



## 4 We projected the financial impact of a recession



**Result:** Our client acquired the asset and early growth indicators are positive

# Pre-LOI diligence: Beer brewing service provider

**Context:** Following a preliminary diligence two years prior, a pension fund wanted to refresh their view on the target and gauge customer stability and the sales pipeline potential

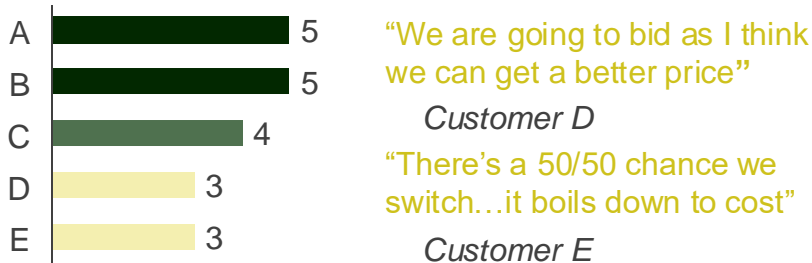
## 1 We identified brewers expected volumes to rebound

Expected change in volume

Company	12 months	3 years
1	Yellow	Yellow
2	Red	Green
3	Dark Red	Dark Red
4	Yellow	Red
5	Dark Green	Green
6	Dark Green	Dark Green

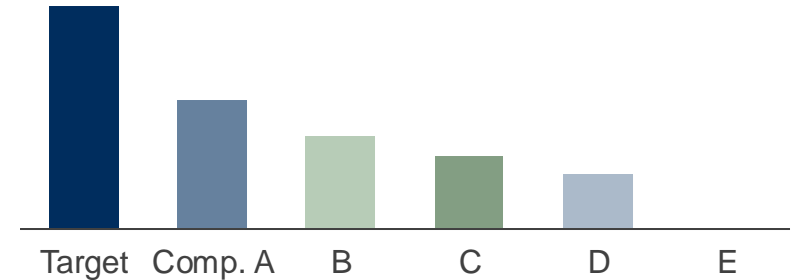
## 3 We proved customers were sticky but expected price cuts

Likelihood of staying with Target



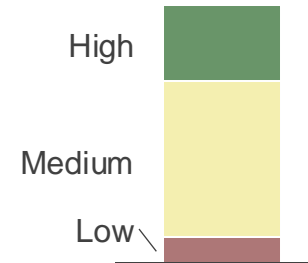
## 2 We confirmed the target dominated the market

Brand awareness by provider



## 4 We determined the target had a good chance of converting some key accounts

Conversion potential



**Factors evaluated:**

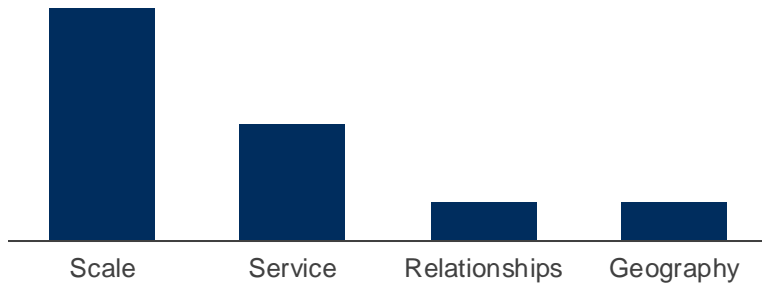
- Satisfaction with current model
- Plans to switch
- Knowledge of new model
- Perceived difficulty to switch

**Result:** Presented a favorable view on the target with some uncertainty on significant continued growth

# Pre-LOI diligence: Business solutions provider

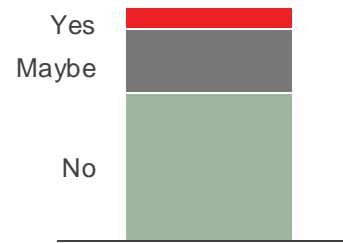
**Context:** A PE firm needed a first pass view of market growth and customer loyalty to support its pre-LOI bid

## 1 We identified the most important purchase criteria

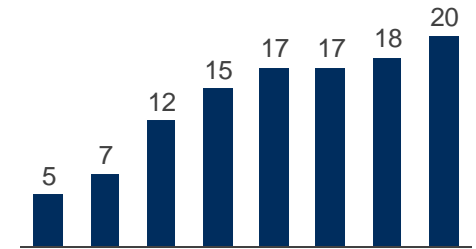


## 2 We proved customers were sticky

Switching risk

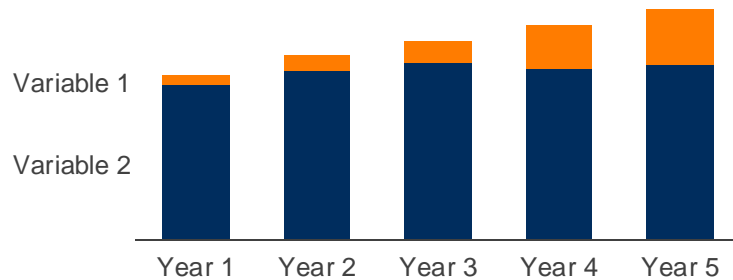


Number of years with provider



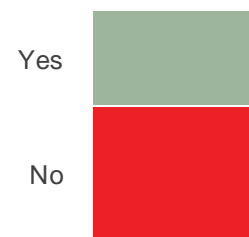
## 3 We evaluated market growth

Expected growth in demand driver A

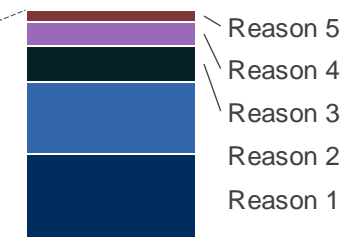


## 4 We tested cross-sell opportunities

Interest in product A



Rationale for disinterest



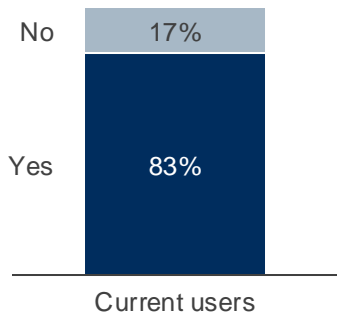
**Result:** We provided a favorable view of market growth and target customer attrition; deal did not close due to higher competing bid

# Pre-LOI diligence: B2B services for hospitality sector

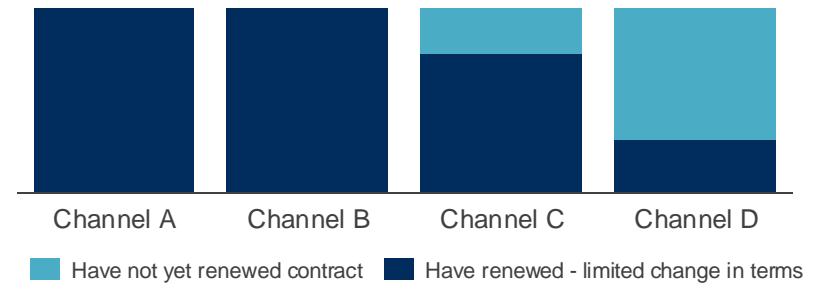
**Context:** A PE firm wanted to establish customer and pricing dynamics to support its pre-LOI bid

## 1 We established existing customers were loyal

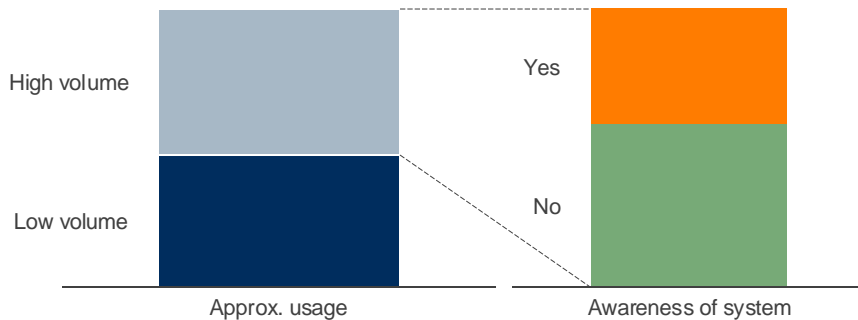
Q: Have you always used the same rental provider?



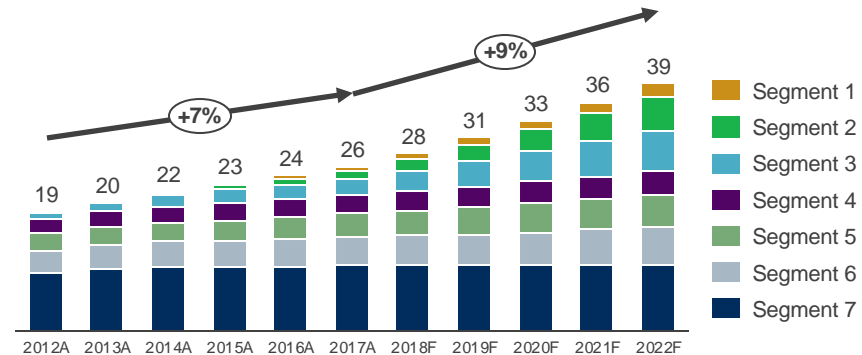
## 2 We validated low margin pressure on contract renewal



## 3 We identified customer types most likely to buy



## 4 We projected unit growth by segment



**Result:** We established that growth would be strong but well below management projections; deal did not close



**Our  
experience**



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