

Rapid Valuation Growth to Exit

A Performance Transformation Case Study

The Challenge ~

In 2018, Performance Transformation was engaged by an established (ten years old), privately held, medical device design and engineering firm. Their growth had plateaued and they were seeking a solution. The company lacked a formal sales process and marketing had been outsourced for several years to a company that didn't understand the nuances of their marketplace.

In addition, based on variable deal flow and projects naturally sunsetting, revenue could fluctuate substantially, from year to year. This made forecasting and hiring a constant challenge.

The Solution ~

Performance Transformation created and executed an Integrated Sales & Marketing system to drive sustainable revenue growth, build brand equity, and accelerate company valuation growth to exit.

- The high performance, targeted sales process was minimally disruptive to day-to-day engineering operations. All sales were conducted remotely over Zoom for the entire length of engagement, greatly containing costs and enabling the company to grow throughout the pandemic.
- The content-driven, high resolution marketing solution and micro-targeted advertising generated > 1.8 million online impressions in 2022. LinkedIn advertising became a major driver of website traffic (visits up 40% over prior year). We introduced the use of content-rich landing pages tagged to each advertisement in order to deliver "closed loop" results and a clear ROI on our ad spend.
- Social media strategy increased followers (LinkedIn) tenfold and is a consistent driver of traffic.

The Results ~

The client company was successfully sold to a multinational corporation for \$25 million in cash, thirty six months after the initiation of Performance Transformation's engagement.

- The sales-driven strategy delivered a close rate on quoted projects of between 56% and 64% (the industry average close rate for engineering firms is 22%).
- In addition to the \$25 million in capital gains, over the course of Performance Transformation's engagement, the company generated ≈ \$5.5 million in net income on sales exceeding \$25 million (time & material project sales).
- The Integrated Sales & Marketing system was crucial in driving an 830% increase in the client company's valuation in 36 months (as calculated at cash exit).
- Net Present Value of engagement to our client (total cost of engagement, discounted cash flows):
 - Discount rate of 6% (cost of capital).
 - Present Value of Return on Investment = 1,944%.
 - Net Present Value of 5 year engagement for our client = \$23,160,310.