Dear ,

As a follow up to our discussions, it is our understanding that it is the desire among the Executive Team Members to identify a clear path for CLIENT as it pertains to the Transition of Leadership and Ownership. In all engagements, we focus on the foundation of the company to ensure long term success and sustainability. Therefore, our proposal includes a more detailed outline of our Scope of Work that targets specific areas to be addressed to improve cash flow and ultimately enterprise value.

We are pleased to present you with the following engagement proposal. The proposal is designed to:

* **Discover & Identify** **Options** for transitioning leadership and ownership.
* **Identify & Develop Strategies** to position CLIENT for maximum cash flow and enterprise value with clarity on the time, financial and personal energy requirements
* **Implement Strategies** that will meet the overall objectives of the Executive Team while being grounded in a foundation that supports CLIENT’s continued success (company continuity and sustainability).
* **Monitor** **Execution** to ensure that progress is being made toward your goals and to monitor results, challenges and opportunities.

Each step involves in-depth discussions, meetings and finally, analysis of all possible scenarios. Based on the information we currently have, we believe the following to be our best approach:

Phase 1: **Discover & Identify Options** will consist of 1 to 2 meetings with members over a 30-day period. After these sessions, we will work on various scenario Transition Plans over a 30-day period prior to the 2nd Phase.

Phase 2: **Identify & Develop Strategies** will consist of 4 to 6 meetings with stakeholders over a 90-day period. After these sessions, we will work on fine-tuning 1 to 2 scenario Transition Plans prior to the 3rd Phase.

Phase 3: **Implement Strategies** will consist of monthly meetings (1 to 2 hours); Each month we will meet to discuss issues, review progress and monitor conditions that may influence enterprise value. The timeframe is dependent upon CLIENT hitting objectives. The estimated time is 1 to 2 months.

During this engagement, we are working with you as a team. Our time together is front-loaded to build momentum. Our focus is on what matters most to the team and what will support CLIENT for continued successfully and sustainably into the future.

Results are dependent upon our working as a team. To be effective, we need to be intentional and transparent with each other. There will be assignments and difficult discussions. We share this with you up front so that there is clarity in understanding. Everything we do is in support of your success and what is in the best interest of CLIENT.

**Length of the Process**

The length of the process is estimated at 6 to 7 months. However, the pace is determined by the Company and the Executive Team. In particular, Phase 2 may extend beyond 90 days.

**Fees**

Our fee for this engagement is $\_\_\_\_\_\_\_\_\_\_\_\_\_ per month. Our fees are payable each month via EFT or credit card charge on the day you select.

We are honored to have the opportunity to work with you and to assist you in preparing your business for its next chapter. We look forward to continuing our partnership with you as we help you achieve your objectives—both personally and for the Company.

Sincerely,

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Joe W Scheid, AIF®, CEPA®, CFBS®

Managing Member

By signing below and by delivery of this letter, I accept the terms of this engagement on behalf of myself and the above referenced entity.

CLIENT

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**ATTACHMENT 1**

**SCOPE OF WORK**

The Scope of Work is broken into three phases: **Phase I: Discover & Identify;**  **Phase 2: Identify & Develop Strategies (Building Value)**; and, **Phase 3: Implement Strategies & Monitor Execution.**

**Phase 1: Discover & Identify**

During this Phase, when we meet with each Team Member individually, we will be asking for your individual goals, objectives, and timelines. While we are discovering individual goals, we are assessing CLIENT in its current position and its ability to deliver on the individual goals. Typically, during this phase, we determine if a gap in value, cash flow and enterprise value exists to meet the individual goals. Based on our initial discussions and review, we believe a gap exists.

Phase I deliverable is suggested Transition Plan Options

**Phase 2: Identify & Develop Strategies (Building Value)**:

Building value in CLIENT is critical to long-term success and sustainability. Value is a measurement of the enterprise with its qualitative and quantitative factors. The items outlined below describe the targeted areas to enhance cash flow and enterprise value. We will work with the Executive Team to identify specific action items and then set completion target dates.

1. Foundation for Value
	1. Review of risk factors and options for mitigating risk
	2. Protective language in business contracts and agreements
	3. Protection of intellectual property and key relationships
	4. Revenue: recurring, diversification of customers and customer industries
2. Building Value
	1. Evaluating the various revenue lines and gross margins
	2. Determining growth and working capital requirements for growth
	3. Re-casting the P&L to determine baseline value at start
	4. Establish company valuation & qualitative goals
	5. Projections & target financial objectives – short term inside of long-term goals.
3. Execution
	1. Evaluating the infrastructure to manage existing work and capacity for more work
		1. Process & Systems: scalable; technology that evokes employee action
		2. Determining people needs (human capital) to execute growth plans
		3. Management by exception concept
		4. Company culture & leadership
	2. Talent Retention Discussion

Phase 2 deliverable are Transition Plan, Business Continuity Plan and 2022-2023 Objectives & Benchmarks.

**Phase 3: Implement Strategies & Monitor Execution**

During Phase 3, we will work alongside you and your advisors and allied professionals on the Transition Plan (discussions and review of plan documents and agreements). We meet on a monthly basis until the majority of the Transition Plan documents and agreements are signed and critical action items to achieve the 2022-2023 Objectives & Benchmarks are implemented.

Then we suggest moving to quarterly meetings to discuss results, challenges and opportunities. Any time during Phase 3, the Executive Team can call an ad hoc meeting to immediately address specifics issues.