

Enterprise Advisory, Inc



April 30,2021

Business Plan III



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Business Plan III

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
<u>Target Market</u>	3
<u>Growth Method</u>	9
REFERRALS	10
<u>G2 Roles</u>	12
<u>Sales Training</u>	12
CONCLUSION	15
<u>Appendix</u>	16

EXECUTIVE SUMMARY

Spring is here and with the new season, Enterprise Advisory Services commits to a comprehensive strategic growth plan outlined below. We lead with our “Why” and the vision driving our work:

Enterprise Advisory offers business class services, allowing Phoenix area business owners the freedom and time to commit to running their companies. We navigate and connect their personal and professional life goals, to bring purpose, meaning, and forward-thinking commitment to their lives.

To fulfill this vision, we created the following growth plan: **SPRING**

Segmentation - based on our target market

Phoenix First - focus on small to medium sized business owners

Referral Strategy- a systematic process based on client feedback and exceptional service

Inclusive sales culture - where we all have a role in helping us grow

G2 Leadership - A tactical approach to exploiting G2 strengths in pursuit of growth

We start by refocusing on our target market. We will assess our existing client base through a segmentation exercise. This allows us to examine who we truly serve best and gives us direction in where to pursue our future growth. We continue to focus on the Phoenix/Scottsdale market with a laser-like focus on small to medium sized business owners, bringing our vision and purpose into alignment.

Next, we turn to our growth strategy - driven by client referrals and an inclusive culture of business development. Learning from the client segmentation exercise, we created a client service matrix to help prioritize our time servicing existing clients and free up capacity for our business development. We suggest setting measurable goals and using an all-hands approach to growth. One where everyone has a direct role.

Our primary source of new clients is word of mouth or referrals. We suggest collecting client feedback, identifying our top promoters, showering them with excellent service and defining moments. We will take a systematic approach, educating clients and centers of influence on how to best make the introduction. This helps narrow the gap when referrals are made via word of mouth, but do not make their way to us.

Finally, we analyze our individual strengths as G2 contributors and capitalize on what makes each of us unique. Ideally, rather than going through the motions or seeing what sticks, we meet quarterly to determine where our time and resources are best spent in pursuit of greater growth. To further develop our team, we couple this strategy with a systematized internal development/training program aligned to our specific skills.

The SPRING growth plan, described in greater detail below, will set Enterprise Advisory Services on the path to sustained development for this season and beyond.

TARGET MARKET

At Enterprise Advisory Services our core competency is serving small and medium sized business owners in the Phoenix area. We will not deviate from this focus. We will double down on efforts improving the services to our existing clients and telling our story to more prospects in our core market.

We will keep our existing non-business owner clients, for example- our earlier niche of women in transition. However, we choose not to expand this segment and plan to regularly reassess whether we can continue offering value without reducing our service to business owners.

We are at our best when we generate new business by focusing on delivering amazing services and being top of mind for our target clients. We consider our ideal clients to be small and medium sized business owners. The trends are in our favor, Phoenix is a booming city for entrepreneurs. The *Bureau of Economic Analysis* reports that from 2013 to 2018, Phoenix is growing nearly 30% faster than the average U.S city.

Phoenix has a lower cost of living, business friendly state and local government, and the large University of Phoenix has an ideal infrastructure for future business owners. The 2016 *Annual Survey of Entrepreneurs* (ASE) by the Small Business Administration (SBA) estimates that Phoenix is home to roughly 750,000 companies that have between 20 and 499 employees. We have plenty of room to grow. When thinking about the addressable market, Enterprise Advisory is nowhere near saturating our target markets. Moreover, considering this abundance we can further refine our target market.

After looking at our current clients, we can sharpen our focus to three distinct business segments:

**Women Owned Businesses
Construction Companies
Closely Held Family Businesses**

Shannon currently works with a core group of women business owners that she loves. She will lead this segment along with Brandon whose wife is a business owner. Shannon has been encouraged to join the National Association of Women Business Owners (NAWBO) which has a thriving presence in Phoenix and over 10 million members nationwide.

Joe and David will try to deepen their ties to the construction industry. According to the *SBA Office of Advocacy* 2019 Small Business profile, Phoenix has 2,000 construction companies with at least 20 employees. Construction owners have a unique set of challenges and planning issues that we are well suited to help address, having worked with several clients in this market over the past years. As a natural part of doing business, they also interact frequently with the owners of other businesses and are willing to make introductions when warranted.

Stephen and Chris will turn their attention to reaching the owners of closely held family corporations. With Stephen's deep tax expertise and Chris' personal history of family entrepreneurs, they combine technical proficiency with practical advice. Family businesses have a great number of planning considerations that do not arise with traditional companies. Being able to connect clients and bring in specialists in a variety of areas that are specialized for their needs and will serve as a great opportunity to engage potential clients.

As the firm grows, we look forward to expanding upon these core segments. We propose a thorough client segmentation exercise across our entire client book at least yearly. The goal of this exercise is to provide our advisory team with actionable criteria to assist in the proper allocation of team and financial resources to our future targeted clients and prospects.

Segmentation Methodology:

Client relationships will be measured via the following metrics to determine segmentation ranking:

- Relationship Assets Under Management
- Relationship Revenue
- Target Market: yes/no
- Liquidity/Net Worth
- Community Leader / COI: yes/no
- Referrals: have they referred in the past or are they likely to in the future yes/no

Scoring Matrix:

Based on the metrics above, the following scoring matrix will be used to assign a client segmentation ranking of A, B, C, or D.

Relationship AUM	< \$1,000,000	1
	\$1MM - \$2MM	2
	\$2MM - \$5MM	3
	\$5MM - \$10MM	4
	> \$10,000,000	4

Revenue	< \$7,500	1
	\$7,500 - \$15,000	2
	\$ 15,000 - \$30,000	3
	> \$30,000	4
Target Market?	No	0
	Yes	1
Net Worth	< \$1MM	0
	\$1MM- \$2.5MM	1
	\$2.5MM - \$5MM	1

	\$5MM - \$10MM	1
	\$10MM - \$20MM	1
	\$20MM - \$50MM	2
	> \$50,000,000	2
Community Leader COI	No	0
	Yes	1
Referrals	Never / Not Likely	0
	Never / Likely in future	1
	Current Referrals	2

Client Service Matrix:

The scoring matrix above will help establish the base service expectations for each client ranking level:

Grading	0 – 3 points	D
	4 -5 points	C
	6 – 8 points	B
	9+ points	A

These expectations are intended to serve as a baseline. At times, special considerations will be given to the rankings to allow for unique circumstances/exceptions in client and prospect relationships. For example, a business owner, client or prospect may be low on the rankings now due to illiquidity but may have sizable liquidity events on their time horizon. While the client or prospect may currently score as a “C”, they may likely be an “A” post event. In cases such as these, team discretion and maximum exceptions will be used to properly assign rank and service expectations.

Client Relationship Planning:

The leadership team at Enterprise Advisory Services recognizes that client referrals have historically been a primary source of growth for our firm. Over the past couple of years, we have noticed a declining trend with regard to these referrals. In the past year, only seven percent of our clients made a referral to our firm. The results of our client survey indicate that the vast majority of our clients are very satisfied with the level of service they are receiving, with 35% stating they would be willing to refer a relative or friend to us. The survey is in stark contrast to our actual results.

To narrow this gap, we suggest a strategic and systematic approach. Clients rank trustworthiness at the top of the list of qualities they look for in an advisor. Trust, in and of itself, is only built over time by demonstrating proactive and unselfish behaviors.

To become more proactive in the lives of our clients, and to assist our clients in identifying and addressing risks and opportunities that they might not be aware of, Enterprise Advisory will be adopting a Relationship Planning process. The goal will be to develop and execute a thorough relationship plan for every “A” and “B” client of the firm.

The relationship plans will be developed by all team members involved with the client and will be updated after each client meeting. The following data will be included in these plans.

- **Client Information:** Basic client information such as birthdays, family members and ages, date of last meeting, preferred meeting frequency, preferred contact method, outside advisors (attorney/CPA), and any other relevant personal notes.

- Financial Planning:** Personal goals uncovered during the planning process as well as the recommendations that need to be implemented. This section will be a running progress report on the steps and implementation of the plan.

- **Next Gen Information:** An outline of the children and heirs identified in the planning process. If the heirs are adults, this section will focus on our efforts to engage the next generation. We will work to develop and monitor wealth transfer goals and strategies.
- **Initiatives & Work Items:** We will actively assess and monitor the steps needed to move our clients along the path identified through the planning process. What items are front burner and what items are longer term in nature.
- **Opportunities:** What further opportunities exist within each specific relationship? Are there still assets outside of Enterprise Advisory? What potential tax or planning strategies could be implemented that would be additive to the client's particular situation? We plan to update after every meeting as we continue to learn and dive deeper into our relationships.
- **SWOT Analysis:** An honest evaluation of what is working with respect to client interactions. What services and advice have we yet to deliver that will be important in the coming months and years? Have we had any service issues that have been, or may still need to be, fully resolved? Do we have a competitive threat relative to a particular client?
- **Client Appreciation Plan:** Every A or B client of the firm should have an active plan around appreciative outreach. We will take stock of individual interests and endeavors to tailor appreciative gestures towards these interests. A goal will be to provide 2-4 acts of appreciation to each of our client relationships. It may be as simple as a handwritten note, or could be tailored to their unique passions, such as an invitation to a themed dinner, golf outing, sporting event, art exhibit, etc.

GROWTH METHOD

The target market, segmentation exercise, and planning process outlined above help us identify who we want to get in front of but the culture of business development (BD) starts at the top. Our firm needs to clearly and publicly announce growth targets. Our words and actions from leaders are the only way to create a positive BD culture.

- We also need to set public targets about losing clients. Too many are leaving and that undermines new growth.
- BD is important because consistent, profitable growth cannot happen without effective BD. Profitable growth creates meaningful opportunities for every member of Enterprise Advisory.
- We plan to shift the focus of the word BD from "sales" to "problem solving". In other words, hunting for referrals through board positions and soccer games can seem salesy. Instead spending more time with the best clients and learning how to problem solve for them is our commitment.

Culture of BD

Enterprise has not historically had a strong next generation business development culture. More out of necessity than intention, Jim and JM each grew a thriving practice based on their ability to connect with small and medium sized business owners and help solve their problems.

As the firm grew, G2 members were hired to help serve these clients and allow Jim and JM to focus more of their energy on developing new prospects. This concept has worked for a while, but with over \$1B in AUM the efforts of the two founders alone can no longer sustain a reasonable rate of growth, demonstrated by the last few years of modest net client additions. The lack of new client growth specifically for G2 advisors has been highlighted as a key issue.

Quoting Zig Ziglar “You can't hit a target you cannot see, and you cannot see a target you do not have” G2 recommends implementing firmwide and personal targets for business development. As partners of the firm, it is critical that we are responsible for results, not effort.

Each G2 advisor is going to be given an annual goal of 10% closing rate above what they did the previous year. While this won't get us to where we want to be immediately, it will be a huge step in the right direction. Everyone wants to see instant results, but setting goals that are impossible to reach can be demotivating – we need to crawl before we can run. For the growth of the firm, we'll use the same metric – 10% higher than the previous year.

Progress towards the firm goal will be shared at our quarterly company team meetings. We will celebrate our wins together and highlight specific examples of team members solving real problems for clients, which we believe is the platform for better referrals.

Each G2 advisor will be responsible for preparing and sharing a case study at every other company meeting to help inspire other members of the firm and begin shifting the connotation of growth from “sales” to “amazing problem solvers providing value.”

REFERRALS

We believe referrals are earned by trust, hard work, responsiveness and showing empathy and thoughtfulness over time. We will take a systematic approach to referrals:

- 1) Identifying who is most likely to refer
- 2) Create memorable moments for those clients and shower them with attention
- 3) Provide content to help them run their businesses
- 4) Reinforce the positive behavior that referrals bring
- 5) Work with CIOs and other partners to educate on our referral philosophy.

Outright asking for referrals will not be in our referral strategy as we have found this to be impersonal and frankly not very efficient. We feel making continued “deposits” to our business owner clients over time will lead to a constant flow of new prospective clients by empowering our current clients to be our advocates in the business owner communities we serve. Reputation takes years to earn it and only minutes to ruin. We want to be looked at as the premier local financial planning business which helps and cares about its local business owners through good times and bad.

Tactic #1 - ID the Promoters

Using our client segmentation exercise above and our client survey, we will identify our clients most likely to refer. Clients labeled as “Promoters” on the Net Promoter Scoring (*NPS*) system are those who indicated a 9 or 10, out of a 0-10 scale that they would likely refer to a friend or colleague. The research on *NPS* suggests focusing on

those 9s and 10s is the best way to allocate time and resources for growth. While we will deliver an exceptional client experience to all clients, our Promoter clients will be handled with extra care and attention.

Tactic #2 - Memorable Moments

To create memorable moments, we want to go above and beyond the traditional touch point. Especially for our promoters. Borrowing from Chip and Dan Heath's research in *The Power of Moments*, we will use two of the Elements from their framework:

ELEVATION

To rise above the routine we will send personalized gifts to clients during life changing events like: buying a home, selling a business, having a baby, condolences for family members who passed away.

PRIDE

To commemorate client's achievements we will, pending their approval, give client shoutouts during milestone moments. When clients have worked with us at the 5, 10, 15 year marks we will have gifts ready to celebrate the journey.

Sending personalized gifts or cards to clients for life changing events helps us stay top of mind with clients during important life changes. This would include items like a bottle of wine or a ballcap from their favorite baseball team. We will also send a New Year's card with updates from the entire Enterprise team sharing both personal and professional accomplishments from the previous year. Creating memorable moments shows our team cares and more importantly leaves a lifelong memory of the item they received for that important time in their life.

Tactic #3 -Provide Content To Help Business Owners

Using content marketing to gain a stronger foothold in the local business owner community will help with referrals. We feel educating our community through our blog articles and curated white papers will help provide the necessary tools for clients and prospects to run their businesses more effectively. These would include topic areas such as:

- Human Resources (HR policies and agreements, performance metrics, employee policies and handbooks)
- Tax/payroll (payroll providers, tax guidance)
- Legal (partner, non-compete/non solicit and sale agreements)
- Benefits (health insurance, PTO, student loan assistance)
- Retirement plans (choosing the right plan, tax advantages, employee retention)

Tactic #4 – Reinforce the Positive Behavior

We will send referral gifts to the person who sent the referral/made the introduction. We will have a systematic approach that is easy to replicate by doing the following:

- Use local bakeries, vendors and restaurants/stores to help give back to our local business community.
- Gifts will always be sent to the person's office to create additional buzz about who sent the sweets, which will create even more brand awareness and trust with potential new clients.
- Accompany gifts with handwritten notes thanking the person who gave the referral for their trust.

Tactic #5 – Educate and Cultivate Centers of Influence

We will create an internal referral sheet for our entire firm to build a stronger bond with local businesses to assist, such as:

- CPAs
- Business valuation experts
- Investment bankers
- Estate planning attorneys
- Business attorneys specializing in contract review who would help our owners with deal documents when they get ready to sell
- Mortgage lenders
- Bankers
- Insurance agents – commercial
- Insurance agents – life, disability/business overhead and long-term care

To account for the costs of all these strategies, we will allocate \$10,000 and reassess on a semi-annual basis on the effectiveness and reception of these tactics.

By implementing these tactics, we will increase the good will towards our Promoter clients, build upon the trust of all our clients, increase referrals, and more importantly be viewed as a long-term relationship-oriented firm who cares about those around them. Taking it back to our vision, we understand that it is not easy to start a small business. We want to share the successes of those in our community as they scale, exit, or find their next successor to run the business for another generation. This systematic approach will help us close that referral gap and move to an approach tailored to our target clients.

G2 ROLES

The G2 Taskforce stands ready to become the next generation of business developers. We will provide the growth trajectory JM and Jim started when they expanded the network of the leading business owners in the Phoenix area. The plan includes extending many different strategies in the first year to aid in determining which marketing plans will be best in increasing our clientele of local business owners of the areas: construction, closely held family businesses, women business owners, while leaning on the many technology, healthcare, banks, and universities nearby.

Christopher will work with JM to utilize his board seat from one of the largest tech providers in the metro area to allow Chris more mentoring in the art of closing deals from JM firsthand. Together they will offer educational workshops, while curating financial tech tools to owners of closely held family businesses on estate planning, financial planning, and intra family wealth transfers.

Brandon plans to develop a focus on existing clients' referrals by offering deeper connections to their children and close relatives. This includes providing a legacy building module to incorporate multiple generations of wealth and its effect on the future. While also working with COI attorneys within our business class suite to create opportunities through estate planning to ensure the legacy continues growing.

Joe has achieved good results while relying on his college network in the past. He will use these connections to provide this young executive cohort with networking opportunities with existing construction business owner clients.. He will focus on entrepreneurship classes, which will help be an early pipeline for future prospects and potential talent.

Stephen will increase his efforts in connecting with local centers of influence, specifically accountants, and their business owner clients. This is in line with our referral strategy noted above. It also bolsters our teamwork atmosphere of tax planning in tandem with their unique financial situation.

David has joined a “Leadership Today” group composed of young presidents, CEOs, and business owners. He will work with Jim, to implement Tactic 3 of our referral process highlighted above, to get owners and key executives

of construction firms excited about our business class service offerings. We will showcase our network of business savvy connections, help them save them time, increase their overall productivity, and provide a true measurement of their financial success.

Shannon has a knack for writing and enjoys keeping her clients regularly updated with her commentary and insights on a range of subjects. She will develop a weekly podcast (with guest spots from G2 marketing connections and other thought leaders in the space of female entrepreneurship), blog, and social media connections to regularly connect to different female business owners to provide buzz around new and existing clients relationships. This will also fall in line with Tactic 3 of our referral strategy.

SALES TRAINING

While growth has been challenging in recent years, we still believe that Enterprise is poised for success. We have built awareness and community in a growing and clearly defined target market of Phoenix business owners. We've made compensation changes that encourage a growth-oriented mindset across the firm and which rewards everyone for our collective success. Finally, our existing clients are very pleased with our service and people based on feedback in the annual survey.

For these reasons, G2 doesn't believe continuing formalized Sales Training is in the best interest of the advisors or the firm. Each of us feel we have acquired the necessary training and insight from the prior Sales Training professional. Additional formal training will only have diminishing returns for the group. Furthermore, our own unique experiences on boards, networking with COL's, and joining clubs has informed our skills and cemented our place in the community.

G2 would like to propose an alternative training system incorporating our founders. Jim has commented that "There's a right way to do it" when it comes to business development. We've also noted that a high percentage of referrals have gone to our founders, even those from clients serviced by G2 advisors. In Sam Allred's session, we heard how valuable it is to get 'at-bats' alongside seasoned business developers. As Jim and JM have been responsible for the vast amount of business growth, we believe they have plenty to teach our G2 advisors. We would like to ask Jim and JM to take on a more formal role in assisting G2 with their unique approaches to business development outlined above.

JM			Jim		
Chris	Joe	David	Shannon	Brandon	Stephen

JM's Team

Chris
As mentioned above JM and Chris will work closely with JM on his board seat from one of the largest tech providers in the area. In this partnership, JM will help Chris learn the art of 'helping' rather than 'selling'. He will also see firsthand how JM has cultivated relationships with business owners and learn their differentiated needs from a wealth management perspective. He can apply this knowledge to future conversations with prospects.

Brandon
JM will assist Brandon's focus on referral business. We ask that as JM receives referrals from clients this year, he actively engages Joe in those conversations and encourages some prospects to work directly with him. He will get to see how JM handles initial conversations with clients, how to provide value quickly in the relationship, and ultimately how to solicit new referrals in delicate but successful fashion.

David
David thinks his "Leadership Today" group would love to hear JM's approach to business and how he started his successful wealth management firm. We ask that JM participate in two of these sessions throughout the

year to generate excitement about Enterprise and share its community-rooted history. David will learn how to appropriately position the firm and use our unique story as a tool in his business development conversations. David will also use the “Leadership Today” group as a listening post for our content marketing strategy. Areas of common struggle or passion in this forum will be highlighted for future whitepapers to ensure we are speaking directly to our target market’s concerns.

Jim’s Team

Joe

Joe’s focus on rising construction firms will be both a short-term and long-term boon for Enterprise as a firm. He hopes to gain early access to an audience that will appreciate his insights into what it means to be a founder or executive from a financial perspective. Joe would ask that Jim attend one Entrepreneurship class at the local university with him per semester to talk about becoming & working with successful business owners. Joe will learn the firm story and glean insight on what topics the students are most focused on as future business owners to enhance his pitches.

Shannon

Shannon is excited about her podcast initiative and thinks it’s a great way for clients to hear about the firm through a new channel. We would ask that Jim commit to being a guest of Shannon’s podcast once a quarter for a “CEO Spotlight”, where he can talk about the markets, how the firm is evolving, and what it means for clients and prospects of Enterprise. Shannon will get executive exposure on her podcast and use her communication skills to drive insightful dialogue between listeners and Enterprise.

Additionally, the podcast can serve as an excellent forum for highlighting our ongoing content marketing strategy. Shannon plans to invite writers/content owners to discuss their article or paper, why it’s important to clients and prospects, and how Enterprise Advisory Services can help.

Stephen

Stephen would ask that Jim help him gain traction with his audience of crucial COL’s across the Phoenix area. He hopes that Jim can introduce him to his network of accountant COL’s as the key contact for Enterprise so that Stephen can develop his skills as a subject matter expert on holistic wealth planning. Stephen will become the firm’s ‘go-to’ tax specialist and can assist in any prospecting conversations that have complex tax situations.

Business Development Win Days

Lastly, Enterprise believes all of G2 will benefit from a more collaborative approach to business development. Although each advisor is focusing on a specific set of activities, there’s plenty to be learned from each other’s experiences.

We’d ask that everyone commit to a semi-annual “Business Development Wins” day where a few advisors share their positive experiences in winning new business for the firm. They will go over how they sourced the lead, why Enterprise was the right fit, and what they learned from the experience to apply to other prospecting conversations. It will also highlight non-advisor employees who were instrumental in providing a seamless onboarding and client experience.

We hope these become fun events that the whole firm looks forward to as a way of celebrating in Enterprise’s collective success.

CONCLUSION

Hope springs eternal. Fortunately for Team Enterprise, we rely on more than hope to guide our growth into 2021 and beyond. Our SPRING growth strategy will carry us forward by:

Segmenting, focusing on our target market-

Phoenix business owners, identifying our promoters to drive growth via-

Referrals from outstanding client service, memorable moments, with an-

INclusive sales culture where everyone has a role and our

G2 Leadership can focus on our individual strengths for a tactical approach to growth

Enterprise Advisory Services was built to serve business owners in the Valley of the Sun. Afterall, it is part of the origin story of our founders. Entrepreneurial success is often referred to as enterprising. At Enterprise Advisory Services, we believe our team and its next generation of leaders are well positioned for growth today and into the future.

APPENDIX

BUSINESS PLAN 11

Table of Contents:

- [I. Executive Summary](#)
- [II. Career Tracks](#)
- [III. Mentoring Program](#)
- [IV. Compensation](#)
- [V. Culture Life and Balance](#)
- [VI. Conclusion](#)
- [VII. Appendix](#)
 - A. Previous Business Plan

I. Executive Summary

As the tumultuous year 2020 winds down, Team Enterprise is building on the momentum from our initial business plan by developing a blueprint for staffing success. The following strategy outlines our approach to: define career tracks, revamp our mentorship program, align our compensation philosophy, and promote balance between life and work. We start with our why, grounding our work in our vision:

Enterprise Advisory offers business class services, allowing Phoenix area business owners the freedom and time to commit to running their companies. We navigate and connect their personal and professional life goals, to bring purpose, meaning, and forward-thinking commitment to their lives.

Using this as our North Star, we analyzed the strategic landscape by relying on industry benchmarks and experience. After assessing our position in the competitive environment, we outline the following recommendations:

Career Tracks: Two defined tracks of operations and advisor glide paths with open transparent paths to ownership

Mentoring Program: Aligned with new career tracks, structured intentional matching, and a reverse mentorship component with built in feedback

Compensation: A clear and concise compensation philosophy, a revised compensation formula aligned with industry standards; one that incentivizes behaviors to drive growth and is communicated across the practice

Culture and Life: An approach to work/life alignment that supports and builds on the positive team culture

The continued success of our firm relies on the excellent client experience we deliver and the strategy outlined in our business plan. The following examines our recommended path in greater detail. As Nobel Laureate, Bob Dylan said, “You don’t need a weatherman to know which way the wind blows.” At Team Enterprise, we know the ingredients for success and they are outlined below.

Career Tracks

At Enterprise Advisory we take our engagement, collaborative work environment and results driven employee advancement seriously. We believe that every person on our team deserves to be heard and have a clearly defined career track. More importantly, we believe in promoting from within where possible as staff advance in their careers and offer more value to our firm, and in the end our clients.

We believe that by identifying personality traits early on in the interview process that we can more proactively pair our top talent with the very best role for their career and our organization. To set our team up for success we propose two career tracks, one in operations and for client facing advisors. This will allow employees to learn early on what they enjoy most, and more importantly where their skillset can add the most value to the client relationship.

While traditional investment advisor firms promote partners from the advisor track, our company is open to promoting a senior operations member to partner status if justified. We expect everyone on the team to think like an owner, and those that do so consistently should be rewarded like one. While top line revenue is important, there are many tasks and functions that the operations support that allow the company and the partners to build relationships, increase revenue, and create new business opportunities for all employees to benefit from.

We feel that the above items paired with our mentor program, employee engagement events, strong culture, and open collaboration environment, that we can develop, retain and promote the best employees in the industry.

See supplemental documents for further detail and explanation of below

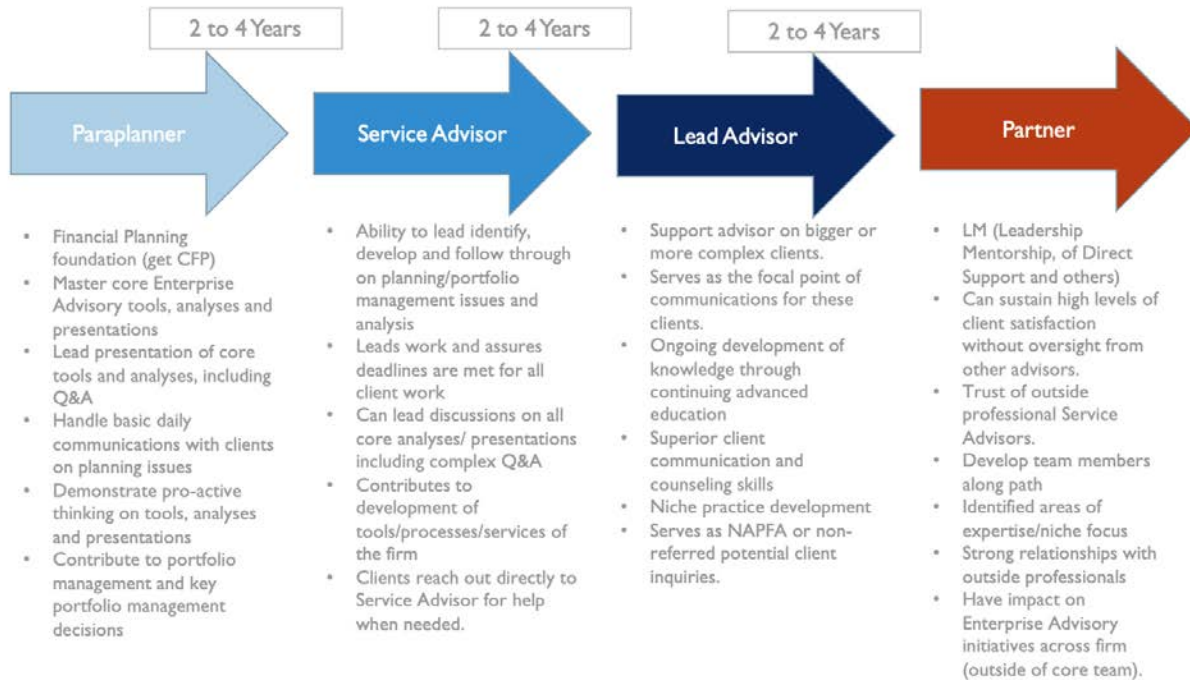
1. Two career tracks our employees can set out on as they determine their best fit for their career ambitions, personality match and more importantly positive impact on the organization and team members as the organization advances.
2. We believe that anyone in the company can become a partner over time. It’s our goal to foster an environment where each person builds their skillset to take them as high as they would like in the organization.

Advisor/Client Facing Roles:

1. Paraplanner 1-3
2. Service Advisor 1-3
3. Lead Advisor 1-3
4. Partner 1-3

Enterprise Advisory: Advisor Career Path

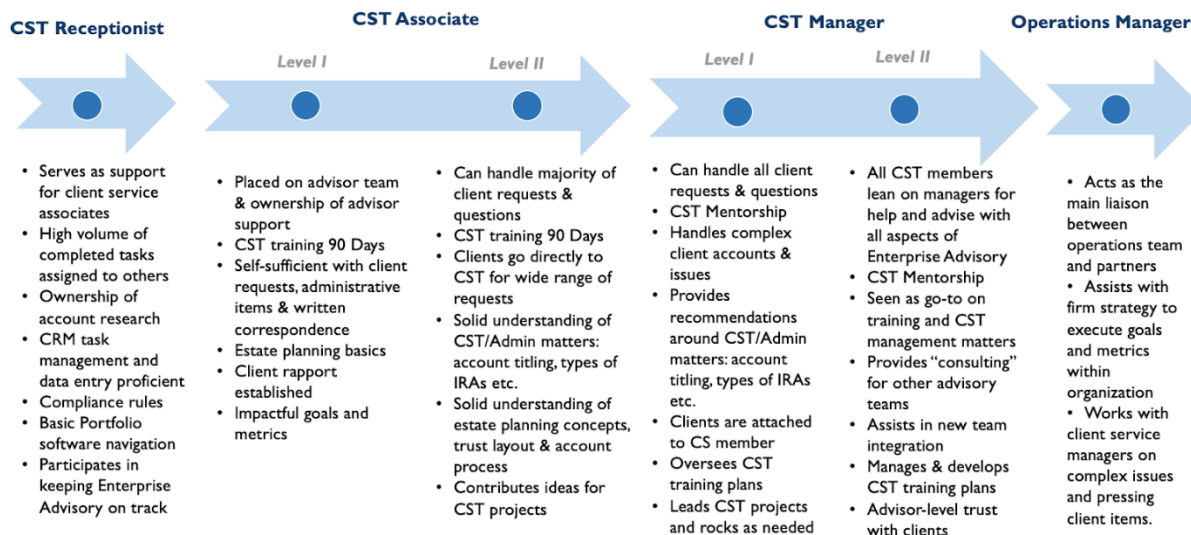
Advisors are expected to consistently execute on standard operating objectives and maintain very low client turnover. Additionally, this role mentors less senior advisory staff and provides leadership within the advice function of the business.



Operations/Non-Advisor Facing Roles:

1. Client Service Associate CSA/Director of First Impressions
2. Client Service Specialist CSS 1 & 2
3. Client Service Manager CSM 1 & 2
4. Operations Manager OM

Enterprise Advisory Client Services Team Role Career Path

**Mentorship Program**

Building on the high morale and productivity of our team, we are well positioned to revamp our existing mentorship program. In the past our mentorship program struggled because it was 1) unstructured, 2) took up too much time, 3) lacked meaningful mentor/mentee connections, and 4) felt compulsory. As a result, we are addressing these challenges head on with a new revamped program.

The new mentorship program is restructured to include Committee members composed of the G2 advisory board. Employees can opt-in, giving the team ownership to decide if it makes sense for them. We will separate it from the managers to free up time for JC and Jim. Aligning the new career tracks listed in the section above, careful consideration will be given to matching based on common characteristics and career interests. Mentors will be given clear questions along with discussion topics, themes, set times and suggested locations to help give structure to the new program. Taking a page from Mark Tibergen, mentees will be encouraged to “reverse mentor” and come prepared to each meeting with a new idea or article to help drive the discussion.

As Team Enterprise grows, we will build on the success of the mentorship program. First by taking into consideration our replacement hires and the new hire of Flora. We will also incorporate feedback along the way as we want an opportunity to assess, evaluate progress and adapt given the feedback. Ultimately, as the program grows having a dedicated point person will allow it to flourish and be an integral part of the culture at Enterprise.

Compensation Background and Current Challenges

The new career tracks and mentorship program detailed above will fit nicely with an improved compensation structure and philosophy. As discussed in Part 1 of our Business Plan, Enterprise’s direct expense from compensation outpaces both Enterprise Ensembles and our \$5-\$7m revenue peer groups. This largely stemmed from owner compensation and well-above average salaries for G2 employees.

More concerning than the actual dollars, was the lack of a coherent philosophy or guiding principle when it came to compensating its employees. This confusion and inconsistency led to significant turmoil last year, with high quality employees departing over unclear expectations or unfairness. Our compensation structure requires more simplicity, consistency, and transparency to indicate that we value our employees' work and their effort. The two following cases highlighted some problems that G2 would like to address in the coming section.

Kristle Leith, a valued employee since beginning as an intern, discovered she was being paid less than other CSA's. The lack of fairness and firm wide transparency of salary ranges caused her to feel betrayed and she ultimately left the firm. JC Handler, our Operations manager, has also made it clear that bonuses and incentive compensation are not working as intended. Top tier bonuses are being given regardless of performance and the extra compensation is no longer motivating people properly to align with the firm's goals. We believe this shows the following issues with Enterprise's approach.

- Lack of transparency into compensation philosophy firm-wide
- Inconsistent pay for similar jobs and responsibilities
- Policy of matching incoming salaries leading to wide variability
- Bonus and performance were not indicative of personal contributions

Compensation Philosophy

The first step in addressing the challenges above starts with a clear compensation philosophy. G2 recommends a 3-pronged approach to compensation moving forward. First, we believe that the firm should compensate its employees for the top-tier service our name has become known for, in line or above market determined median ranges. Secondly, our firm believes incentive compensation should be reserved for rewarding behavior that directly drives the firm's growth. Finally, as a business catering to, and understanding business owners, **we encourage all employees to "think like an owner"**, taking personal accountability for the accomplishments of the firm. Therefore, we believe all employees should share in the success we create together.

Base Compensation Philosophy

Compensation is the largest expense an advisory firm will manage, and base compensation is by far the largest component. Therefore, we believe Enterprise must have a clear understanding of what base compensation is aiming to accomplish. In the eyes of G2, **base compensation is for upholding the basic tenets of the firm and adequately fulfilling one's job duties as they are expressed in the career tracks.**

Service & Operations Staff

We propose eliminating the previous bonus structure and adding those amounts to base pay. Clear, measurable metrics are harder to determine for these roles and the old system of purely discretionary bonuses was demotivating and counterproductive. Research has also shown that bonuses for people making less than \$75,000 in base salary may increase anxiety around not being able to meet basic needs financially and inhibit their ability to "move up Maslow's hierarchy" and put the company first.

Base pay raises will happen only within the range associated with the position held by that employee. These raises will reflect ability in terms of performance and responsibility to Enterprise. Base pay raises will also occur when consistent, long-term performance justifies a promotion and a new set of responsibilities. We will also pay regular cost of living adjustments to ensure that valuable employees don't lose ground to inflation and to reflect the value of having team members with long histories of working at the firm and providing great service to our clients.

Advisor Staff

Contrary to our Operations staff, we believe advisor staff's compensation should be more closely tied to driving success for the firm through revenue generating activities. Currently, G2 advisors are paid a very high base compensation of \$225k. We feel that these salaries are not motivating G2 the right way and ultimately serve as a burden to growth rather than a catalyst. We, the G2 advisors, would like to propose lower base compensation as a tradeoff for higher potential upside in incentive compensation. In that way, base compensation will reflect core advisor activities of providing excellent client service and commitment to internal initiatives that strengthen the firm. Additionally, given the firm-wide bonus being proposed, and G2's ownership profits, there will be ample compensation relative to market peers.

Incentive Compensation

Service & Operations Staff

As established, bonuses have not accurately reflected contribution, performance, or firm progress in recent years. In addition, an immature performance management culture in our recently merged firm has made assessing bonuses an extremely fraught exercise. A more firm-oriented incentive plan, addressed below, will supplement income, providing a clear target for the group to work collectively towards.

Advisor Staff

In our last business meeting, we proposed ideas that would allow Jim and JM more time to focus on developing G2 advisors into better business developers. In addition to coaching, we believe compensation is not being used in a way that encourages our advisor group to make the leap into business development that goes with being promoted from Service to Lead Advisor. Enterprise needs to demonstrate that growth and new clients are a foundational goal of the firm. Otherwise, we may continue to stagnate as a firm, as evidenced by our -3-net new client total and dwindling net new assets.

Therefore, as introduced in the Base Pay section, we would like to make incentive compensation a larger percentage of advisor pay by tying it directly to revenue generation on the part of the advisors. Lead advisors and Partner Advisors will now be entitled to earn a percentage of revenue generated as an incentive bonus.

For Partner Advisors this will be reflected as 30% of fees in the first year, 20% in the second year and 10% in the third year. For Lead Advisors this will be reflected as 20% in the first year, 10% in the second year, and 5% in the third year. With strong incentive to drive business growth, we believe this approach will more than make up for the reduction in base pay for these advisors.

As Service Advisors and Paraplanners do not directly recruit new business, their incentive structure will represent a percentage of base pay and reflect extraordinary commitment to client service and assisting G2 in acquiring new business.

Firm Success Incentive Bonus

At Enterprise, our owners, Jim and JM, and our firm value the entrepreneurial spirit and have built a successful business by being the premier partner for business owners in the Phoenix area. As such, G2 would encourage our team to "think like an owner", taking individual responsibility for the company's success and excellent client service. We believe that what's been missing at Enterprise is a firm-wide compensation philosophy that reflects that attitude and encourages further integration between our legacy but now joint firms.

Therefore, we will be implementing a firm-wide bonus pool, awarded each year on a discretionary basis by Jim and JM, based on succeeding in meeting target goals. These goals will be set forth for the coming year in an end-of-year offsite between G2 and our two co-owners as partners in the firm.

Our firm-wide goals will reflect three key elements of Enterprise's success: Operating Profit, Client Retention, and a subjective Firm Cohesion score, all equally weighted. Everyone at the firm, regardless of position, contributes to these goals in a major way. For service and operations staff, we hope this target gives them a sense of purpose and lets them know that Enterprise values their commitment to our overall success. For advisors, we hope this inspires them to pursue business development and entices them to look for opportunities to improve the entire business, not just their own books of business.

The Firm-Wide bonus will allow all CSA track employees to earn up to 5% of their base pay, and Advisor track up to 10% of their base pay due to the overall success of the firm. For example, if Jim and JM score the firm-wide success bonus pool at 80%, that applies to all roles (i.e., 80% x 10% for 8% of pay for advisors, and 80% x 5% for 4% for CSA track).

Compensation Tables

CSA Track	Base Compensation	Firm Wide Bonus Potential	Team Members	2019 IN Comp Study Benchmark
Receptionist	\$45k-\$48k	0-5% of Base		Receptionist
CSA Associate I	\$52k - \$57k	0-5% of Base	New Hires 1,2	CSA - Median
CSA Associate II	\$57k - \$65k	0-5% of Base	Aline V, Lauri N.	CSA – 3 rd Quartile
CSA Manager I	\$65k-\$75k	0-5% of Base		Senior CSA - Median
CSA Manager II	\$75k-\$85k	0-5% of Base		Senior CSA – 3 rd Q
Operations Manager	\$90k-\$95k	0-5% of Base		Ops Manager - Median

Advisory Track	Base Compensation	Incentive Compensation	Firm Wide Bonus Potential	Team Members
Paraplanner	\$60k-\$70k	0-5% of Base	0-5% of Base	
Service Advisor	\$80-\$90k	5-10% of Base	0-5% of Base	Flora
Lead Advisor	\$100k-\$150k	10-20% of Revenue Generated	0-10% of Base	
Advisor / Partner	\$175k - \$210k	20-30% of Revenue Generated	0-10% of Base	Joe, Shannon, Chris, Stephen, Brandon, David

Miscellaneous Compensation Issues

Other compensation issues have more to do with culture and philosophy than pay. To address these, we have the following recommendation:

Transparency

If our new approach to salaries is accepted by the owners, we'd recommend making the compensation tables public. We've already lost one good employee to shock at being paid differently than their colleague. We believe the career tracks, mentoring programs, and compensation tables give employees more than enough transparency to know how compensation is evaluated. While people may not know exactly what their colleagues make, we think this level of clarity will boost morale and prevent further surprises.

Matching Salaries

G2 would also recommend ending the practice of matching salaries for desired prospects in the hiring process. While we understand that may put us at a disadvantage for hiring certain people, we feel strongly in the approach we've used to come up with the salary ranges, considering our market and expectations. Compensation should reflect the values and goals of our firm, not that of the prospect's prior one.

Implementation

G2 is aware that these ideas represent a substantial shift in the previous compensation philosophy of Enterprise Advisory Services. The merger of firms and the passing of a critical threshold of \$1b in AUA requires some drastic changes. Change at level can be a shock to the system and needs to be handled with care. Particularly, that means identifying clear career paths and transparent pay scales that reflect leadership's deep admiration for the work of their employees. With many of the staff receiving raises or higher potential earning opportunities, we feel they will be open to these conversations. We ask that you, Jim and JM, take our observations to heart in deciding how to proceed.

Culture Life and Balance

Undoubtedly, the changes outlined above will impact our culture. Fortunately, the culture of Enterprise Advisory is rooted in our shared Core Values, which drive our belief in a team-based approach, our client experience, and our belief that our team members should pursue growth, both personally and professionally.

Through the establishment of clear career tracks and the improved mentorship program, our team members will gain an understanding of how their role fits into the organization as a whole. Additionally, employees understand what is needed to progress within their paths to their desired level, which may include future partnership in the firm.

We believe that compensation at Enterprise Advisory should be transparent and fair. We strive to have our compensation levels and practices within our various positions reflect fair market value for the talented individuals we seek to retain and add to our team in the future. Salary ranges for each position within the career tracks are revised on an ongoing basis and shared with the team as a whole.

Incentive compensation at Enterprise Advisory is viewed as an integral part of our overall compensation package, and may differ within the career tracks and between the various levels. However, our incentive plans will be very clearly communicated and tied to measurable performance metrics that are specific and appropriate for each position.

Enterprise Advisory serves a niche market of business owners, and strives to be the preferred provider of holistic wealth management services to business owners in the Phoenix area. Similarly, it is crucial that we turn the lessons learned from our entrepreneurial clients inward, and foster an entrepreneurial mindset within our team as well. We encourage all team members to “Think Like an Owner”, regardless of current position or tenure. Team members should apply that owner’s mindset to their relative positions and share ideas and practices to continue to refine our processes, procedures, and client experience. Senior team members, managers, and partners should be open to discussions arising from this philosophy. Only in this way can we build a firm culture that is inclusive to all employees.

The concept of “balance” in our employees’ lives is integral to our culture. Demographics have changed dramatically in the workplace, and we recognize that demands on our employees’ time and energy are not solely relegated to their job functions. We understand that, at times, the demands of work and home conflict and we must strive to accommodate changing circumstances whenever possible.

We encourage each team member to continually ask themselves “What Do You Want for Yourself”. This is not simply a career-oriented exercise, but should include personal goals to foster an overall sense of achievement and contentment. For this to be positively impactful for our employees, and ultimately the firm, Enterprise Advisory must remain flexible in order to accommodate, within reason, work arrangements that allow the pursuit of growth opportunities for our team...professionally and personally. Our firm will benefit greatly from a team that feels genuinely supported in their endeavors.

Conclusion

2020 brought us challenges no one could have predicted. Fortunately, we specialize in a profession that helps clients manage life’s uncertainties by providing a sense of security and peace of mind. We have applied that

same thoughtful, disciplined, and strategic approach to working on our business. Part II of our business plan, as outlined above, presents our strategy for:

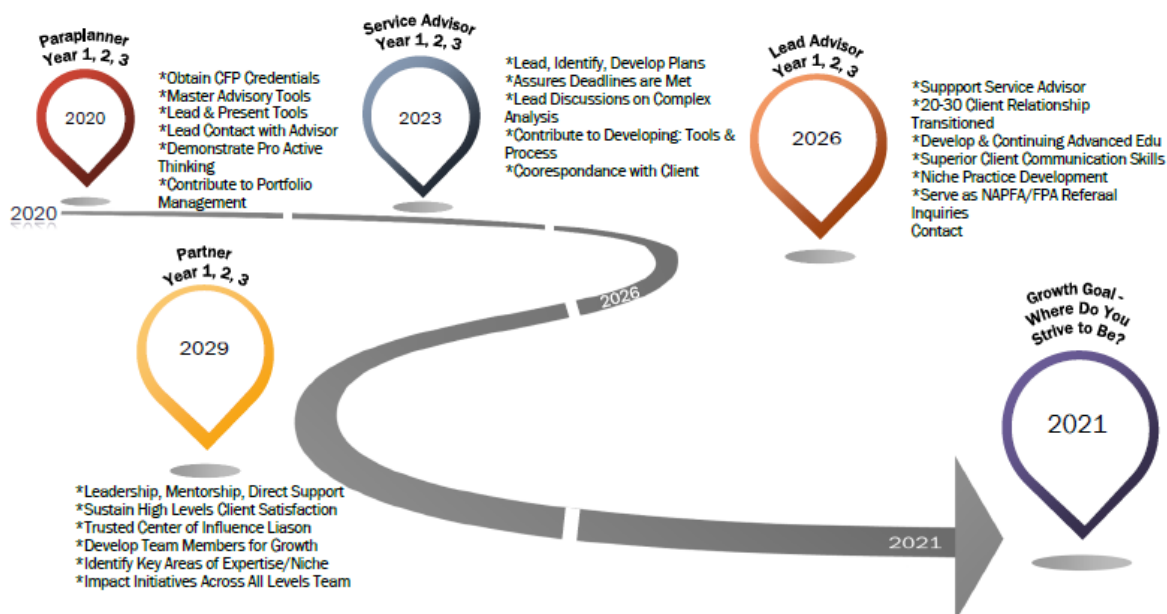
- Two clearly defined career tracks: operations and advisory
- A thoughtful mentorship program taking into consideration employee interests and preferences
- Revised compensation rooted in an equitable and transparent compensation philosophy
- Work/life alignment that supports and builds on our positive culture

We may not need a weatherperson to know where the wind blows, but as Roman Stoic, Seneca put it best, “If one does not know to which port one is sailing, no wind is favorable.” Fortunately, Team Enterprise knows just where we want to go. Our strategy aligned with our vision to boldly go in a new direction will ensure that Enterprise Advisory lives long and prospers.

Appendix:

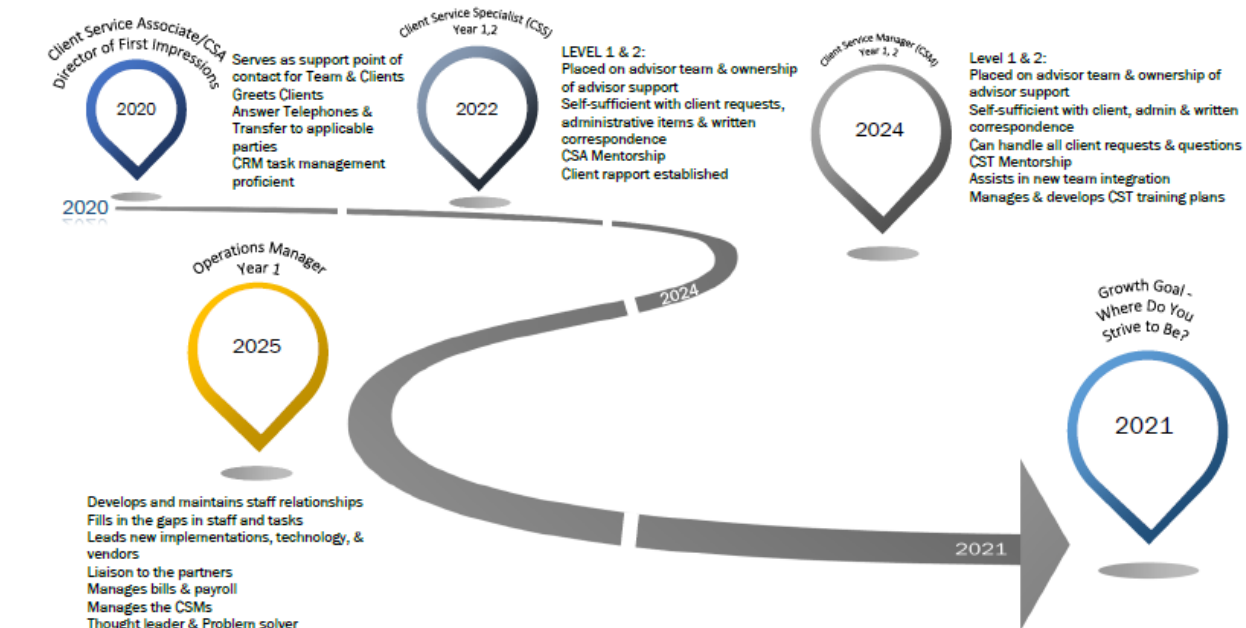
Advisory Career Path:

Advisory Career Path



Operations Career Path:

Operations Career Path



BUSINESS PLAN 1



G2: Team Enterprise Business Plan

Version 1.2 as of December 6, 2020

As of April 14, 2020

I. EXECUTIVE SUMMARY

“If you want to go fast, go alone. If you want to go far, go together”, this African proverb rings true for the G2 Committee Task Force at Enterprise Advisory Services. The union of two successful advisory firms brings great promise for its clients and employees. No easy challenge is fully integrating cultures, procedures, and systems of the newly formed partnerships. If done poorly, Enterprise risks idling aimlessly in a competitive marketplace with separate entities continuing to operate as silos and failing to reach maximum potential for our clients. Enterprise stands to carry the momentum of success forward with a strategic vision that grows the firm into a truly integrated ensemble practice that endures the test of time for years to come.

Our business plan outlines Enterprise’s vision, target market, strategy and analysis for supporting top priorities at the firm. In the future, Enterprise will be the first stop for all local business owners in the Phoenix area looking for a complete wealth experience. Our market analysis suggests the growth of the business owner community

and our experience with this segment positions us well to capture a significant share of this market moving forward. Our strategy will entail:

- Dedicating executive management roles for our founders
- Integrating back office and operational procedures and technology
- Improving our compensation system to one driven by a clear philosophy
- Refining our service offerings, tailored to business owners in the greater Phoenix area
- Consolidating office space locations to create a cohesive place for our culture to grow

These decisions are driven by a careful review of our strengths, weaknesses, opportunities and threats. In this strategic analysis of our market position coupled with a deeper look at the data over time, we have outlined the following priorities to achieve the strategy outlined above and fully integrate all that is necessary for our success of the following priorities:

- 1) Free up our founder's time to focus on the business, not be in the business
- 2) Improve operational efficiencies
- 3) Create a unified collaborative office space

The keys to our success reside in Enterprise Advisory's commitment to our business centric: vision, core values and mission.

II. VISION, CORE VALUES, MISSION

Vision

Enterprise Advisory offers business class services, allowing Phoenix area business owners the freedom and time to commit to running their companies. We navigate and connect their personal and professional life goals, to bring purpose, meaning, and forward-thinking commitment to their lives.

While we create the ultimate environment surrounding their unique needs, offering a streamlined approach to bettering their financial success, both personally and professionally. We strive to determine the best wealth offerings, connections, and needs to allow our business owners to succeed in our successful partnership.

Core Values

Collaboration: Offer a team-based approach to our clients and support for one another.

Community: Bring together business owners to be part of a community larger than any of us alone.

Business Class Service: We stand out by going above and beyond, offering a level of service that is professional, thorough and familiar.

Integrity: Our clients' best interest comes first, we are fiduciaries, and adhere to the highest standards of ethical principles.

Fun: We enjoy providing business owners with peace of mind and have fun doing it.

Mission

To offer business owners a holistic approach to wealth management, financial planning, and support at every stage of the business cycle. Our goal is to build permanent long-lasting relationships in the Phoenix community through exceptional client service and a commitment to acting in our clients' best interests.

We developed these standards from a devotion to reaching our future target market.

III. TARGET MARKET ANALYSIS

Historical Target Markets

Since our formation via merger in 2013, Enterprise Advisory Services, LLC has focused on our primary target markets of local business owners and women in transition. Our in-house expertise in the realm of all facets of planning and investment management make us well suited to serve the needs of clients within these markets.

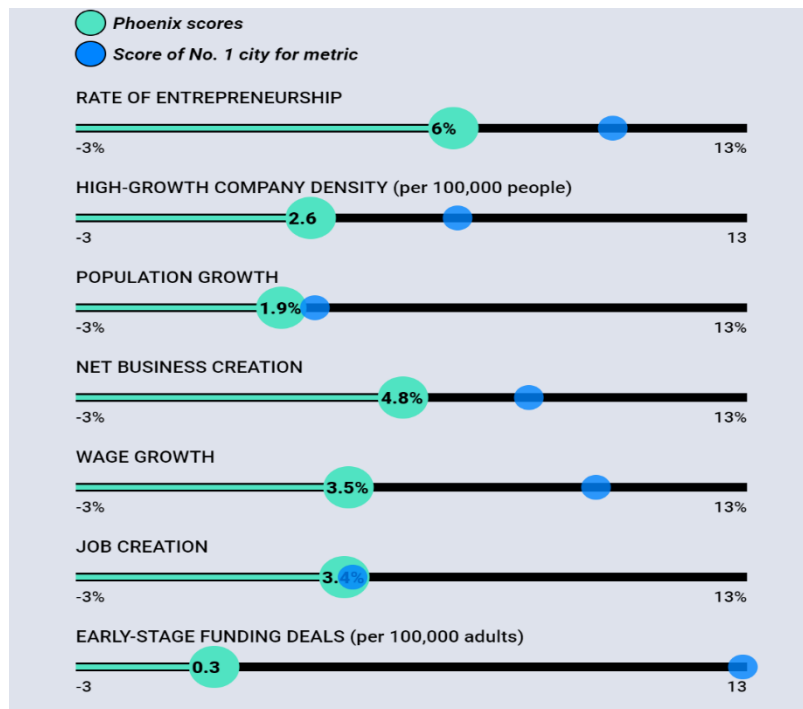
While the firm has historically enjoyed success in both target areas, we recognize that these targets create challenges in terms of segmentation, marketing, and our ability to simultaneously differentiate within two very disparate markets.

Through examination of our current client set, we find that Enterprise is heavily weighted towards business owners, both current and former, and high-income families. Given our expertise across the universe of wealth management, we enjoy the role of “trusted advisor” to our business owner clients. The long-time focus of the founding partners in this realm has positioned Enterprise favorably from a reputation standpoint in the local business community.

Scope & Scale of Business Owner Opportunity in the Phoenix Metro Market

The Greater Phoenix area, including neighboring cities of Scottsdale, Tempe, and Mesa, has emerged as a leading area of growth for small to middle market sized businesses. While Phoenix has historically been home to several Fortune 100 companies, specifically strong in the healthcare industry, data points to significant growth occurring in the small business sector. A 2018 report from the *U.S. Small Business Administration* shows that 99.4% of all Arizona businesses have less than 500 employees. Specifically, the local market has seen a 6.2% uptick, or 1,200 businesses, with at least \$1million of annual revenue. In a recent study, *Lending Tree* ranked the Phoenix market #25 of 50 markets nationwide in their list of best places to bring in million-dollar companies. While ranked squarely in the middle, several factors point to continued expansion.

The Greater Phoenix market has attracted many entrepreneurs, most notably seen in the recent rise of tech start-ups coming to the region. A 2018 ranking by Inc. Magazine placed the Phoenix metro area in the #11 spot among best cities to start a business, finishing just on the heels of perennial favorites San Francisco and Austin.



Studies point to these main drivers of the overall growth:

- Lower Cost of Doing Business: office rents tend to run 25-30% of similar costs of more traditional west coast tech cities, and traditional urban centers on both coasts.
- Affordable Quality of Life: Lower cost of living, specifically housing costs; continues to draw skilled workers.
- Large Pool of Skilled Workers: More than 300,000 students currently attend one of the numerous colleges and universities in the Phoenix area. Arizona State University awards approximately 21,000 degrees each year, many of whom are competing for jobs in the Phoenix surrounding markets.

Future Target Market

Given the demographics and business environment, it is clear that the business owner opportunity should be the primary focus of Enterprise Advisory Services going forward. Focus on this market will allow Enterprise to fully leverage its institutional expertise, existing reputation and centers of influence, and our post-merger scale as the seventh largest wealth advisory firm in the market. Furthermore, focusing on a single, homogenous target market will allow the firm to more effectively execute a streamlined marketing and business development strategy aimed to accomplish our goal of becoming the preferred advisor to high net worth and ultra-high net worth business owners in our community.

IV. STRATEGY AND DIFFERENTIATION

Enterprise has determined its top three challenges are:

1. Fully integrate the two firms
2. Leverage time for Jim and JM
3. Refine our service offering and marketing to focus on Phoenix area business owners

Fully Integrate the Two Firms into One Focused Thriving Firm

In order to reach our full potential, we realize that our firm can no longer operate as two separate firms sharing a business card and website. The first decision we propose is closing our Scottsdale office and moving our brick-and-mortar building and staff to the Phoenix location, mostly due to the majority of the firm already located

there, offering fewer displaced team members, and offering some work from home capacity. Longer-term we plan to locate the headquarters in NE Phoenix to make the commute better for the former Scottsdale employees, but a 15-20-minute drive seems manageable and the team felt the pros outweigh the cons in the meantime.

We will incorporate a weekly advisor meeting where the group can collaborate on issues and discuss best practices with each other. The second decision is to appoint Jim as CEO and JM as COO. Jim has a clear vision for the future of Enterprise and JM has been effective in creating consistent processes that allowed his firm to grow with a much smaller staff. The team agrees that creating consistency will bring the efficiencies needed to allow Jim and JM to step back a bit from day-to-day client activities. This will include merging and standardization of our systems, including Honeyguide and our investment management software.

Integrating the two cultures is critical. Thankfully one of the strengths of our firm is the deeply shared core values of Jim and JM. The rest of the company embodies these core values, but believe that more needs to be done to promote a unified culture. We're going to bring in a consultant for a 2-day offsite focused on team building to jumpstart the process. Following this, the company will host a monthly all hands meeting to hear a "state of the firm" and allow the whole team a venue to discuss challenges and successes of the integration. These meetings will be followed by a fun social group activity.

There will be challenges and roadblocks to all these steps. In order to incentivize the team, we set up a quarterly team bonus pool, shared by all, based on achieving integration metrics. Some are objective and others subjective with Jim and JM each offering a score and the firm receiving the average of the two. We realize money is not the only way to incentivize, but we feel it is the best way to drive necessary short-term behavioral change for now.

Leverage Time for Jim and JM

Jim and JM currently spend too much of their time handling client requests and not enough time on marketing and developing G2. Enterprise has 6 advisors excluding Jim and JM and we need to make sure the advisors are driving the majority of the client work. To that end Jim and JM are going to scale back to each working with the top 45 of their best relationships – giving the rest of the advisors less than 90 on average, which should be manageable with more support. With less time spent directly with clients they can focus on marketing and coaching the other advisors to develop them for the day succession takes place, allowing Jim and JM a foundation to know the business they built will stand the test of time.

Previously there was no space for Enterprise to spend money on professional development, but given the financial prudence of the firm (saving some cash vs. paying everything out), relatively low overhead spending, and above average profitability it is time to start providing those benefits. Initially Enterprise plans to hire an outside skilled leadership coach to provide workshops designed to understand different personalities, work environments, and determine the strengths and weaknesses as a team.

The growth and skills of the G2 advisors have the opportunity to provide Jim and JM the opportunity to focus their work on the business.

Our new focus is on future growth; therefore, we will hire an additional staff member focused on the planning side, a team member who is responsible for meeting notes and follow-up as well as running the MGP plans for our clients. Hiring this person should expand the capacity of the G2 advisors (which filters up to Jim and JM) and starts the pipeline for an anticipated G3.

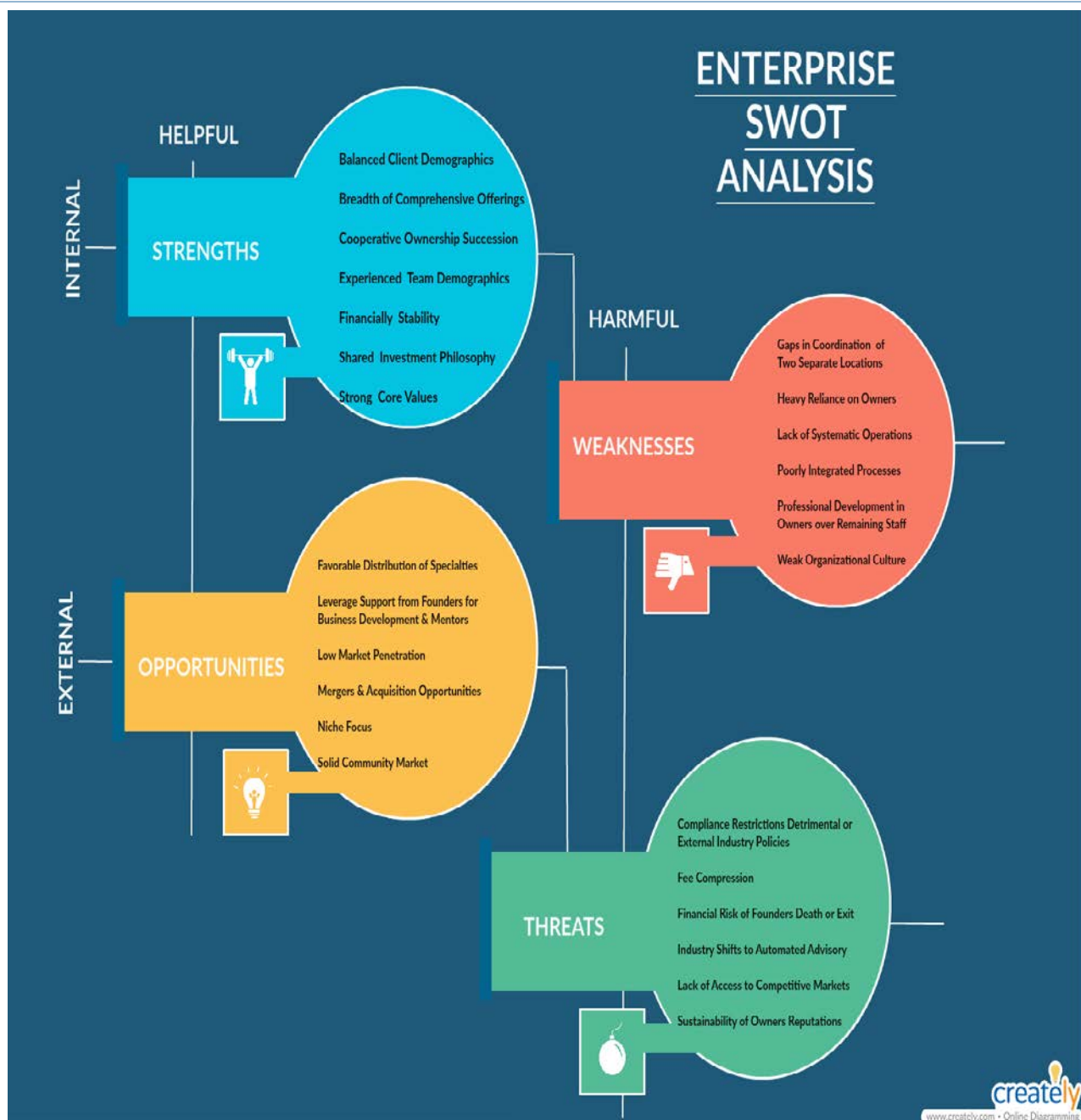
Refine our Service Offering and Marketing to Focus on Phoenix Area Business Owners

A review of our client base confirms that Enterprise currently has many business owner clients and has decided to focus on that niche market. We have an existing client base of women in transition which we will retain (one of our G2 advisors had focused predominantly on women at a former company). Our outward attraction will work toward attracting business owners and will become the industry leaders toward successfully serving this market. Both Jim and JM had parents who owned small businesses and learned how to successfully differentiate their respective practices to them. We now can offer more time for Jim and JM to spend taking the best parts of their respective processes and combining them into a model for the G2, and future G3 advisors to use – from marketing to servicing the business class of the Phoenix area.

We realize that putting these strategies in place will cost money and profitability is likely to be reduced in the short-run. While not ideal, this is expected, as most firms approaching the \$7M mark in revenues do experience some margin pressure as actual management roles and growth begin to take shape.

As for the longer term these investments will pay off, providing the infrastructure necessary to accommodate the expected growth of freeing up time for Jim and JM, as well as developing the G2 Task Force Committee to take some of the weight off their shoulders. Financial discipline and forward thinking are values that both Jim and JM share – lessons learned from their parents and decades of serving other business owners. Our SWOT analysis below offers the perspective of what our true goals need to succeed.

V. SWOT



VI. TOP GOALS BASED ON SWOT:

- Dedicate **Professional Development in Owners as COO and CEO**
- Creating **Integrated Processes & Systematic Operations**
- Continue offering the **Financial Stability & Strong Core Values** business owners require
- Refining our **Niche Focus** to tailor Phoenix wide business class wealth services and provide them with the best connections to resources

We offer our commitment to these goals, by outlining the specific data analysis below to create an environment of success.

VII. DATA ANALYSIS

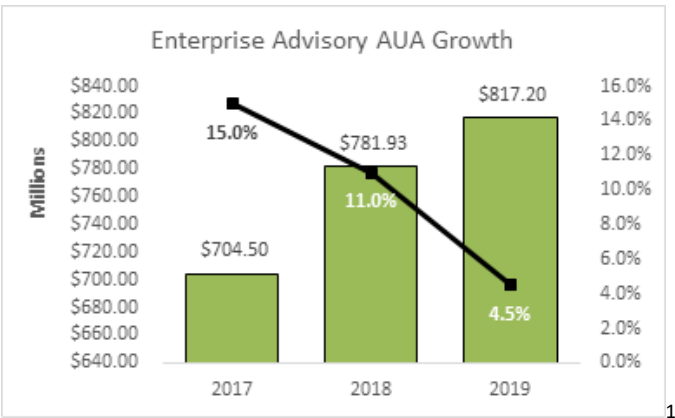
Financial Analysis and Benchmarking

In order to analyze Enterprise Advisory Services', we will review financial statements, looking for potential areas of concerns, opportunities to prioritize, and operational strengths that we will continue to capitalize on as a firm. We will use industry standard sources as benchmarks for the progress the firm has made in recent years and to further inform key strategic initiatives moving forward.

Growth

Beginning with our top line, Enterprise Advisory has continued to maintain assets since the merger of Jim and JM's firms, and is rapidly approaching the coveted \$1b in business mark. However, our growth rate continues to decline (down from 15% to 4.5% in three years). This is consistent with G2's feedback that finding new prospects has been difficult without proper training, as Jim and JM have been overly occupied by client responsibilities. Despite this, Enterprise's three-year CAGR of 7.7% exceeded the average RIA managing \$500-\$1b in assets, according to Cerulli's 2019 annual report (4.8%).¹

We believe that with the right business plan, Enterprise Advisory can achieve loftier asset growth targets due to our new combined team. The tailwinds of strong market activity and a thriving Phoenix business owner community means that with a proper organizational alignment and focus, there is plenty of opportunity for the firm and our G2 advisors.

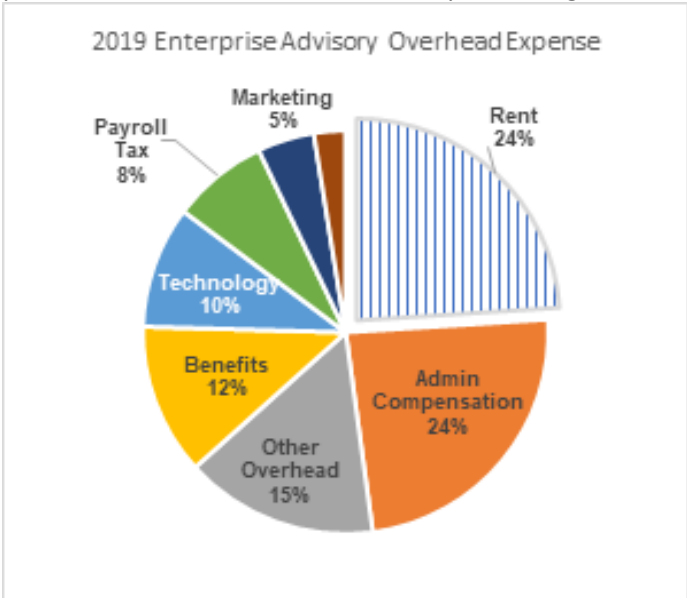


Overhead Expense

Looking at Enterprise's expense profile, we see opportunities to optimize spending to strategically align with our direction going forward. First, we have relatively been able to control expenses post-merger, with total overhead coming out to just about 28% of revenue in recent years, including low volatility, compared to a peer benchmark of 35-40%.²

Reducing rent and office expenses is an area where our strategic plan will certainly enhance the financial outlook. Both the *Investment News* Advisor Compensation & Staffing Study and *Fidelity Investments* proprietary research suggest that rent should be around 3-5% of a firm's revenue.² Our inability to integrate the two firms

has perpetuated the need for one office, despite having a total of 15 employees. As a result, rent represents our



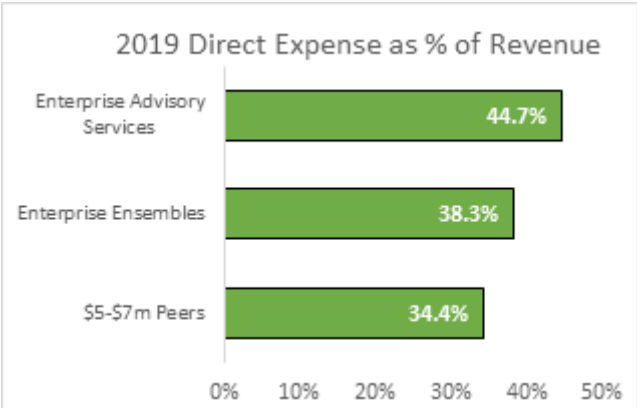
largest overhead expense. (2)

While we realize some near-term disruption, our plan to relocate to a single office will create a budget for areas of future growth. We expect administrative staff costs may rise as G2 advisors receive proper training and become better business developers. Our client to total staff ratio of 41, suggests we are nearing capacity to continue our premier business service. A need for more support staff will become necessary to meet our growth targets while maintaining the exceptional client experience that our founders have become known for in the Phoenix community.

2

Compensation

A topic most consequential and sensitive area of the financial statement. G2 applauds JM and Jim for their equitable distribution of ownership during the merger, which has given us equal opportunities to steer the firm in future years.



Compensation becomes one of the largest expense items for a firm, Enterprise’s direct expense is higher relative to peers (see chart to left). It largely stems from the owner’s compensation and the high salaries provided to our G2 lead advisors, which represent 90% of their compensation prior to distributions. In addition, are also significantly higher than the median for non-owning lead advisors (\$186k), especially for the modest cost of living in the Phoenix area. While this is currently cutting into the firm’s gross margin, we believe G2 advisors experience is worthy of the salaries, especially given the lack of raises to any professional throughout this

transition period. As our firm focuses on integration and professional development, we believe these salaries will become even more justified as Jim and JM become dedicated to CEO and COO and our G2 advisors take on more direct clients and business development responsibilities.

Clients & Profitability

Profitability remains a strength for Enterprise Advisory Services, as our operating profit of 26% indicates a healthy and well-run business given the following factors.

- Average client size of \$1.3m – In line with peer averages, but anticipate increases due to niche focus on business owners in the Phoenix area.
- 69 bps revenue yield – trails our peers in the \$5-\$7m revenue range, who are averaging 88 bps and Enterprise currently averaging 79 bps.
- Our Revenue per Professional lags behind competitors, however our revenue per staff is healthy due to our new combined lean back office.

VIII. CONCLUSION

A house divided cannot stand, nor can a firm that has not fully integrated. Enterprise Advisory will thrive as an ensemble practice by following the strategies outlined in this business plan, most notably:

- Integrating operations, staff, and technology
- Clearly defining roles aligned with a compensation philosophy
- Targeting business owners in the greater Phoenix area
- Create a unified collaborative office space

Enterprise Advisory can reach new heights of success by following the vision, target market analysis, and strategies we have outlined. Ultimately elevating its business class service status to be the first stop for all business owners in the Phoenix area.

“If you want to go fast, go alone. If you want to go far, go together”, this African proverb rings true for the entire team at Enterprise Advisory Services.