



Avant-Edge™ Overview

AVANT[®]
ADVISORY GROUP
SECURING VALUE



WE JUST LEVELED THE PLAYING FIELD

Fortune 500 Data Analytics on a Main Street Budget

Avant-Edge™ uses a proprietary tool that brings Fortune 500 “big data” analytic capabilities to the SMB market. We help a company grow its sales and profits **from its existing customers and products**. We help move underperforming companies into the top quartile or decile in profitability compared to like-sized competitors.

What makes us different?

- Minimal inputs – 6 data points that every company already has (**what** was sold, **when** it was sold, to **whom** it was sold, **how** many were sold, the **price** it was sold at, the **cost** of what was sold)
- Maximum value – 2-5 points improvement in gross margin
- Quick time to identify opportunities – **7 days**
- **No** capital outlay or investment required
- **No** implementation costs and guaranteed **no less than 2x return** on any fees paid

Our advanced and proprietary algorithms combined with our expertise highlight sales and profit improvement insights not identified from spreadsheets, dashboards, financial reports, or business intelligence tools.

Value Summary

Details

Lost Gross Profit

At the transaction level, every company has sales where the gross profit is negative. They happen for many common reasons.

The challenge is finding and understanding the impact of these transactions. Our tool isolates, summarizes, and quantifies the impact.

Lost Gross Profit

(\$572,962)

Items

411

Customers

194

Details

At-Risk Customer Churn

Every company has churn. Our initial evaluation applies a basic algorithm to identify at-risk customer churn. It is commonly accepted that a customer can be prevented from churning through simple contact. We identify the at-risk companies and quantify the potential from preventing the churn.

Sales

\$2,879,260

Customers

30

Gross Profit

\$1,188,885

Details

Product Categorization

Applying an algorithm that considers product penetration and gross profit, we classify all of the company's products into distinct categories.

Examining the items in each of these categories can help a company understand and manage risk, identify products that can be subject to a SKU rationalization, as well as identifying the most profitable products for growth strategy.

Summary

| Classification | Sales | Gross Profit | Gross Margin | Items |
|----------------|----------------------|---------------------|---------------|--------------|
| Power | \$43,142,823 | \$22,636,252 | 52.47% | 51 |
| Strong Pillar | \$49,639,913 | \$24,349,411 | 49.05% | 208 |
| Weak Pillar | \$17,997,710 | \$9,216,613 | 51.21% | 238 |
| Non-Core | \$15,786,300 | \$8,235,653 | 52.17% | 820 |
| Total | \$126,566,746 | \$64,437,928 | 50.91% | 1,317 |

Why is this different?

Using 6 readily available data points, and one week, we create multiple, powerful insights which can have immediate impact on a company's profitability.

Quintile Analysis

Details

Customers per Sales Quintile

| Quintile | Sales | Gross Margin | Gross Profit | Customers | Average Sales Per Customer | Average Gross Profit per Customer |
|--------------|----------------------|---------------|---------------------|--------------|----------------------------|-----------------------------------|
| 1 | \$26,786,116 | 43.74% | \$11,715,612 | 6 | \$4,464,353 | \$1,952,602 |
| 2 | \$25,028,719 | 53.93% | \$13,498,825 | 17 | \$1,472,278 | \$794,049 |
| 3 | \$25,108,393 | 48.14% | \$12,087,772 | 58 | \$432,903 | \$208,410 |
| 4 | \$25,553,336 | 51.33% | \$13,116,734 | 157 | \$162,760 | \$83,546 |
| 5 | \$24,090,181 | 58.19% | \$14,018,986 | 3,838 | \$6,287 | \$3,658 |
| Total | \$126,566,746 | 50.91% | \$64,437,928 | 4,076 | \$31,097 | \$15,832 |

Sales per Customer Quintile

| Quintile | Sales | Customers | Gross Profit | Gross Margin | Average Sales Per Customer | Average Gross Profit per Customer |
|--------------|----------------------|--------------|---------------------|---------------|----------------------------|-----------------------------------|
| 1 | \$122,827,343 | 816 | \$61,899,182 | 50.40% | \$150,524 | \$75,857 |
| 2 | \$3,231,921 | 816 | \$2,146,400 | 66.41% | \$3,961 | \$2,630 |
| 3 | \$390,508 | 816 | \$294,582 | 75.44% | \$479 | \$361 |
| 4 | \$85,821 | 816 | \$69,319 | 80.77% | \$105 | \$85 |
| 5 | \$31,153 | 812 | \$28,446 | 91.31% | \$39 | \$35 |
| Total | \$126,566,746 | 4,076 | \$64,437,928 | 50.91% | \$31,097 | \$15,832 |

Every company cites the "80/20" rule, but few actually know which customers make up the most and least valuable quintiles of their business. This tool goes beyond quantification to detailed breakdown. It even extends into the ability to model precision price changes at the individual customer level.



Date Range

1/1/2021



3/1/2022



OVERVIEW

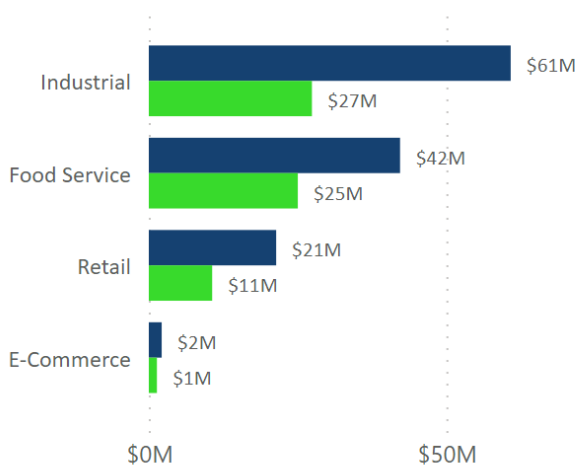
Reset



Exclude Top 2 Customers

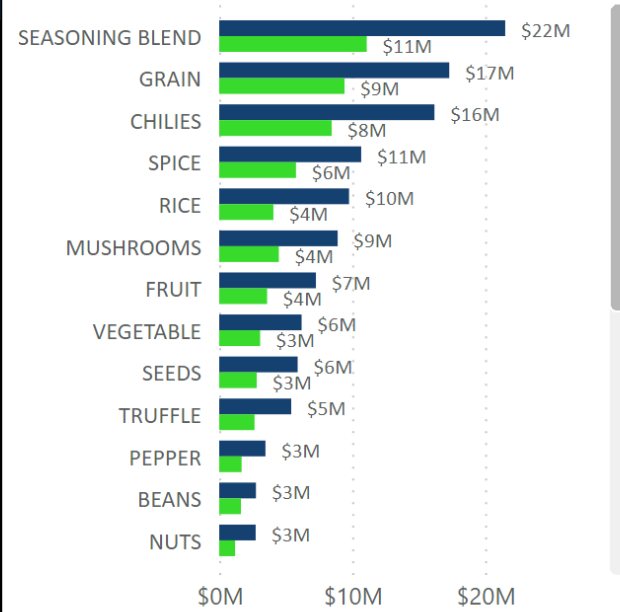
Channel

● Sales ● Gross Profit



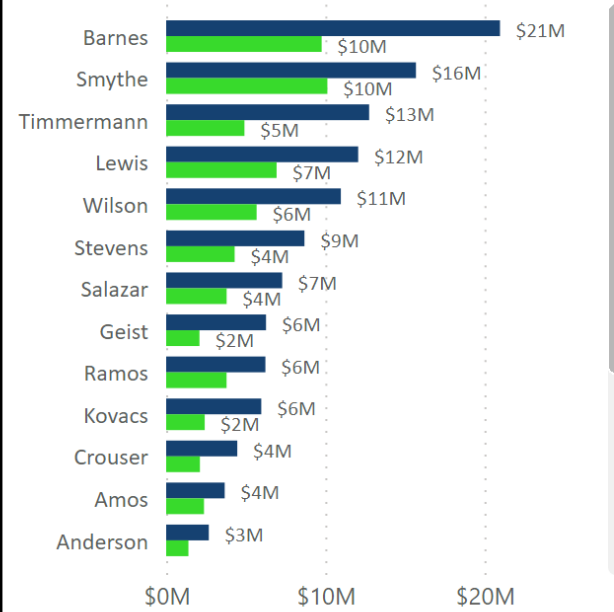
Product Category

● Sales ● Gross Profit



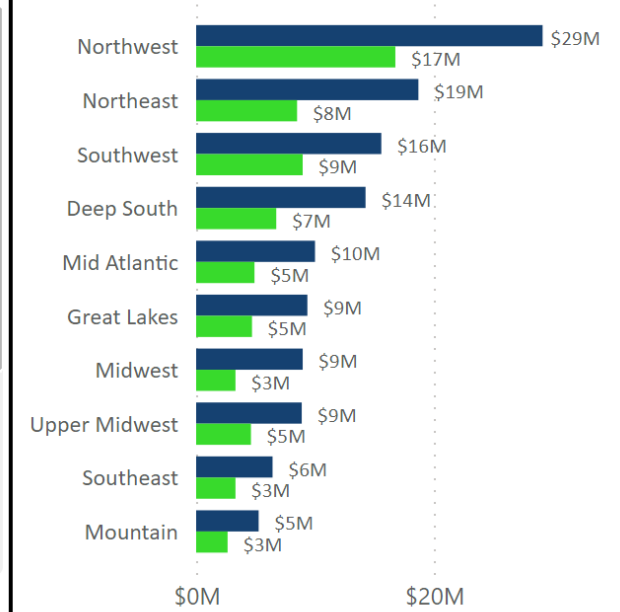
Sales Person

● Sales ● Gross Profit



Region

● Sales ● Gross Profit



| Customer | Sales | Gross Profit | Gross Margin | GP / Unit | Product Penetration |
|-------------------------|----------------------|---------------------|---------------|----------------|---------------------|
| Spice Detroit | \$14,798,271 | \$9,667,530 | 65.33% | \$16.99 | 852 |
| Priceco Corp | \$8,953,408 | \$5,307,183 | 59.28% | \$56.44 | 3 |
| Salt Lick Spice Traders | \$5,226,066 | \$2,169,287 | 41.51% | ◆ \$4.60 | 11 |
| United Food Company | \$3,570,574 | \$931,082 | 26.08% | \$65.06 | 26 |
| The Grocery Store | \$3,447,630 | \$1,240,729 | 35.99% | \$65.06 | 38 |
| Wall Market | \$3,222,305 | \$462,070 | 14.34% | ◆ \$4.10 | 9 |
| USA FOODS | \$2,944,533 | \$1,934,039 | 65.68% | \$18.89 | 978 |
| The Kreeger | \$1,978,086 | \$1,019,467 | 51.54% | \$8.39 | 20 |
| Moon Candy Bars | \$1,971,304 | \$560,331 | 28.42% | \$223.86 | 6 |
| Creation, Inc. | \$1,729,748 | \$764,003 | 44.17% | \$12.70 | 168 |
| DFEC | \$1,581,505 | \$706,335 | 44.63% | \$13.84 | 310 |
| Total | \$126,566,746 | \$64,437,928 | 50.91% | \$20.44 | 1,313 |

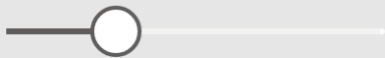
| Item | Sales | Gross Profit | Gross Margin | GP / Unit | Purchasers |
|----------------------------------------------|----------------------|---------------------|---------------|----------------|--------------|
| TRUFFLE, PARMESAN, & GARLIC | \$9,381,960 | \$5,477,814 | 58.39% | \$47.13 | 116 |
| SEASONING | | | | | |
| TRUFFLE OIL, WHITE | \$4,659,333 | \$2,254,344 | 48.38% | \$21.01 | 89 |
| JASMINE RICE | \$3,689,371 | \$1,156,401 | 31.34% | \$36.46 | 49 |
| QUINOA | \$1,738,119 | \$1,020,174 | 58.69% | \$17.05 | 99 |
| QUINOA, RED | \$1,673,498 | \$912,096 | 54.50% | \$19.54 | 99 |
| MILD TACO SEASONING BLEND - NON-GMO PRJ CERT | \$1,931,932 | \$755,598 | 39.11% | ◆ \$3.33 | 1 |
| FARRO | \$1,272,049 | \$687,241 | 54.03% | \$17.13 | 96 |
| GRAIN BLEND, QUINOA, ORGANIC | \$2,091,865 | \$665,794 | 31.83% | \$284.65 | 3 |
| PORCINI POWDER | \$1,317,150 | \$592,831 | 45.01% | \$91.51 | 158 |
| Total | \$126,566,746 | \$64,437,928 | 50.91% | \$20.44 | 3,733 |



Lost Gross Profit

Gross Profit Per Unit

(\$2,381.23) \$0.00



Marginal Cost Per Unit

\$0.00 \$0.00



Product Classification

- Power
- Strong Pillar
- Weak Pillar
- Non-Core

Customer Quintile

- 1
- 2
- 3
- 4
- 5

Lost Gross Profit

(\$572,962)

Number of Customers

194

Number of Items

411

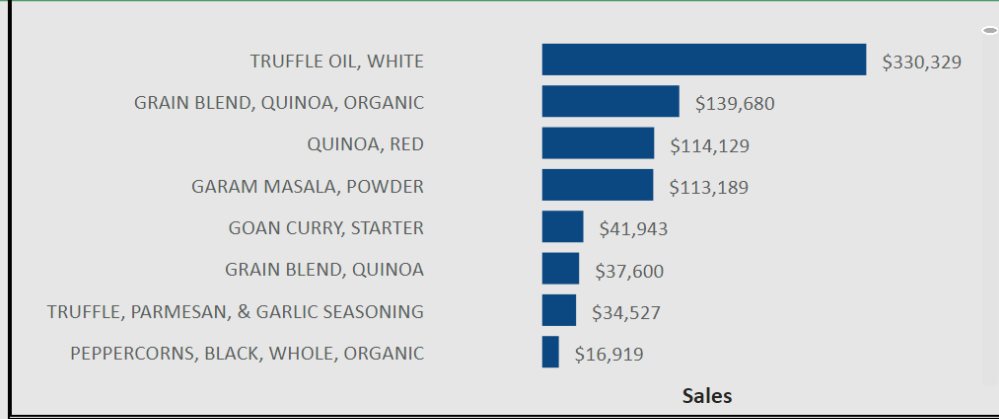
PROMPTS

- What is the root cause of the losses? Contractual? Process? Decision rights policy? Loss leader products?
- Are the losses evenly distributed or concentrated among the sales team, an office/region, customer segment, etc.?
- What are the target prices for the items based on what other customers are paying?
- Does the company's ERP have preventive controls to flag loss transactions prior to being processed?

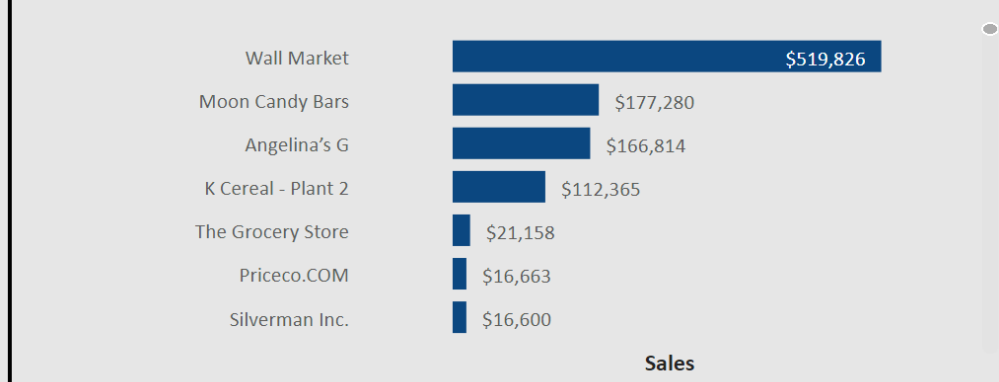
Customers and Items

| Customer Name | Quintile | Item | Classification | Unit Volume | Sales | Gross Profit | Lost Gross Profit |
|--------------------|----------|---------------------------------------|----------------|---------------|--------------------|--------------------|--------------------|
| Wall Market | 1 | TRUFFLE OIL, WHITE | Power | 4,678 | \$319,043 | (\$198,456) | (\$198,456) |
| Moon Candy Bars | 2 | GRAIN BLEND, QUINOA, ORGANIC | Strong Pillar | 3 | \$139,680 | (\$2,879) | (\$2,879) |
| Wall Market | 1 | GARAM MASALA, POWDER | Power | 10,626 | \$113,189 | (\$43,503) | (\$43,503) |
| K Cereal - Plant 2 | 3 | QUINOA, RED | Power | 2,066 | \$112,365 | (\$11,766) | (\$11,766) |
| Wall Market | 1 | GOAN CURRY, STARTER | Non-Core | 3,374 | \$41,943 | (\$3,621) | (\$3,621) |
| Moon Candy Bars | 2 | GRAIN BLEND, QUINOA | Non-Core | 10 | \$37,600 | (\$3,258) | (\$3,258) |
| Wall Market | 1 | TRUFFLE, PARMESAN, & GARLIC SEASONING | Power | 1,539 | \$30,528 | (\$118) | (\$118) |
| Silverman Inc. | 5 | MORELS | Strong Pillar | 15 | \$16,600 | (\$592) | (\$592) |
| Wall Market | 1 | FIVE SPICE, POWDER | Strong Pillar | 1,695 | \$14,238 | (\$2,803) | (\$2,803) |
| Angelina's G | 3 | NEW MEXICO CHILES, HATCH, RED, POWDER | Power | 338 | \$12,628 | (\$4,889) | (\$4,889) |
| The Grocery Store | 1 | BAY LEAVES, ORGANIC | Non-Core | 90 | \$11,583 | (\$16,267) | (\$16,267) |
| Angelina's G | 3 | RYE BERRIES | Strong Pillar | 1,534 | \$11,531 | (\$5,911) | (\$5,911) |
| Remaly Foods | 2 | DATES, MEDJOOL (W/PITS) | Weak Pillar | 504 | \$10,584 | (\$779) | (\$779) |
| Priceco.COM | 5 | BLUE CORN MASA, FLOUR, ORGANIC | Weak Pillar | 876 | \$9,745 | (\$3,229) | (\$3,229) |
| Angelina's G | 3 | BLACK BEANS | Strong Pillar | 366 | \$9,725 | (\$2,658) | (\$2,658) |
| Angelina's G | 3 | ANASAZI BEANS | Strong Pillar | 349 | \$9,664 | (\$3,219) | (\$3,219) |
| Angelina's G | 3 | TRUFFLE OIL, WHITE | Power | 87 | \$9,634 | (\$3,037) | (\$3,037) |
| Total | | | | 37,698 | \$1,214,909 | (\$572,962) | (\$572,962) |

Items by Sales Volume

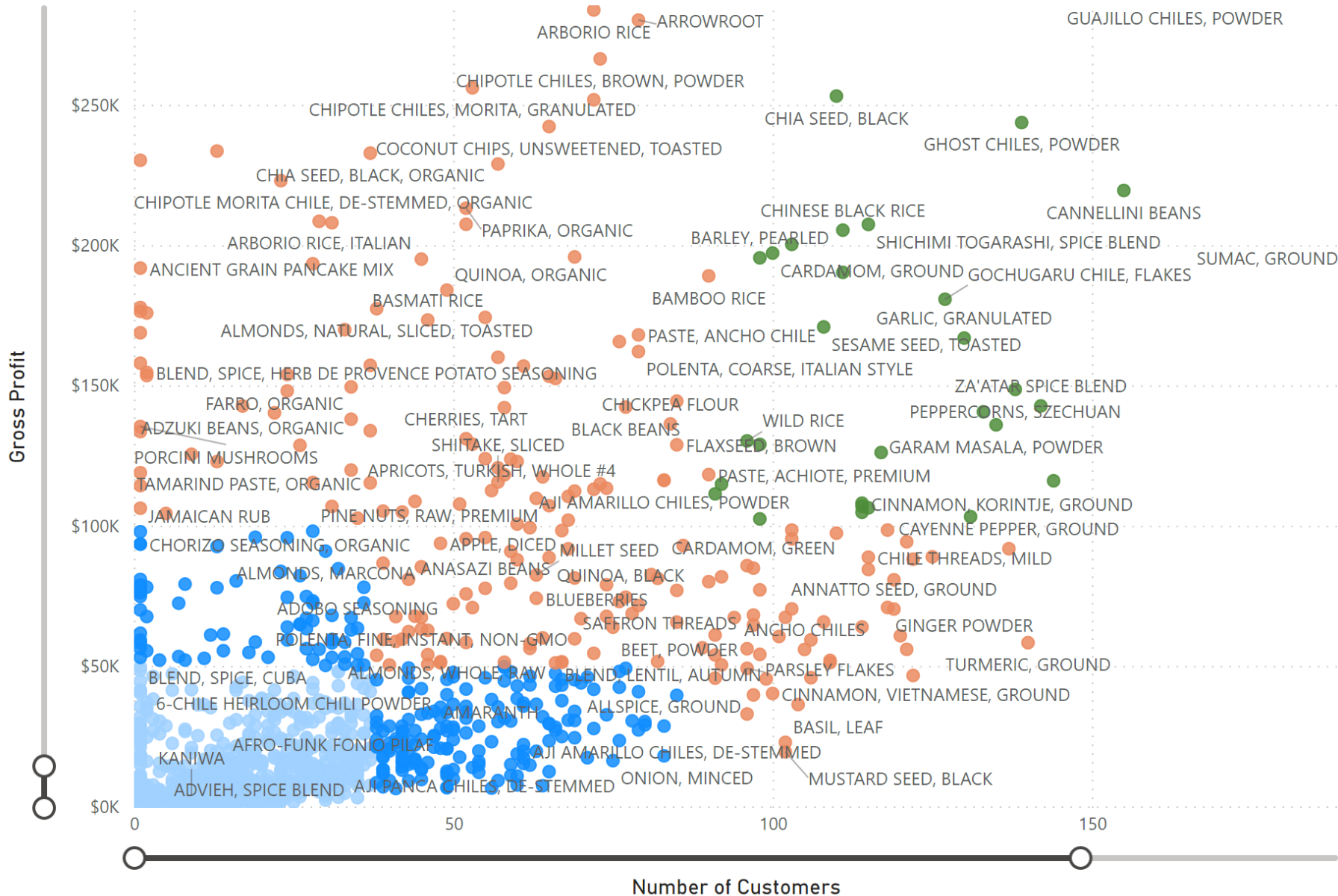


Customers by Sales Volume



Product Categorization

Classification ● Non-Core ● Weak Pillar ● Strong Pillar ● Power



| Summary | | | | |
|----------------|----------------------|---------------------|---------------|--------------|
| Classification | Sales | Gross Profit | Gross Margin | Items |
| Power | \$43,142,823 | \$22,636,252 | 52.47% | 51 |
| Strong Pillar | \$49,639,913 | \$24,349,411 | 49.05% | 208 |
| Weak Pillar | \$17,997,710 | \$9,216,613 | 51.21% | 238 |
| Total | \$126,566,746 | \$64,437,928 | 50.91% | 1,317 |

| Item List | | | | |
|----------------------------------------------|-------------|----------------|-----------|--|
| Item | Sales | Classification | Customers | |
| TRUFFLE, PARMESAN, & GARLIC SEASONING | \$9,381,960 | Power | 136 | |
| TRUFFLE OIL, WHITE | \$4,659,333 | Power | 140 | |
| JASMINE RICE | \$3,689,371 | Power | 63 | |
| GRAIN BLEND, QUINOA, ORGANIC | \$2,091,865 | Strong Pillar | 4 | |
| MILD TACO SEASONING BLEND - NON-GMO PRJ CERT | \$1,931,932 | Strong Pillar | 1 | |
| QUINOA | \$1,738,119 | Power | 157 | |
| QUINOA, RED | \$1,673,498 | Power | 144 | |
| PORCINI POWDER | \$1,317,150 | Power | 182 | |
| SUGAR, COCONUT/PALM | \$1,285,521 | Power | 50 | |

PROMPTS

- Does the company's pricing strategy take into consideration product categorization?
- Does the company actively monitor competitor and market pricing for Power SKUs and Flight Risk SKUs?
- Are there redundant SKUs that can be rationalized?
- Are the carrying costs and working capital requirements for the non-core SKUs considered in the pricing strategy?



Quintile Analysis

| Product Classification | Customers per Sales Quintile | | | | | | Sales per Customer Quintile | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------|---------------------|--------------|----------------------------|-----------------------------------|-----------------------------|----------------------|--------------|---------------------|----------------------------|-----------------------------------|
| <input type="checkbox"/> Non-Core <input type="checkbox"/> Weak Pillar <input type="checkbox"/> Strong Pillar <input type="checkbox"/> Power | Quintile | Sales | Gross Profit | Customers | Average Sales Per Customer | Average Gross Profit per Customer | Quintile | Sales | Customers | Gross Profit | Average Sales Per Customer | Average Gross Profit per Customer |
| | 1 | \$26,786,116 | \$11,715,612 | 6 | \$4,464,353 | \$1,952,602 | 1 | \$122,827,343 | 816 | \$61,899,182 | \$150,524 | \$75,857 |
| | 2 | \$25,028,719 | \$13,498,825 | 17 | \$1,472,278 | \$794,049 | 2 | \$3,231,921 | 816 | \$2,146,400 | \$3,961 | \$2,630 |
| | 3 | \$25,108,393 | \$12,087,772 | 58 | \$432,903 | \$208,410 | 3 | \$390,508 | 816 | \$294,582 | \$479 | \$361 |
| | 4 | \$25,553,336 | \$13,116,734 | 157 | \$162,760 | \$83,546 | 4 | \$85,821 | 816 | \$69,319 | \$105 | \$85 |
| | 5 | \$24,090,181 | \$14,018,986 | 3,838 | \$6,287 | \$3,658 | 5 | \$31,153 | 812 | \$28,446 | \$39 | \$35 |
| | Total | \$126,566,746 | \$64,437,928 | 4,076 | \$31,097 | \$15,832 | Total | \$126,566,746 | 4,076 | \$64,437,928 | \$31,097 | \$15,832 |

| Customer Name | Items | Sales | Gross Profit | Quintile |
|-----------------------|--------------|----------------------|---------------------|----------|
| USA FOODS - Boise | 979 | \$2,175,818 | \$1,281,919 | 2 |
| Cisco - Sugarland | 818 | \$2,630,507 | \$1,692,754 | 1 |
| Cisco - Chicago West | 797 | \$2,079,518 | \$1,350,609 | 2 |
| Cisco - Fort Worth | 789 | \$2,391,100 | \$1,545,236 | 2 |
| Cisco - Beaumont | 733 | \$2,090,206 | \$1,350,700 | 2 |
| Gordon's Food Service | 721 | \$1,122,140 | \$705,610 | 2 |
| SOTOFS LLC | 721 | \$419,249 | \$262,190 | 3 |
| Amazon M | 460 | \$1,084,045 | \$864,803 | 2 |
| Nick Co, Inc. | 385 | \$289,629 | \$287,571 | 4 |
| Chieftan's Rice, Co. | 324 | \$186,889 | \$97,873 | 4 |
| Total | 1,317 | \$126,566,746 | \$64,437,928 | |

Right click drill through for precision price changes by Customer.

| Item | Sales | Gross Profit | Classification | Purchasers |
|----------------------------------------------|----------------------|---------------------|----------------|--------------|
| TRUFFLE, PARMESAN, & GARLIC SEASONING | \$9,381,960 | \$5,477,814 | Power | 134 |
| TRUFFLE OIL, WHITE | \$4,659,333 | \$2,254,344 | Power | 140 |
| JASMINE RICE | \$3,689,371 | \$1,156,401 | Power | 62 |
| GRAIN BLEND, QUINOA, ORGANIC | \$2,091,865 | \$665,794 | Strong Pillar | 3 |
| MILD TACO SEASONING BLEND - NON-GMO PRJ CERT | \$1,931,932 | \$755,598 | Strong Pillar | 1 |
| QUINOA | \$1,738,119 | \$1,020,174 | Power | 157 |
| QUINOA, RED | \$1,673,498 | \$912,096 | Power | 142 |
| PORCINI POWDER | \$1,317,150 | \$592,831 | Power | 181 |
| Total | \$126,566,746 | \$64,437,928 | | 4,070 |

PROMPTS

- Is there a concentration of customers risk?
- Does the company's pricing strategy result in higher gross margins in the lower quintiles?
- Are there differences in the customer acquisition costs by quintile?
- Are there differences in the cost to support and service the customer by quintile?
- Is there alignment between the targeted customer segments and actual customers?

One real example of what is possible...

Distributor

Pre-Engagement

- \$57 million in sales
- \$850K in EBITDA (1.49 percent)
- “It stopped being fun a long time ago.” CEO / Owner
- Management believed it operated in a “high volume, low margin” business –did not know what was possible
- Company’s bank downgraded its outstanding loans and put Company on the “Watch List”

Post-Engagement (1 year later)

- \$62 million in sales
- \$4.4 million in EBITDA (7.1 percent)
- Owner able to purchase a winter home in Florida
- Financial performance in industry top decile
- Previous bank loans repaid, new bank loans written for expansion, and the bank now provides wealth management services to the owner

Traditional advisory firms to SMBs cannot match Avant’s speed to initial insights (7 days) and 2 – 5 points improved gross margin recommendations, & minimum 2x return, guaranteed!

Which companies benefit most from Avant-Edge™?

Industries:

- Manufacturing
- Distribution
- Retail
- Wholesale
- Professional services



Revenue:

- \$100 M to \$500 M

Our Team –Dedicated to *Securing Value*



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