Avant-Edge™ Overview

AVANT®
ADVISORY GROUP

SECURING VALUE

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)
- Maximumvalue – 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

AVANT ADVISORY GROUP

Lost Gross Profit

Details

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

At-Risk Customer Churn

Details

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

Gross Profit
$1,188,885

Customers
30

Product Categorization

Details

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

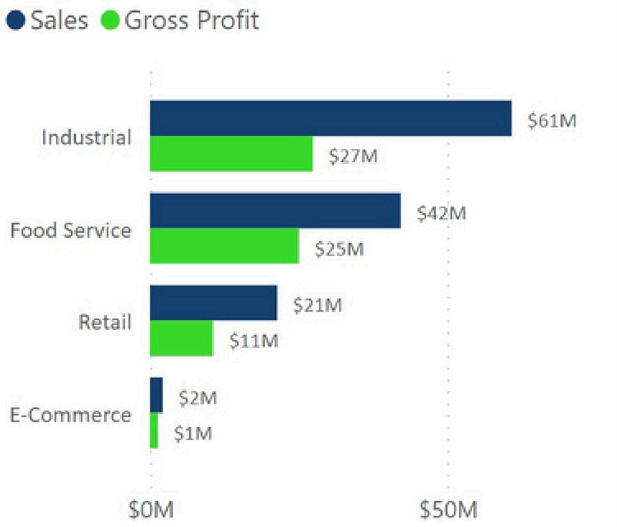
OVERVIEW

Reset

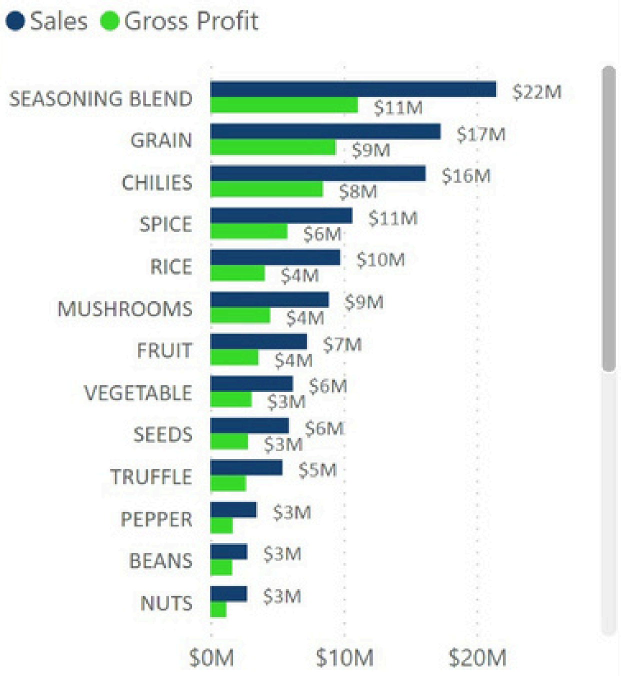
AVANT ADVISORY GROUP

Exclude Top 2 Customers

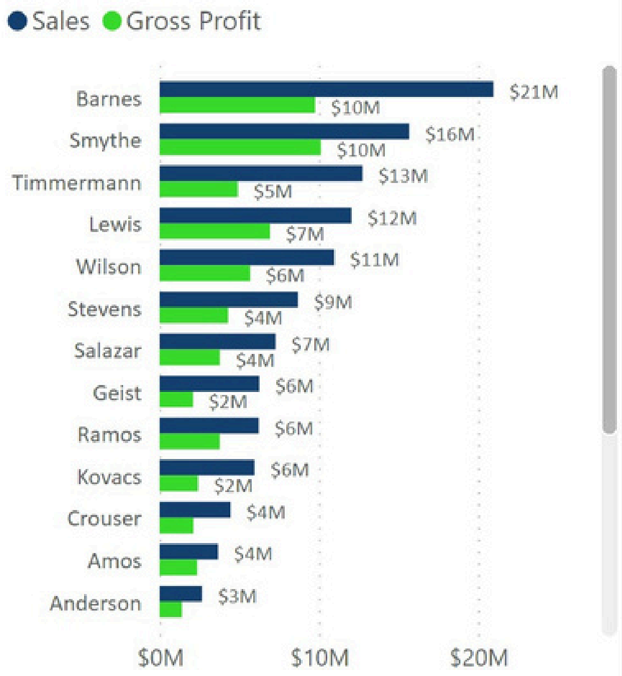
Channel



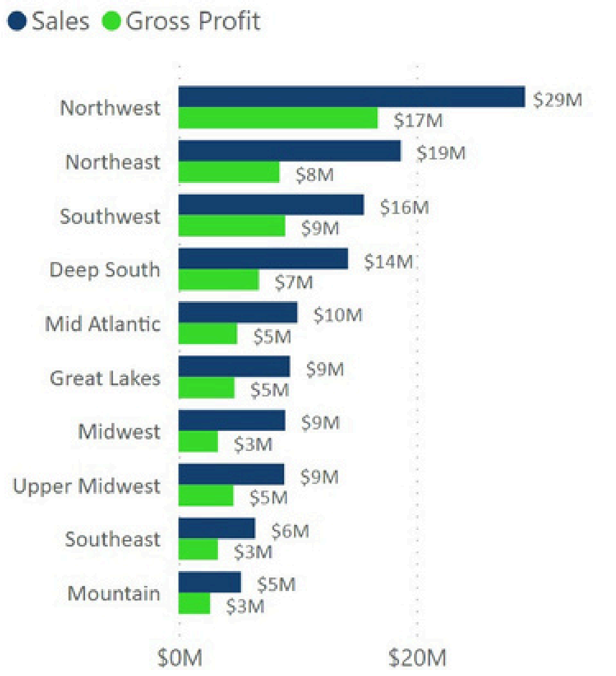
Product Category



Sales Person



Region



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
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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 SEASONING	$9,381,960	$5,477,814	58.39%	$47.13	116
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

AVANT ADVISORY GROUP

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

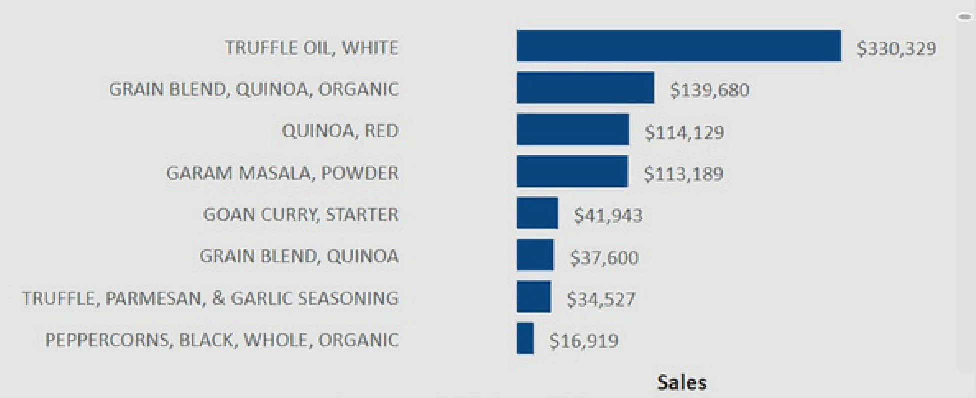
PROMPTS

- 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?

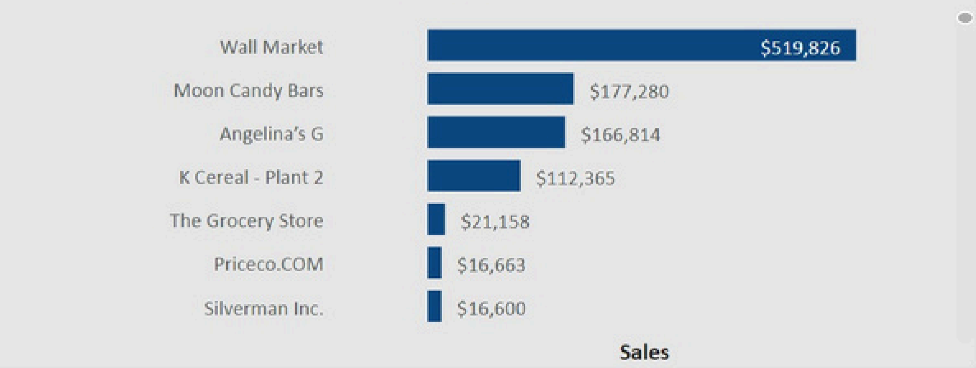
Customers and Items

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)**

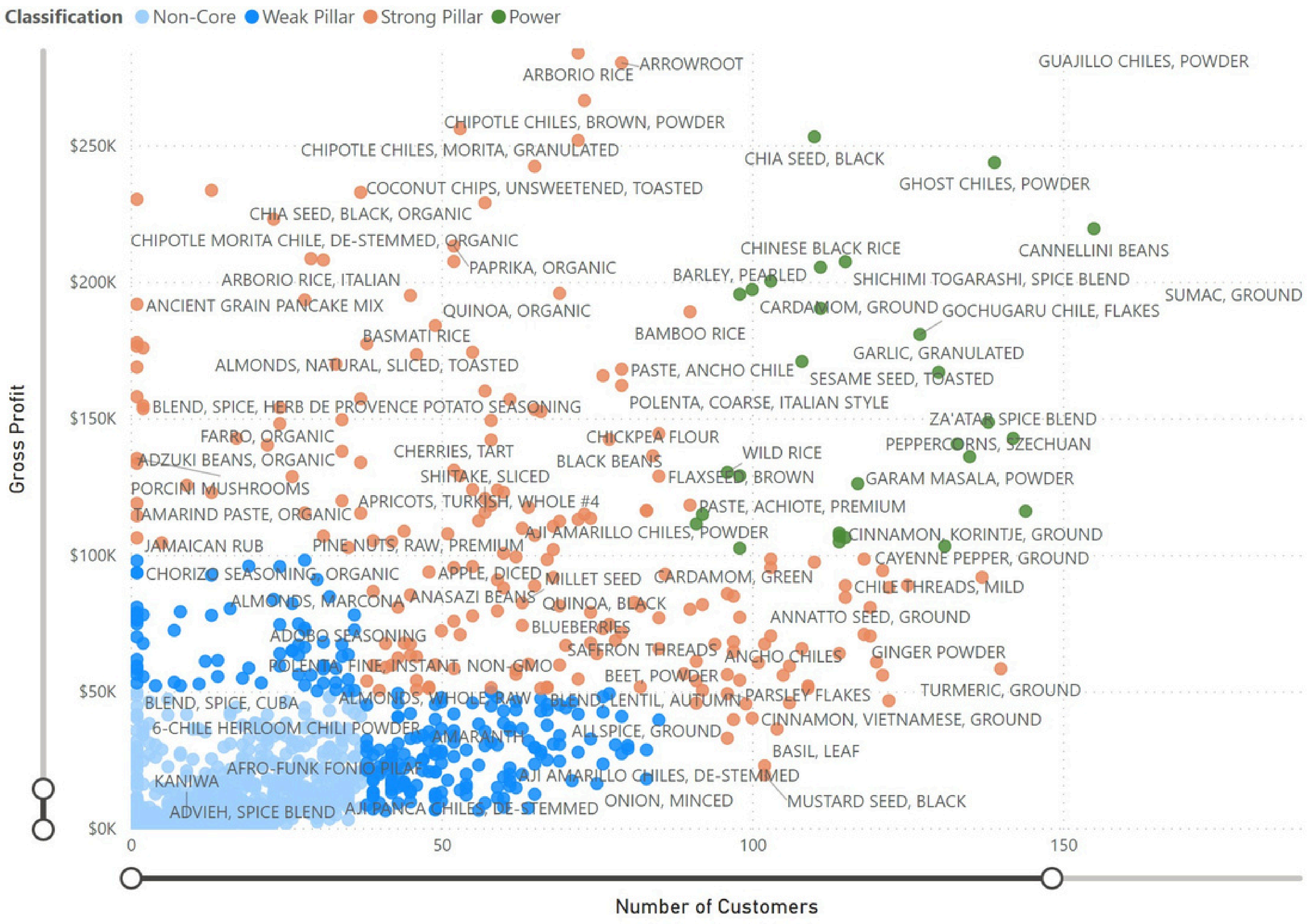
Items by Sales Volume



Customers by Sales Volume



Product Categorization



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

AVANT ADVISORY GROUP

Product Classification

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

Sales Quintile

- 1
- 2
- 3
- 4

Customers per Sales Quintile

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

Sales per Customer Quintile

Quintile	Sales	Customers	Gross Profit	Average Sales Per Customer	Average Gross Profit per Customer
1	$122,827,343	816	$61,899,182	$150,524	$75,857
2	$3,231,921	816	$2,146,400	$3,961	$2,630
3	$390,508	816	$294,582	$479	$361
4	$85,821	816	$69,319	$105	$85
5	$31,153	812	$28,446	$39	$35
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)

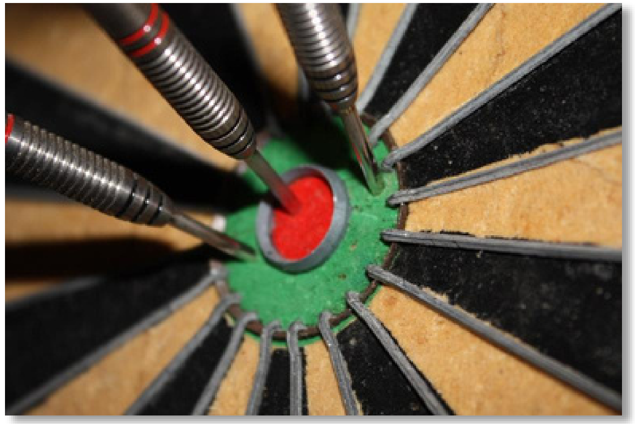
- $62 million in sales
- $4.4 million in EBITDA (7.1 percent)
- Owner able to purchase a winter home in Florida
- Financial performance in industry top decile
- Previous bank loans repaid, new bank loans written for expansion, and the bank now provides wealth management services to the owner

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

AVANT®
ADVISORY GROUP
SECURING VALUE

Our Team –Dedicated to Securing Value

James F. Davidson
CIRA, CTP, CM&AA, CM&AP, CPA, CFF,
CFE, CGMA, FCPA, CD, CBA

President

JDavidson@AvantAdvisory.com

John J. DeMartino
CPA, CGMA, FINOP

Managing Director – East Coast

JDemartino@AvantAdvisory.com

Carlos V. Freyre
CPA, MBA

Managing Director - Floria

CFreye@AvantAdvisory.com