A VALUE CREATION PROGRAM FOR FOUNDER-LED BUSINESSES

SME to PE Program

Preparing Australian SMEs for a confident private equity partnership.

18–36 MONTH PROGRAM

OVERVIEW

Value is built long before the partner arrives.

Most founders who want to partner with private equity are not prepared when the opportunity arises. This program is designed to solve those issues that are both predictable and preventable so that the business is is systematically prepared across every dimension.

AT A GLANCE

18–36
MONTHS

Typical program duration to liquidity event

Two phases
STRUCTURE

A fixed-scope review, then a rolling retainer

EBITDA $3M+
WHO IT'S FOR

Founder-led businesses with PE ambition

OUR PRINCIPLES

Start early
Most founders aren't ready when the opportunity arrives. Preparation is the advantage and every month counts.

Every finding is a chip
Each issue is negotiating leverage for the buyer if left unaddressed, and for you once it's resolved.

Negotiate from strength
You understand the process, control the timeline, and enter every conversation from a position of strength.

THE OUTCOME

- A business prepared across every dimension a PE investor will scrutinise.
- A business that runs without the founder.
- Clean financials that survive due diligence.
- A documented growth story that private equity pays for.

HOW THE PROGRAM WORKS

Two phases.
One partnership.

The program begins with a fixed-scope diagnostic that sets the agenda, then moves into a rolling retainer that does the work, building value month by month toward a private equity partnership.

PHASE 1 Strategic Review

MONTHS 1–2 · FIXED FEE

A fixed-scope diagnostic that establishes where the business stands today, scores it against the PE Investment Readiness Scorecard, and produces the Strategic Review Report. **This is the foundation on which the whole program is built.**

- **Normalised EBITDA & PE readiness score**
- **Value creation roadmap, 18–36 month**
- **Prioritised, costed action plan**

PHASE 2 SME to PE Program

MONTHS 3–36 · MONTHLY RETAINER

A rolling monthly retainer across three stages, run by the full Frank Group. The program builds enterprise value through value creation, organic and inorganic growth, and manages the PE process on the founder's behalf through to close.

- **Value creation & compliance remediation**
- **Growth (organic & bolt-on M&A)**
- **PE process management & close**

FIVE WORKSTREAMS, RUN CONCURRENTLY

- Financial Hygiene
- Legal & Compliance
- Corporate Governance
- People & Team Depth
- Growth & M&A

THE PROGRAM, STAGE BY STAGE

Three stages,
each building on the last.

Timing varies by client and by what the Strategic Review uncovers. Each stage runs to a checkpoint, and the readiness score is re-run before the next begins. Stage 3 runs in parallel with Stage 2 as the business accelerates toward the market.

01

MONTHS 1–6

Foundations

Fix, clean and document everything. Financial hygiene, legal and employment compliance, entity structure and governance, and key-person risk, the issues that would kill or discount a deal.

KEY OUTCOME

A clean, defensible, investor-ready business.

02

MONTHS 7–18

Value Creation

Build, grow and scale. Organic growth and pricing, M&A strategy and execution, operational scale, and a validated EBITDA growth story ready for a PE audience.

KEY OUTCOME

A materially more valuable, compelling business.

03

MONTHS 18–36

PE Readiness & Process

Position, approach and close. Investor positioning, a controlled outreach process, term-sheet negotiation, and buy-side due diligence managed through to completion.

KEY OUTCOME

A meaningful liquidity event, on your terms.

The Strategic Review Report is the operating document for the whole program. Every workstream is anchored to the findings and priorities it identifies, and the Frank Group holds itself accountable to delivering against the roadmap.

WHAT WE WORK ON

Five levers
of organic value.

Organic value creation works across five levers, each assessed in the Strategic Review and built into your roadmap. The objective is to grow **defensible EBITDA,** not just top-line revenue.

01 Financial Hygiene & EBITDA Quality

Normalised, documented add-backs and three years of clean, reviewed accounts a buyer can model.

02 Revenue Growth & Diversification

Pricing, recurring revenue, and customer concentration held below 20% per client.

03 Operational Scalability

Documented processes, systems and reporting so the business can run without the founder for 4+ weeks.

04 People & Team Depth

A capable second-in-command, retention agreements, and relationships transitioned from founder to team.

05 Legal, Compliance & Governance

Employment and award compliance resolved, entity structure cleaned for tax efficiency, licences and contracts current and transferable, IP in the right entity, and ASIC registers up to date.

GROWTH — ORGANIC & INORGANIC

We are not a business broker.

ORGANIC

Pricing, retention, recurring revenue and a diversified customer base, each quantified for the buyer narrative.

INORGANIC — M&A

Bolt-ons and strategic adjacencies that lift both absolute EBITDA and the multiple the business commands, taking $3M toward $5M–$8M.

Where do you sit today?

The PE Investment Readiness Scorecard scores the business out of 100 across five dimensions, at three points in the program: after the Strategic Review, after value creation, and immediately before investor outreach. A score of **75 or above** is the threshold to commence outreach.

85–100	PE READY	Investable. Proceed to investor outreach with confidence.
75–84	NEAR READY	Minor remediation required. Timeline to outreach: 1–3 months.
60–74	DEVELOPING	Material workstreams outstanding. Timeline to outreach: 3–9 months.
Below 60	EARLY STAGE	Significant gaps. Focus on foundations before growth.

SCORED ACROSS FIVE DIMENSIONS

Financial Hygiene & EBITDA Quality	/25
Legal & Compliance	/20
People & Operational Independence	/20
Corporate Governance & Structure	/15
Growth & Value Creation Narrative	/20

THE 18–36 MONTH VIEW

A clear path to a partnership.

Indicative milestones and gates across the program. Exact timing varies by client, but every stage ends at a checkpoint before the next begins.

MONTHS 1–2 · STRATEGIC REVIEW
Report delivered, readiness scored, roadmap agreed and priority workstreams engaged.

MONTHS 1–6 · FOUNDATIONS
Financials normalised, legal and employment compliance resolved, entity structure and governance remediated, key-person risk reduced.

MONTHS 7–12 · ORGANIC GROWTH & M&A STRATEGY
Growth and pricing plan executed, acquisition longlist compiled, funding strategy confirmed and outreach to priority targets begun.

MONTHS 12–18 · SCALE & M&A EXECUTION
Operations documented, bolt-on acquisitions executed and integrated, consolidated management accounts in place.

MONTHS 15–18 · VALUE STORY
Management Information Memorandum drafted, financial model built, PE presentation prepared, scorecard re-run.

MONTHS 18–28 · INVESTOR POSITIONING & OUTREACH
Confidential Information Memorandum finalised, controlled process with selected PE funds, term sheet negotiated and exclusivity entered.

MONTHS 26–36 · DUE DILIGENCE & CLOSE
Buy-side due diligence managed, SPA and transaction documents negotiated, completion mechanics and post-completion transition agreed.

ENGAGEMENT TERMS · NEXT STEPS

The second best time is now.

The best time to prepare was three years ago. If you're considering a private equity partnership in the next few years, we'd welcome the conversation.

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THE ENGAGEMENT

NATURE
Two-part advisory engagement. A fixed-fee Strategic Review, then a monthly retainer.

DURATION
18 to 36 months, six-month minimum retainer term.

SCOPE
The full Frank Group across advisory, legal and capital, with weekly founder meetings.

INVESTMENT
Strategic Review quoted on scope. Retainer from $15,000/month + GST, including a Law@Work legal subscription.

TRANSACTION FEES
Success fees on completion, typically 1.5% on a debt raise, 3% on a sale. Scoped per deal.