



**Icebreaker SMT JV**

**Fact-based intelligence combined with  
practical implementation**

icebreaker  
executive interim management



**SMT** consulting  
A CELLO Business



## BACKGROUND

### Our understanding from PE / VC contacts:

*Innovative solutions and practical implementation priority for 2009*

#### Challenges

- Portfolio performance has polarised: minority doing well, majority struggling (*source: 3i*)
- Avg. annual return in PE & VC has collapsed from 17% in 2007 to 2% in December 2008 (*source: GS*)
- Deleveraging will be an ongoing and painful process for many investments
- Few managers have any experience of a severe recession
- Biggest single priority for many investors today is 'getting the existing portfolio right'

#### Responses

- Focus has swung from prior investment models to:
  1. Doing fewer, less risky, less leveraged, better researched, more innovative deals with less competition
  2. Being prepared / forced to hold onto assets for longer or face exit at discount and;
  3. Actively fire-fighting downturn across multiple levels of portfolio
- Leading buyout firms setting up 'active portfolio management' programmes to more directly control exits

#### Solutions

“ We need to engage in practical improvement programmes that protect our downside in the current economic environment and will accelerate value creation when the cycle turns ”

*Global Head of Buyouts, 3i*

**SMT Icebreaker offers investors both hard facts and experience, providing confidence to act, practical ability to do so and significant risk transfer**

# ICEBREAKER EXECUTIVE INTERIM MANAGEMENT

## Proven implementation with focus on lasting client-team development

### Our business

- **Rapid engagement & respectful, proven implementation**
- **Expert skill-sets:** highly experienced executives; delivered results in face of diverse challenges (e.g. special situations, realignment and turnaround of FTSE 100 and global Blue Chips)
- **Proven value:** historical 10 – 50x ROI in <12 months, detailed, client-authored testimonials available

### Our difference

- **Ready made proven team** provides access to a joined up, quality managed solution, with direct access to Icebreaker MD and collaborative partners
- **Leading expert partnerships;** end to end client support
- **Implementation and skills transfer:** experienced in building up client teams and leaving a lasting legacy
- **Board level willing to roll sleeves up** when necessary

### Our propositions

#### Complete Commitment

Focus on implementation of growth / profit strategies and delivery of results

#### Sector and Functional Specialists

Proven specialist skills such as restructuring, leading CPD

#### Step Change Results

Execs experienced in innovation and delivery in challenging environments

#### Transferring Skills and Legacy

Tough but respectful, strong focus on management and lasting team development

- Proven track record in Change Management and strategy implementation across varied sectors and functions

# SMT

## Practical strategy consultancy with a unique differentiator:

*Hard facts on your market, customers, competitors and opportunities*

### Our business

- Practical strategic advice, underpinned by **hard facts** with over a decade of international experience in FMCG, ICT, Defence and Utilities
- Client base: exclusively Government agencies, FTSE 100 and global Blue Chips
- Proven value: 87% projects from repeat business

### Our difference

- **Hard facts on competitors, best in class, suppliers and the market:** we provide otherwise unobtainable, current information
- **Deep insights:** based on proven analysis methods and extensive industry expertise
- **Actionable, immediate recommendations:** we do not indulge in 'off-the shelf' or 'blue sky' solutions

### Our propositions

#### Performance Improvement

Benchmarking v. best-in-class / competitors to develop roadmaps for rapid improvement

#### Procurement

Organisational review, procurement strategy, best-value reviews

#### Transformational Outsourcing

Strategy development, outsourcing programme management, due diligence

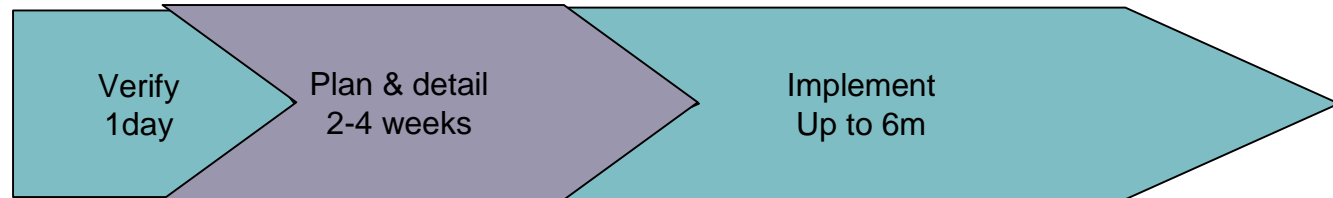
#### Growth

Competitor analysis, market analysis, market entry, defence strategies

- Proven, multilingual “hard data” collection capability
- Exceptionally strong advisory track records in FMCG, Utilities, Telecoms and Defence

# Icebreaker – a ready made known team, good individuals are not enough *bringing to bear a breadth of leading edge experience*

## Strategic Partnerships



<b>Smith &amp; Williamson</b>	Tech advice	Restructuring / strategy	Implementation support / sign off plan
<b>SMT consulting</b>	Id Data / sector	Detail risk / quantify target	Identify targets, specific clients requirements
Icebreaker Interims (A)	ID Resource	Client IEIM Resourcing, plan	Change management, leverage client resource
Icebreaker Director	Esc QA / Sign off	Esc QA / Sign off	Esc QA / Sign off / review skill transfer
Icebreaker Commercial	Contract risk	Renegotiation strategy	Contractual implementation / commercials
<b>CEOGB</b>	na	na	Client team change management capability

**Right first time:**  
Led by experienced execs  
“CV” free - Case studies  
“Been there and done it”  
Rigorous selection from proven

**Step change results**  
Pragmatism with Innovation  
Hard market facts – robust plans  
leading edge experience  
Business view financial facts

**Quality managed**  
Quality and risk managed  
Direct access to IEIM Director  
Delivered respectfully  
collaborative capability development

**Robust enduring outcome**  
Make tough calls,  
deliver respectfully  
Effective communication  
Rooted in hard date

# Icebreaker CEO – a complete commitment to success

Tom has over 11 years profit responsibility, at MD / COO level. His executive career includes senior management EMEA-wide entrepreneurial roles with Lucas, Novar, and Lexar Inc, in diverse sectors covering automotive, telecoms, B2B, healthcare, public sector, financial services and FMCG retail.

He has led change in some of the most challenging, entrepreneurial, fastest-moving, high growth business environments, ranging from turnaround, post acquisition mergers to EMEA-wide site rationalisations, start ups, realignments of complacent award winning businesses, and business refinancing and sale.

Relentless at leading outstanding results; Teams he has led have won CBI / DTI sponsored awards in 2002 and 2007, and Tom was runner up in the Interim Manager of the Year Award 2007, and joined the board of the Institute of Interim Management in 2008



Tom Pickering



## SMT — “routing the strategy in hard facts”

SMT, with their unique confidential analysis capability can answer questions such as:

- Portfolio analysis – which functions / companies to divest, which will fail, which can I save, which can thrive?
- Which of my key suppliers is likely to fail, and when?
- How does my cost base compare with the best in the industry?
- Which of my suppliers can I lever the greatest savings from?
- How should I restructure the business?
- Which of my competitors can I take sales from?
- Where are the opportunities to secure and grow revenue?

# EXPERIENCE

SMT & Icebreaker offer proven, exceptional track records and client lists

ICT    FMCG    Utilities    Other	<b>SMT</b>	<b>Icebreaker EIM</b>

# ICEBREAKER EXECUTIVE INTERIM MANAGEMENT

## Icebreaker interim action results: proven rapid ROI and team development

Client Description	Scope	Results
Healthcare Ltd	<ul style="list-style-type: none"> <li>Operations Director</li> <li>£100K investment</li> </ul>	<ul style="list-style-type: none"> <li>£5M saving &lt;12m: 50x ROI</li> <li>Implementation complete within 6m</li> <li>2007 Interim Management Award Nominee</li> </ul>
Training & Technology Ltd	<ul style="list-style-type: none"> <li>Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>£500k saving: 26x ROI</li> <li>Successful business turnaround and sale</li> <li>Start to finish: 6 week assignment</li> </ul>
Logistics Services Ltd	<ul style="list-style-type: none"> <li>Commercial Director (Post-merger Integration)</li> </ul>	<ul style="list-style-type: none"> <li>£450K saving :14x ROI</li> <li>&lt; 1m assignment</li> </ul>
Manufacturing Plc	<ul style="list-style-type: none"> <li>Procurement Director (Outsourcing Program)</li> </ul>	<ul style="list-style-type: none"> <li>£3M saving: 26x ROI</li> <li>Implementation complete within 6m</li> </ul>
Construction Plc	<ul style="list-style-type: none"> <li>Supply Chain Director</li> </ul>	<ul style="list-style-type: none"> <li>£1.7M saving: 25% cost-base reduction</li> <li>Winner of 2007 'Management Today' Award</li> </ul>
MOD	<ul style="list-style-type: none"> <li>Operations Director</li> </ul>	<ul style="list-style-type: none"> <li>£2M savings achieved</li> <li>Strategy implementation complete 3 years ahead of schedule</li> </ul>

## JOINT PROPOSITION

Taking action to get the portfolio right in challenging climate



Our combined capabilities provide clients rapid advice and action



- Support clients: rapid engagement
- Deliver results: immediate action
- Transfer skills: lasting team development



- **Reduce portfolio risk:** proven, expert managers (IEIM) implement strategy based on and tested against most current, targeted data obtainable (SMT)



- **Hard facts:** 80%+ of research is primary; current, targeted, 'hard to get' data
- **Deep insights:** identification of market and competitive advantage opportunities, operational and supplier cost reduction
- **Risk reduction and "buy in":** benchmarking based, reality-checked, practical solutions



- **Increase portfolio returns:** team with multiple track records of achieving higher growth and margins, reducing costs, overcoming major organisational and competitive challenges and exceeding client expectations

# Our fees include all deliverables included in the scope

Deliverable		Professional fees			Contingent element	
Gate	Activity	Upfront Fees			Contingent Upside	
		Up Front Retainer	% Fee Delays. / Incentives	Total Fee	% Upside £ Growth / Profit Target	% Upside £ Cost Saving Target
Gate 1	Resource plan					
	Top level targets					
	Partner Fit					
Gate 2	Deliver to plan	£15-£20k (2 wks)	30-70%	£25-40k (2 – 4 wks)	5-25%	5-25%
	Level targets, growth and savings					
	Timeline and resource plan					
	Detailed data to collect					
	Risk and reward structure and targets					
Gate 3	Progress vs. achievement of gate targets	£25k	25-50% / total fee	£25-150K (1-6m)	5-25%	5-25%

# Contact

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