



REZERVE GROUP: ADDING VALUE

How we identified and are meeting a market need

Middle market companies that are underperforming need both operational and restructuring guidance. The firms previously looked toward to provide this combination typically do not offer cost efficient fee arrangements and/or they lack access to other critical resources such as liquidity and technology. The Rezerve Group was created to meet these needs.



MANAGEMENT ASSISTANCE: THE REZERVE GROUP VALUE PROPOSITION

Mid-market¹ companies that are underperforming need expert guidance to preserve, and ultimately add, value. The professionals available to these companies typically lack the combination of industry and restructuring experience. If available, this is rarely offered in a cost-effective manner that aligns the interests of the client and provider.

CLIENTS NEED TWO TYPES OF EXPERIENCE

Managing an underperforming entity can go from one full-time job to three and sometimes overnight. Beyond current duties, they are asked to address the rising tide of disappointed and demanding stakeholders and also participate in a restructuring process with its own language, rules and players. The burden is overwhelming and hastens the company's downward spiral.

The most effective means forward is to address **both the operational concerns as well as the restructuring responsibilities**. The Rezerve Group professionals offer this combination of experience enabling the organization, and its management, to quickly **stabilize and narrow its focus**. Together, a **clear path** is created that identifies and prioritizes the objectives and assets that will create the most value moving forward. The industries our professionals have experience in are listed below.


Rezerve Group Industry Experience:

- ◆ Real Estate (all product classes)
- ◆ Retail
- ◆ Hospitality
- ◆ Oil & Gas
- ◆ Manufacturing
- ◆ Construction
- ◆ E-Commerce
- ◆ Consumer Products
- ◆ Software

CLIENTS NEED COST EFFICIENT FEE ARRANGEMENTS WITH ALIGNED INTERESTS

¹ Annual revenue between \$10MM and \$1B

Typically, the firms previously capable of providing the combination of services described above were global strategy consulting firms and specialized restructuring teams. Debtwire conducted a study of restructuring fee agreements² and determined the average hourly rate for restructuring advisors and financial advisors to be \$536 and \$503, respectively. The professionals at Rezerove Group can provide restructuring guidance and have previously been able to replace or reduce the role of financial advisors. and at a fraction of these combined hourly rates.

 Debtwire
An Acuris company

AVERAGE HOURLY RATE: SECTOR

Hourly Rate by Sector and Advisor Type

| Sector | Lead Counsel | Local / Special Counsel | Financial Advisor | Restructuring Advisor | Claim Agent |
|--------------------------------|--------------|-------------------------|-------------------|-----------------------|--------------|
| Agriculture | \$512 | \$531 | \$618 | \$354 | N/A |
| Alternative Energy | \$750 | \$563 | \$425 | \$575 | \$151 |
| Chemicals | \$571 | \$444 | \$421 | \$628 | N/A |
| Consumer | \$487 | \$386 | \$361 | \$366 | \$156 |
| Education | \$749 | \$320 | N/A | \$380 | N/A |
| Energy | \$682 | \$532 | \$578 | \$534 | \$163 |
| Financial Services | \$719 | \$487 | \$676 | \$540 | \$175 |
| Healthcare | \$525 | \$385 | \$468 | \$755 | \$124 |
| Industrial Products & Services | \$651 | \$480 | \$373 | \$499 | \$263 |
| Leisure | \$491 | \$462 | \$387 | \$359 | \$158 |
| Media & Telecom | \$652 | \$386 | \$464 | \$527 | \$118 |
| Metals & Mining | \$728 | \$521 | \$594 | \$534 | \$161 |
| Paper & Forest Products | \$694 | \$737 | \$444 | \$597 | \$168 |
| Real Estate & Construction | \$489 | \$428 | \$483 | N/A | N/A |
| Retail | \$718 | \$487 | \$454 | \$545 | \$193 |
| Services | \$581 | \$361 | \$543 | N/A | \$149 |
| Technology | \$571 | \$420 | \$515 | \$556 | \$181 |
| Transportation & Automotive | \$705 | \$707 | \$475 | \$524 | \$169 |
| Utilities | \$615 | \$642 | \$596 | \$795 | \$158 |
| Total | \$683 | \$537 | \$503 | \$536 | \$160 |

Value Add Fee Arrangements

At the Rezerove Group, we are committed to adding – rather than extracting – value for our clients. With the narrowed focus described above, we discuss and develop clear objectives with the client. From these objectives, we tailor fee arrangements to align interests. Examples of these types of arrangements are flat fees, project-based fees and success fees. **Put simply, our clients preserve critical liquidity and we are incentivized to guide our clients to the desired outcome(s).**



² Study conducted in 2016. Listed fees are presumably higher in 2020.

CLIENTS NEED MORE THAN ADVICE AND REPORTS

Access to Critical Resources

In addition to advisory services, The Rezerve Group provides access to critical resources that are action-driven. Examples of these resources include:

- ◆ Network of financial, industry and regulatory contacts
 - Capital sources that can provide much needed **liquidity**
 - Valuable contacts accumulated throughout our careers that often create potential partnerships or acquisitions.
- ◆ Technology
 - Software, including customized platforms, that can simplify and streamline operations.
 - Social media strategies

SUMMARY

The Rezerve Group was founded in order to address the specific market needs of:

- ◆ Restructuring experience combined with Industry Expertise;
- ◆ Cost efficient, aligned fee arrangements; and
- ◆ Access to liquidity and other critical resources.

To learn more, contact Barrett Wood, Managing Director, and/or visit www.rezerve-group.com.

Barrett Wood
barrett@rezerve-group.com
(915) 256-6486