

Agenda

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Sourcing Strategy Objective

In order to maximize the number of potential acquisition leads and to improve the caliber of the companies Sample Partners screens during the search process, Sample Partners plans to utilize a carefully crafted and tightly managed sourcing strategy.

Summary of Sourcing Strategy

- **As Sample Partners believes that sourcing the best deal requires casting a wide net around potential acquisition opportunities, we have standardized the rubric for approaching our sourcing efforts**
 - Strategy will increase number of companies contacted and consequently screened as well as improve overall quality of deal flow in the pipeline

- **Proprietary deal flow will be given utmost emphasis and accordingly proprietary sourcing will receive the largest allocation of time**
 - Targeted cold calling and direct marketing will be done through industry initiatives
 - Upon launch, will focus on three pre-determined industry initiatives
 - As search process advances, more industry (sub-industry) initiatives will be added as research indicates opportunities in new areas
 - Utilization of personal and professional networks to find “non-shopped” opportunities

- **Proprietary sourcing will be augmented by co-sourcing with lower-middle market private equity fund**
 - Established relationships with one New York City based lower middle market growth equity fund with \$500mm AUM
 - Establishing relationship with two other similar funds (Boston and Charlotte based)
 - Based on pre-existing relationship, Charlotte fund is likely to provide an extensive database of contacts that meet Sample Partners’ objective, but not their own

- **Sourcing from business brokers and buy-side brokers may be utilized on occasion, but will not receive top priority**

Detailed Overview of Sourcing Strategy

Sample Partners will utilize a variety of channels to implement a predominantly proprietary pipeline of acquisition opportunities.

Sourcing Strategy Summary		
	Pre-Launch Plan	On-Going Plan
Industry Initiative Proprietary Sourcing	<ul style="list-style-type: none"> Based on research, select three initial target industries (sub-verticals) Compile list of companies within the targeted spaces (contact info. & descriptive stats.) Utilize trade associations databases, customers, etc. to augment targeting campaign size Formulate targeted email and cold calling scripts for each space (include one-page brochure) Contact companies in target space with email/cold calling efforts Attend industry events, meet with companies that fit screening profile 	<ul style="list-style-type: none"> Apply the pre-launch sourcing plan to additional industries and sub-vertical when research indicates that Leonis has found an industry that meets its industry screening requirements Supplement cold calling campaign by speaking with intermediaries with expertise in a particular industry Meet with key opinion/thought leaders in the industries of focus
Personal & Professional Network Sourcing	<ul style="list-style-type: none"> Catalogue professional networks (JPMorgan, Lazard, Morgan Lewis, RBC & Roark Capital) Prepare post-launch email/scripting to announce Leonis Partners and its objective 	<ul style="list-style-type: none"> Email/call-on professional networks (JPMorgan, Lazard, Morgan Lewis, RBC & Roark Capital) Offer meaningful finders fee to incentivize information flow
General Marketing	<ul style="list-style-type: none"> Create website for Leonis Partners Update LinkedIn for profile and update Managing Partners' profiles Email regional small business services providers (CPA's, Attorneys, Bankers) about the launch 	<ul style="list-style-type: none"> Follow-up on initial emails to regional small business services providers Maintain and update Leonis Partners' website
Private Equity Co-Sourcing	<ul style="list-style-type: none"> Established relationships with NYC based lower middle market growth equity fund \$500mm AUM <ul style="list-style-type: none"> Fund will pass off any deals that are too small and meet Leonis Partners' requirements) Leonis Partners will pass off any deals that are too larger and meet co-sourcers needs) Establishing similar relationship with two other similar funds (Boston and Charlotte based) <ul style="list-style-type: none"> Charlotte fund likely to provide extensive database of contacts meeting Leonis Partners' objective 	<ul style="list-style-type: none"> Continue establishing other co-sourcing relationships Follow-up on established co-sourcing relationships on a monthly basis
Geographical Deal Professionals Clusters	<ul style="list-style-type: none"> Within industry initiatives determine whether a geographic clustering of businesses exist Upon identification of a clustered geographic presence, identify relevant deal professionals in the geographic area. Email deal professionals in the area to introduce Leonis Partners 	<ul style="list-style-type: none"> After identifying a cluster, identifying the deal professional in the cluster, and introducing Leonis Partners, continue a monthly follow-up dialogue with the identified contacts Continue to augment the list as additional contacts are made within a cluster
Business Brokers	<ul style="list-style-type: none"> Create list/database deal brokers Introduce Leonis Partners and send one page brochure upon launch Create a priority list of brokers (prioritize based on industry specialty and/or size specialty) Call and email the priority list of brokers to introduce Leonis Partners more personally 	<ul style="list-style-type: none"> Bulk email deal brokers on a monthly basis (include industry target, size target, etc.) Call priority brokers on a monthly basis Continue to add to list of brokers and refine the priority list accordingly



Weekly Sourcing Plan and Targets

In order to maximize the chance of sourcing best in-class opportunities, Sample Partners has put in place the following weekly plan and guidelines.

Weekly Sourcing Action Plan		
	Weekly Action	Weekly Target
Proprietary Sourcing	<ul style="list-style-type: none"> ■ Introductory email (with one-page brochure) to set of companies in targetted industry 	<ul style="list-style-type: none"> ■ 100 emails sent
	<ul style="list-style-type: none"> ■ Intorductory phone call to same set of companies in targetted industry 	<ul style="list-style-type: none"> ■ 100 cold follow-up cold calls placed
	<ul style="list-style-type: none"> ■ Follow-up email and call to reponses to previous weeks target companies 	<ul style="list-style-type: none"> ■ Follow-up cold calls placed on all reponses
	<ul style="list-style-type: none"> ■ Research on a new sub-verticals 	<ul style="list-style-type: none"> ■ One new sub-vertical identified; push down priority of less desirable sub-verticals
	<ul style="list-style-type: none"> ■ Create company mapping of new sub-verticals and compile list of contact information 	<ul style="list-style-type: none"> ■ Add 100 companies amongst three sub-verticals of priority
	<ul style="list-style-type: none"> ■ Speak with active investors 	<ul style="list-style-type: none"> ■ Speak with 1/4 of active investors every week (allows monthly contact with all active investors)
	<ul style="list-style-type: none"> ■ Set-up meetings around trade shows 	<ul style="list-style-type: none"> ■ Avoid registering for shows (reduces cost). Find attendees and cold call for side meetings
	<ul style="list-style-type: none"> ■ Speak with contacts at private equity funds 	<ul style="list-style-type: none"> ■ Five calls to co-sourcing or closely connected private equity funds
Non-Proprietary Sourcing	<ul style="list-style-type: none"> ■ Enter all new business brokers into database as identified 	<ul style="list-style-type: none"> ■ Add opportunisticly (target ten per week)
	<ul style="list-style-type: none"> ■ Email reminder: to rotating list of priority brokers 	<ul style="list-style-type: none"> ■ Email all brokers on a rotating basis of 1/4 of the entire list (list entirely covered once/month)
	<ul style="list-style-type: none"> ■ Call or email to "priority" business brokers 	<ul style="list-style-type: none"> ■ One call or email to each "priority broker"
	<ul style="list-style-type: none"> ■ Call or email priority cluster intermediaries every 	<ul style="list-style-type: none"> ■ Email or call three to four per week in each identified cluster

