BOLDVALUE®

Strategic Incentives for Growth and Succession

2023 Year-end Summary to clients, partners and friends

STRATEGIC **INCENTIVES**

LEADERSHIP. OWNERSHIP. STEWARDSHIP

LEADERSHIP
HOW DO WE SCALE

- Long Term Incentive Plans
- Synthetic Equity
- Change in Control Bonus Plans
- Nonqualified Deferred Comp
- Qualified /401(k) Plans

OWNERSHIP
HOW TO BE RESILIENT

- Buy-Sell Agreements
- Entity/Ownership Structure
- Profits Interest
- Restricted Stock & Options
- Sales to Insiders/ESOP

STEWARDSHIP
HOW TO HARVEST

- Succession Planning
- Retirement Planning
- Estate/Charitable Strategies
- Risk Management
- Investment Planning

*We Are Proud to Share Two of our **High-Impact Assignments** for 2023*

Advancing a PE roll-up strategy

Two partners of a tech savvy private equity ("PE") firm acquired complementary businesses. Then, the PE realized that unequal contributions to the respective qualified plans put the entire roll-up at severe risk.

- We explained to the PE the obscure math of ERISA non discrimination testing rules and the consequence of testing failures.
- We explored the IRS limits on the maximum "disparity" related to profit sharing contributions attributable to highly and non-highly compensated employees.
- An arcane problem required an arcane solution, namely the rarely used Qualified Second Line of Business ("QSLOB") strategy across the qualified plans.

RESULT | The roll-up is back on right track

Nuanced Incentive for a complicated situation

A $100M healthcare tech firm was facing significant risk of talent drain post-Covid. Industry norm bonuses and incentives threatened the firms' financial health and possible reduced return for shareholders.

- Navigating a delicate human capital company history, we helped identify key "metrics that matter" along with a tracking mechanism over a pivotal strategic period.
- Our custom scenario modeling was instrumental in crafting a "share the upside" nuanced synthetic equity solution tied to metric-driven sizing and payout flexibility.
- The design offered a significant pay for growth with self-correction for owner protection against surprises. Key talent was empowered for massive growth opportunities.

RESULT | Balanced incentive for peak performance and shareholder return

Harmonizing the Capital of Business and Life® **Bring Us *Your* Questions.**

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