

UNLOCKING GROWTH OPPORTUNITIES IN THE FACE OF STRATEGIC UNKNOWNNS

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What do you do when the rules of the game are changing, but your Company is not? What do you do when you see a big growth opportunity requiring investment, but you lack information to assess upside and risks?

Seasoned leaders face many technically complex issues like balancing quality and increased production while maintaining safety. Familiarity and experience handle the complexity when the information needed is readily collected.

In contrast, opportunities around big strategic unknowns are outside an organization's experience. They frequently involve revenue growth with high-stakes investments and consequences. Relevant facts are less available, and leaders have conflicting opinions. When facing complex unknowns, the probability of bad choices and poor execution increases in the absence of clear market insights.

Fahrenheit Solves Complex Problems

We help leaders successfully navigate and resolve strategic unknowns by providing market-based clarity and unbiased truths in the face of complexity and uncertainty. A few examples:

- **An industrial trading platform and supply chain technology company missed sales targets for another year.** We identified over \$10 million in unmet customer needs and created a compelling case to restructure the sales team. Sales reps shifted from being transactional with few contacts at large accounts to solution-oriented business partners with cross-functional access.
- **A manufacturer's biggest customer requested a major investment in new capacity to meet an anticipated surge in orders for fuel cells.** After assessing the accuracy of the customer's sales forecasts in the past and interviewing other players in the industry, we showed the CEO that the forecasts not achievable. Given the customers' unrealistic demand forecast with the big investment risk, we framed a negotiation for incremental production-line expansion plan with less risk and more likelihood to meet the expected market profitably.
- **A diversified utility needed to prioritize industrial segments across the US to accelerate growth in its unregulated co-gen business.** We identified a half-dozen co-gen opportunities and convinced leaders to adopt a more flexible operating model. Customers preferred custom-solutions rather than a rigid, build-own-operate co-gen model.

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- **A relationship management software firm needed to prioritize end-user segments for product development focus and growth.** Previous focus on expanding breadth of customers and products to make market outlook as large as possible had led to a scattershot and ineffective approach to product development. We created the compelling case for change to focus on the three most attractive segments.
- **A European industrial company was acquiring a US target to achieve the CEO's goal of expanding geographically and reaching new buyers.** We confirmed that the target's customers were incredibly loyal and convinced the buyer to rethink their plan to consolidate service and sales.

The Fahrenheit Advantage

We provide outside-in perspectives on your business opportunities. Leaders need unbiased and targeted insights to make high-quality decisions, align the team and build an executable action plan. Outside-in research that looks at the work from customers' perspectives generates these insights. Using externally researched viewpoints positions management to own customers' "problem spaces" and deliver win-win solutions.

Outside-in research delivers highest value when one or more of these conditions are true:

- Your industry is being disrupted, and outcomes are unclear
- You are unfamiliar with a new market or customers
- You want to understand the needs of your competitors' customers and why they don't buy from you
- You have an existing, strong customer base with flat or declining revenues
- You have not seen this type of problem before, and the stakes for the company are high
- Your industry and markets are mature, and growth opportunities appear limited
- Your markets are outside the mainstream and publicly available data does not exist
- You have hypotheses about what action to take but are unsure how to validate key assumptions

The Fahrenheit Approach

Our focused four-step approach ruthlessly seeks truth. Seasoned professionals complete our outside-in research and ask the five whys of customers, competitors, and other market players. Our clients unlock winning growth strategies by testing your team's beliefs and assumptions against unbiased realities.

1. **Engage senior leaders to define the problem, key goals, and hypotheses for potential solutions.** Since solving big strategic unknowns can have major implications for a business, focused leadership and management team buy-in are essential. Our experienced team works with yours to define the problem – specifying key goals and articulating major hypotheses to be tested – as the critical first step.
2. **Collect objective market data to test key hypotheses and assumptions.** External interviews with customers, suppliers, and competitors (anonymous to yield unbiased information) create insights. The most valuable data is raw and personal, including unfiltered quotes to avoid distortions. Customer input inspires leaders who sometimes fall into the trap of thinking about customers abstractly.

We ground your growth assumptions in these market insights. We focus on speaking to the right customers, asking the right questions and sharing interview notes with leaders to ensure key signals are not lost in translation. The best insights come from engaging your most challenging customers and customers you no longer serve.

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3. **Facilitate interactive workshops with leaders to look for patterns in the data and create key insights.**

Leadership team “self-discovery” using market insights creates understanding of the big unknowns. It is a powerful technique to achieve buy-in, particularly when capturing a market opportunity requiring major change. We facilitate management team discovery.

Data is structured to highlight both the individual customer’s experience and broader themes. This allows us to connect the dots using tangible examples. We take your team deeper than the outer layer of how your product is physically used by customers. We drive to the fundamentals of how customers’ own practices and cultures influence their choices about your products and services.

4. **Build business impact.** Enable leaders to articulate clear strategic direction, the required actions and the design metrics and goals to track execution. A customer-driven set of actions and targets shows the link between the impact a product has on customers and the value to your company. Many successful organizations further link short and long-term compensation to executing strategies that unlock game changing growth.

The heart of our outside-in research process—conducted by our skilled team—is independent and agnostic, generates fresh market insights and drives creative ways to resolve strategic unknowns. Our process is most valuable when facing complex decisions where you want to clarify priorities, pressure test aggressive forecasts, or understand a new market or group of customers. We help generate the market-based insights that create clarity and focus to unlock big strategic opportunities.

Fahrenheit's Operating Partners



Keith Pekau, (Founder and Partner)
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Keith Pekau is a founding partner at Fahrenheit Consulting Group. Keith has over 25 years of management business and government experience.

Keith has been the Mayor of the Village of Orland Park since 2017, when he won in his first run for office. He sits on numerous government and private public partnership boards of directors in various capacities. During his tenure as Mayor, he has successfully brought several best practices of private industry to the Village of Orland Park.

Keith has an MBA from the Fuqua School of Business at Duke University, graduating as a Fuqua Scholar. He also holds a B.S.E. in Aerospace Engineering from Arizona State University. Keith is also an Air Force veteran with over 150 combat hours as an Instructor Weapons System Officer in the F-15E.



David Rhoads, (Founder and Partner)
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David Rhoads is a partner, and co-founder of Fahrenheit Consulting Group. He has over 30 years of management consulting experience working with clients ranging from Fortune 100 companies to Family-owned enterprises and schools.

David's Fahrenheit clients have included education, industrial products, specialty chemicals and insurance brokerages. His functional expertise includes organization effectiveness, negotiations and compensation.

David has worked with a wide range of education clients such as: charter school networks, independent schools, state departments of education, and education reform groups. As part of this work, David has helped schools align teacher pay with exceptional teaching, meaningful student outcomes and other school priorities.

David has an MBA from the University of Chicago's Booth School of Business, a BS in Economics from the Wharton School at the University of Pennsylvania, and a BA in Communications from the Annenberg School, also at the University of Pennsylvania.



Jeff Kinsey, (Partner) jkinsey@fahrenheit-consulting.com

Jeff Kinsey is a partner at Fahrenheit Consulting. Jeff has over 30 years of management and business experience including leading P&Ls from \$5 million to \$650 million in revenue. He has also served in various functional roles

related to strategy, M&A, consulting, product development, manufacturing and marketing and has worked in companies sized from Fortune 100 companies to small private firms. He is experienced in leadership development, growth and turnaround strategies, joint venture alliances, and operational Improvement.

Jeff has an MBA from Kellogg School of Management at Northwestern, an MS in Aerospace Science from Embry-Riddle University and a BS in Electrical Engineering from University of Cincinnati. Jeff is a former Naval Aviator and carrier pilot and served as a White House Liaison Officer for the Secretary of the Navy. He has been on various industry boards and local boards in his community.

Services We Offer

Financial Modeling

- Understand short and long term financial impacts of critical decisions
- Evaluate budgetary trade-offs

Strategic Planning, Development and Evaluation

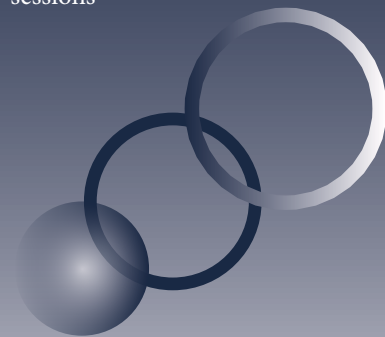
- Develop comprehensive strategic plans based on your community, values and objectives.
- Identify strategic alternatives
- Value and select alternatives

Develop Compensation Plans

- Set performance goals
- Align compensation with goals
- Negotiation support for employment agreements and public sector contracts

Execution Plans

- Implementation plans
- Communication strategy
- Documentation for public and executive sessions



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