

CGS
ADVISORS'
VISION

THE FUTURE OF OUR FIRM

CGS
ADVISORS



This is the beginning of a story of success. It is not yet complete and will be shaped by our team and our clients.

The far future has clear principles and less clear tactics. Many of the far-reaching details feel clearer than they likely are, so we have purposely held them back to allow for focus on getting started.

What is for certain is this vision is not a promise. But it clearly is a possibility for a team like CGS! It will certainly take all of us. It will likely take more of us. Let us start by dreaming together and then commit to making dreams a reality. What follows is a summary of the current dreamscape—a vision for what could be next.

LET'S BEGIN!

Before we look forward, let's consider how we got to where we are now.

Launching and Re-Launching Our Firm (2008–2018)

CGS Advisors, LLC (CGS) was founded in 2008 as a boutique strategy firm focused on assisting small and mid-sized enterprises in building market-facing growth strategies. In December 2011, CGS experienced its first transformative pivot. CGS was re-launched as a Strategy & Innovation advisory firm focused on assisting global enterprises in transforming department or market strategies. The founders and early employees leveraged corporate experiences at prior global firms to drive a broad set of services related to positioning and transforming technology-induced transformation, executive coaching, and enterprise innovation programming. The general pattern that emerged in offering these services was:

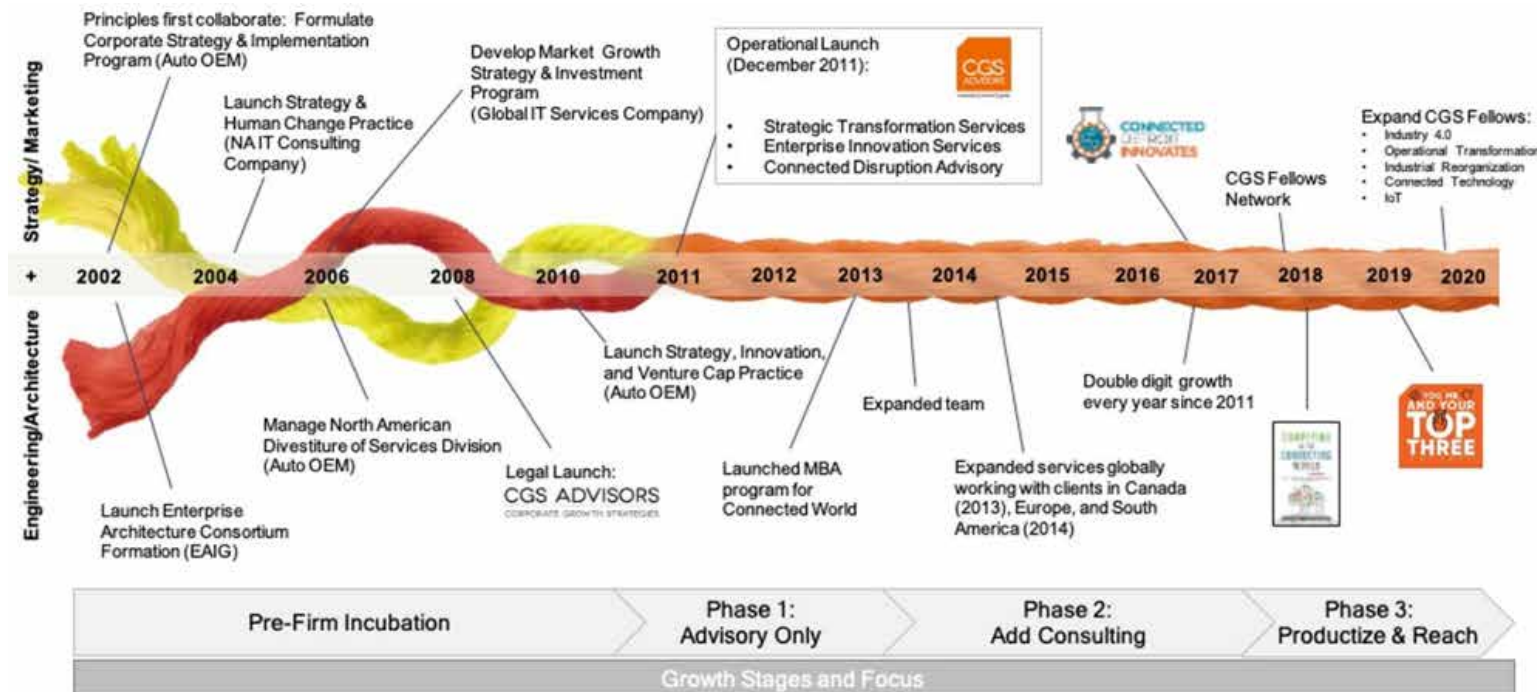
- Leverage a meaningful senior relationship (VP, C-Level, etc.) that valued CGS leadership's experience and was grounded in known trust. Use the relationship to understand client challenges, client opportunities, and, more specifically, that leader's personal challenges.
- Deepen trust and interest on the back of significant thought leadership towards industries, functional leadership, and the understanding of trends affecting a client's market (e.g., connected, enterprise innovation, mobility, etc.).
- Penetrate the account with a wedge sale to perform an assessment or small planning workshop

At the time, the firm was focused purely on advisory and program leadership services. In 2013, at the request of early clients, the firm added more traditional consulting services through retained contracts. This addition of consulting services allowed CGS to leverage larger teams to not only advise, but also to manage and deliver elements of the transformations.

Close relationships with client leaders as well as excellence in delivery cemented confidence in this newly launched advisory and consulting firm. CGS leveraged three prime accounts during this period to bring stability to the firm, while growth was created on smaller project-based accounts that ebbed and flowed.

The team grew from a handful of full-time employees to a team of approximately sixteen full-time equivalent employees with a vital mix of full-time employees, dedicated 1099s, part-time employees, and extremely low back-office overhead.

Figure 1. History of the firm



During this period, CGS faced several “sink or swim” moments and always emerged much healthier after the “correction cycle.” Through conservative fiscal management, shared risk 1099 contracts, and extremely supportive client relationships, CGS was able to grow in the 2013–2015 period to create a sustainable boutique-style company. The ability to find longer-term commitments with 6+ month retainer contracts, balanced with a mixed model of monthly reoccurring costs and well-positioned 1099 payment terms, ensured confidence in longer-term return on hires.

Our strategy and management style worked. Through 2018 we had served over thirty companies and even more corporate leaders within them. We built a team of approximately twenty people representing approximately sixteen FTE. The difference between people and FTEs was challenging but was also celebrated. We had helped our staff to grow in their lives—buying homes, getting married, becoming parents, etc. Some team members’ life changes needed more flexibility, leading them to part-time work. We flexed with our employees’ needs.

We had become a team-first firm. Later in this period, we onboarded part-time senior leaders who wanted to advise clients part-time to reserve time to do something else they loved. We added multiple new clients, started to collect our first non-service-based revenue by selling our thought leadership in the form of a book, and more.



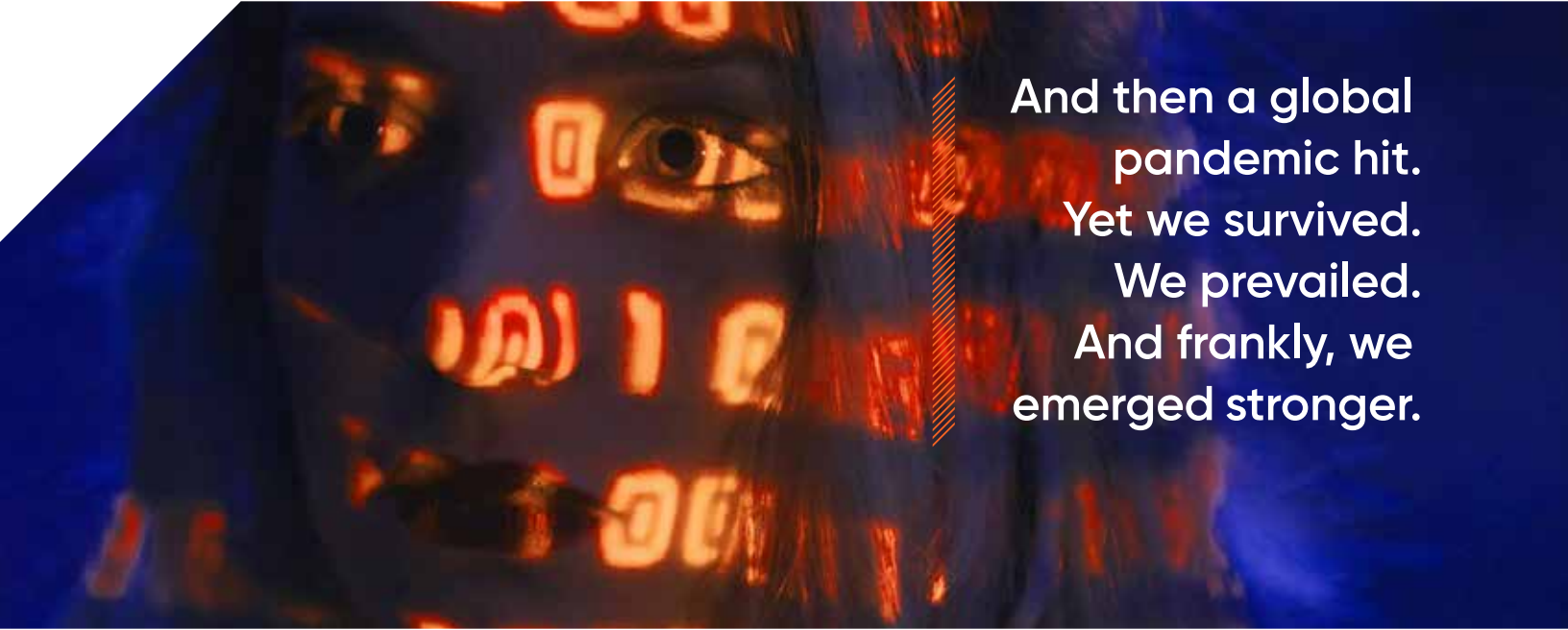
Our strategy and
management
style worked....We
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team-first firm.

Resiliency Focused (2019–present)

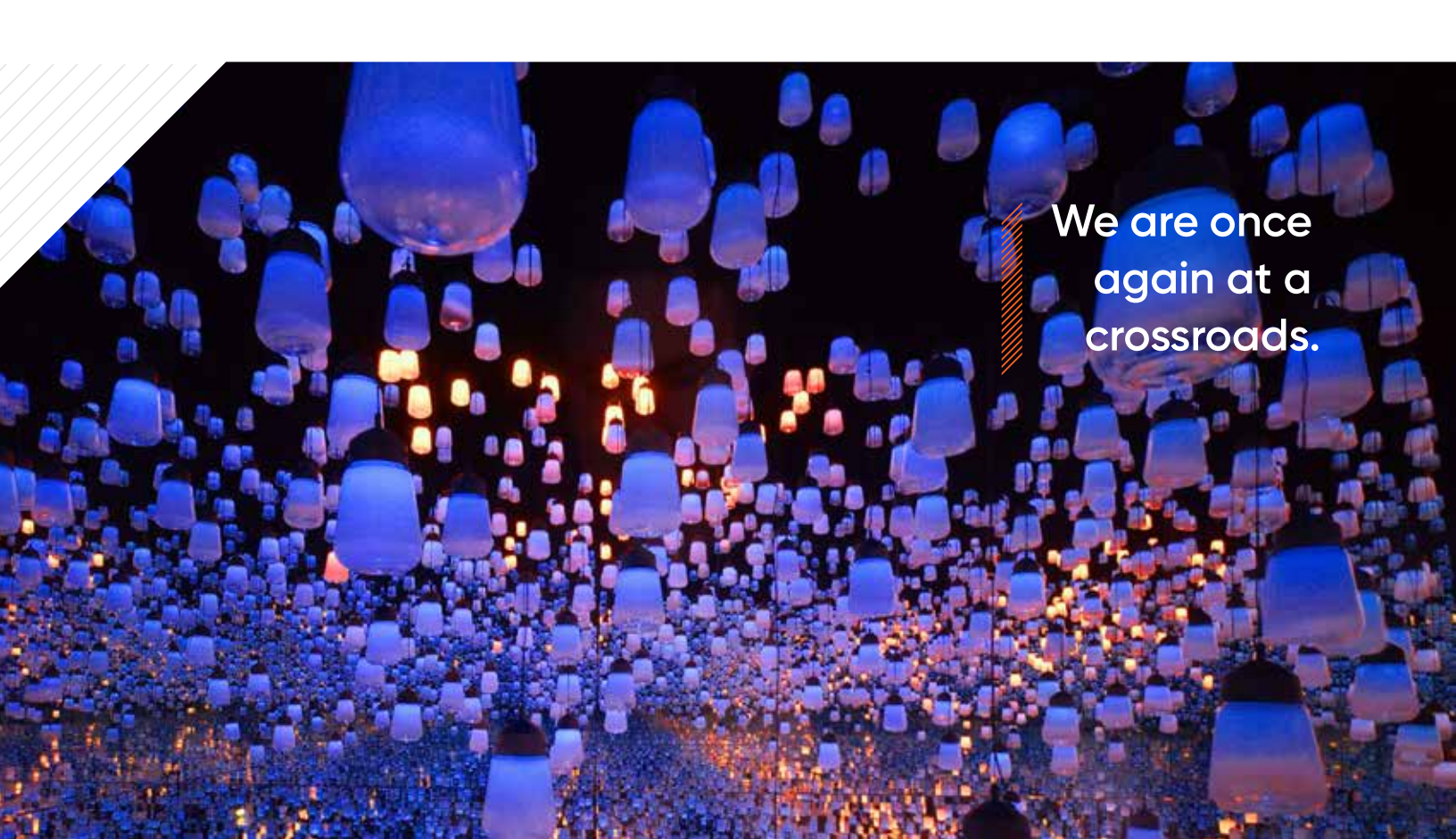
2018 turned out to be one of the best years in CGS history; however, we struggled at the beginning of 2019. We started that year in the red due to poor client communication and inaccurate forecasting of our sales pipeline. Frankly, those were some of the hardest months in our history. For a short time, we had dug ourselves into a pit that was filling with water and wondered if we had hit our third “sink or swim” moment since 2008.

Once again, we pulled out the CGS grit and kept our noses above water. We shook the trees, warmed up leads, and found opportunities. 2019 ended down from the year prior, a first for CGS; however, our efforts placed us on the right trajectory. Our monthly run rate was the highest of any time in history, and our billability was slightly above target. All indications were that 2020 was going to be the best year ever—the “step change year” for which we had been waiting.

And then a global pandemic hit. In April 2020 every client either canceled or attempted to renegotiate their contract. We had to make difficult decisions about cutting back work, shoring back time with our dedicated contractor core, and perhaps most challenging, turning away from the team growth that was supposed to get us to that next platform. Yet we survived. We prevailed. And frankly, we emerged stronger.



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Where Do We Go From Here? Imagine the Next Decade.

Because of the past several years, we have been reflecting on the next right thing for the firm. Our success to date has been made through a common vision from the core team, commitment to live it, lots of hard work and “sweat,” course correction, extreme fiscal management, and, most importantly, trusted people.

We are once again at a crossroads. Just like before, we will write our own history in partnership with our clients. So, let’s reflect on the following as a starter kit. It provides guide rails from which we cannot depart, yet intends to leave room to make it ours. Let’s go on a journey. Let’s imagine a point in time outside of our immediate control. Close your eyes and imagine CGS Advisors set 20 years from founding...October of 2028.

Here’s what we imagine...

A Vision Set in the Future

October 2028 (20 years after CGS was founded)

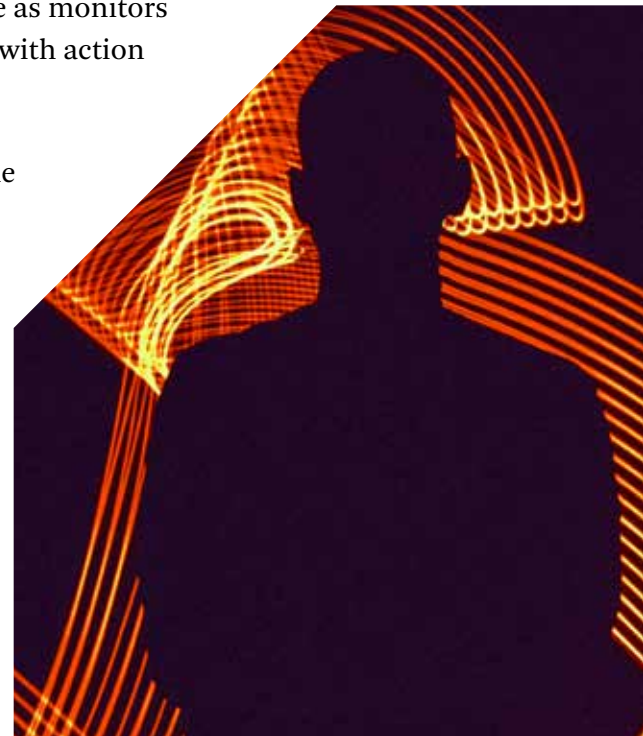
We've just walked into a gritty studio space outside of downtown Detroit. The space is alive with action. It's a working event space made for multi-modal collaboration. CGS still embraces the officeless environment; however, a lot of work now comes to the transformation collaboration space in Detroit for intensive sprints.

All around the space we see CGS, partner organizations, and clients working together. Most of them are made up of mixed groups of in-person and virtual team members coming in through screens, lenses, and hologram technologies; however, there is no delineation between those in the space and those outside.

Inspiration is all around. To the left is the “bravery” center where a group of future leaders is having their perspectives shifted through interactive programs in partnership with a progressive educational institution. To the right is the virtual innovation center where a cross-industry collaborative is workshopping virtually.

The entire experience, both physically and virtually, feels transformative. There is real-time analysis of the discussions taking place as monitors show live notes with embedded photos and videos along with action items being created in real-time.

In a collaboration conference space, a few members of the leadership team are laughing and smiling along with members of the team dialing in remotely. They are reviewing a story from the WSJ published that day. Above the fold is a major reflection of the years since the world unlocked from the Pandemic of 2020 - 2022. Below the digital fold, the paper highlights a small story about the transformation specialists who have quietly been helping to reshape several global brands. Not many would have known about this firm until that day, but our new head of Marketing and PR convinced our advisory board to share with the market more about CGS Advisors and the impressive case studies it has built over the past 20 years.



Through a series of interviews with corporate leaders and board members of market-leading companies, the story draws out that CGS Advisors has cemented its place as **the go-to firm to which leaders turn to transform their organizations to better compete in the digitally Connected World**. The story specifically highlights companies that believed in technology as both an industry disruptive force as well as a key to its differentiating success. It names several CGSers, specifically leaders of Service Lines, as trusted allies in the transformation game that is so critical for organizational competitiveness in 2028.

Several of the CGSers featured have a rich history with the firm for over 10 years. A handful have suggested that a “promote from within” tactic has allowed team members to grow the firm while matching significant life events. Another few made specific mention of the alumni rotation concept that allowed them to see CGS as a continued thread in their career journeys.

In 2021, as the world recovered from COVID, CGS set course on a multiyear vision to scale what had made the firm successful for the past decade and operationalize core differentiating capabilities over the next ten years. This effort became a “bat signal” for forward-leading transformation leaders who sought out CGS. On the back of this, we scaled the team as experts both internally and as they faced the market.

There was even a nice comment or two about CGS’ founder who is more of a figurehead these days. He retains the role of Executive Chairperson and influences the market through speeches, educational events, running a handful of CGS consortiums, and investing in spin-off endeavors. The executive leadership team even asks him to retain a small number of senior advisory relationships for some of the firm’s longer-term clients. He is quoted in the article stating, “my most notable professional accomplishment wasn’t launching CGS, but rather ensuring that it has outlived my tenure.”

There is a graphic in the article of his original vision board that was used as a catalyst for discussion in an all-hands team meeting. Below are some details captured from discussion of the picture:

Inspiration is all around.... The entire experience, both physically and virtually, feels transformative.

1. Why We Do What We Do Stays Consistent

As we turn 20, we are still very dedicated to, and are living, our mission:

CGS Advisors is a boutique strategic transformation advisory and consulting firm. We recognize how emerging connected technologies are disrupting industries and society. We assist our clients' leaders to bravely embrace and execute necessary enterprise transformation to compete in the Connected World.

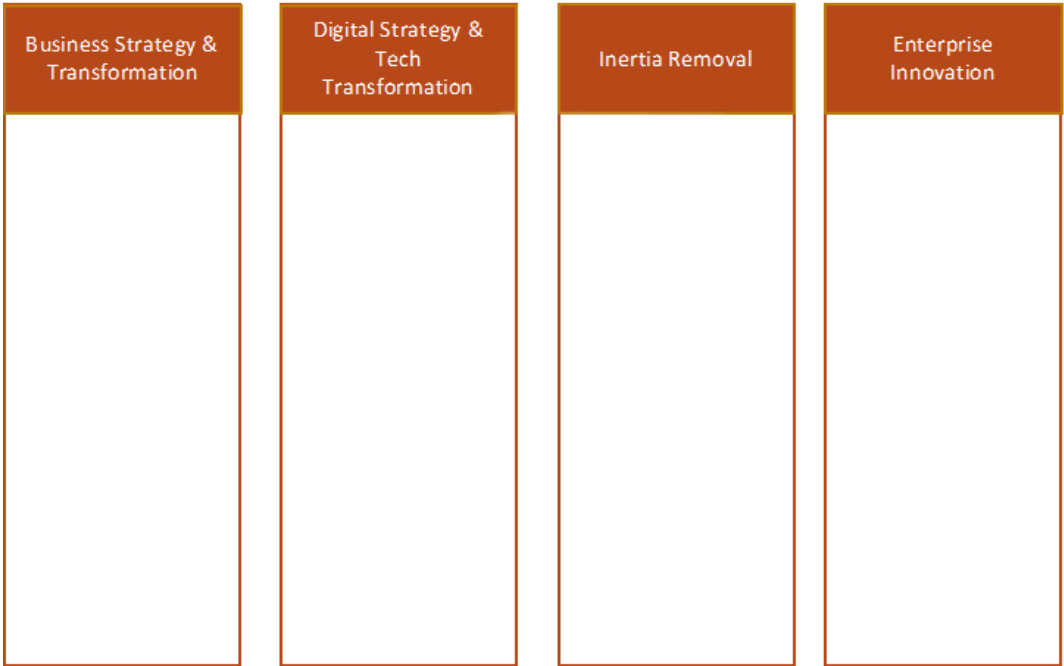
To do this, we:

- **Understand Industry Disruption.** We believe that much of the disruption will be caused by connected world technologies driving discontinuities (digitalization, I4.0). The responses to this discontinuity have broad-reaching effects – influencing political, environmental, societal, and other technological changes.
- **Focus on Enterprise Growth Strategies.** Informed by digitalization, we focus on new corporate and business strategies. We are not cost-cutting experts looking to squeeze the last efficiency from a department.
- **Transform The Organization.** Our team carries a passion to help leaders transform their organizations, resulting in assisting with designing specific capabilities, functional strategies, and operating models and organizations. We help them reach the end of the first mile.
- **Help Our Clients Embrace Innovation.** When the transformation calls for net new capabilities, services, or products, we “teach clients how to fish.”



We continue to balance advisory and consulting to meet the clients’ needs. Our services are offered through a set of interrelated Service Lines that can be seen in Figure 2.

Figure 2. Core Service Lines



Our purpose hasn’t changed since the beginning. We’re still helping leaders guide their organizations to compete more effectively in the connecting world. We’re still helping them to transform. We’re still helping them to empower themselves through innovation. And we’re still helping companies grow. We’re not here to break companies up or make them small and efficient, we’re here to expand them. What shifts is how we do this.

2. We Are Selective in our Client MakeUp

We are recognized by market-leading brands needing expertise in transforming their organizations because of major disruptions in industry.

We are recognized by many, but only available for a few customers—by choice. When we're entering these engagements, we continue to do what we've done but in different and better ways.

We drive deep and loyal relationships. A large percent of our work comes from the loyalty of our customers and the previous value we have driven with them. This is repeat business, doing different things by expanding, and ebbing and flowing in partnership with their leaders. That partnership is core to what we will be because relationships are core to what we are.

As the market continued to correct from the COVID pandemic, we expanded business with privately held companies that take a longer-horizon approach to transformation. This has us working with a broader mix of organizations, some large, others mid-sized. They choose us as their strategic transformation partner. We work more regularly with CEOs and business unit leaders—people who are responsible to transform the entire organization.



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At times, these private companies or ownership groups request we invest with them, shifting payment terms and conditions away from typical projects and into joint investments with longer-term equity payouts.

Public companies remain an important part of our portfolio. Many of them are “thing” companies still requiring transformation into the digital era. They are turning themselves into services companies or embedding services inside of their products. This type of transformation was at the heart of product companies from 2021–2028. To be effective, we work with power centers inside those companies: CEOs, CSOs, CInO, presidents, boards, business unit leaders, and tech leaders (CTOs, CDOs, etc).

We have maintained relationships with many leaders with whom we worked in the first ten years. We ensure our engagements are at the heart of the firm’s transformation, not simply refining a department.

We have also concentrated on multi-node (multi-client) ecosystems. This means we often have unique projects, sponsored by a single company but needing to bridge many. Many of our engagements occur across multiple divisions within a company and perhaps across several companies. We are in a good position to lead these unique projects due to our experiences with the Industry 4.0 Orchestration Collaborative and through the work we did in the past with Connected Detroit Innovates. At the heart of it, these engagements are about relationships. We’re not afraid of the relationship business. It’s part of our DNA and our business strategy.

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3. We Invest In our Assets & Capabilities

Our understanding of industries' and firms' interworkings has become increasingly pivotal to our success. Our wealth of knowledge and perspective significantly expanded, and we can recognize patterns in much more complex value chains and ecosystems. Dissecting and communicating across multiple functions, organizations, firms, and industries has become the norm.

Some tools and firm assets differentiating us from internal groups and our competitors in the market include:

- Predictive analytics and artificial intelligence tools informing insights, strategies, business models, etc.
- Access to, or ownership of, industry-level information sets meshing with client information for analysis.
- Access to experienced engineers specializing in cross-organizational experience design and partnership build-out.
- Bots and external services minimizing the mundane and maximizing our peoples' value.
- Staff who aren't only GSDs, but who have experience from industry and working with clients. We have doubled and tripled down on our people who have empathy for the leaders with whom we work.

We prepared for these types of differentiators early in the time horizon so we could drive our vision to a reality in the distant future.



4. How We Work Differentiates Us Even More Than What We Do

Just as we advise clients how to prepare for the future, we do so as well. We are progressive in how we work, communicate, and deliver.

A large percentage of our engagements remain virtual. Some are local or national, while others are global. We meet physically for certain workshops with clients. This mix has created a uniquely CGS virtual/hybrid environment to which we invite our clients for collaboration. This experience is heavily dependent upon our engaging, graphical, and multimedia-rich digital environment. The environment is different from client norms and competitor standards. Those working in the environment seek more not only because of the output but also because of the effectiveness of the environment.



People have
remained
the heart
of our firm.

In the strategy and transformation planning phases of transformation, our clients enjoy working with us in our environment instead of demanding we work in their space. When it is time for the execution of the transformation plan, CGS works with the client in their environment.

CGS clients and alumni can license and use the environment for non-competitive applications, allowing CGS to remain involved and relevant between engagements.

People have remained the heart of our firm, and we get the best ones to work with us from anywhere in the world. While we will continue to have a large Detroit-centric hub, we have nodes across the country and relationships across the world. This leads to a unique working environment.

We come together in our collaboration center in Detroit (a shared space) as well as places like shared office buildings, client sites, and hotels or Airbnbs, allowing us to collaborate for work and play.

Through all of this, we continue to celebrate our values which have not shifted but have been operationalized much more efficiently.


5. Our Team's Playbook and ToolSets are Standardized

Our engagements feel uniquely CGS. Just like sports teams have standard plays that athletes can use to ensure they have repeatability, consistency, and a chance to support one another, we built out our plays and made them standard. Delivery plays that reference basic models and resources (templates) make all of our engagements similar. This means a consistent look/feel, consistent methods, and consistent plays. It has been embedded into this environment in which we are working. We have taken these plays, codified them, and made them just part of the environment. The way we work at CGS is a place and a feeling.

These plays attempt to reference proprietary assets that we previously discussed (data sets, AI, etc.), attempting to make stickiness for services and leading to leave-behind services which act as perpetual revenue streams.

We leverage relationships with Private Equity and the buildout and management of consortiums to drive consistency in deal flow.

Standardization allows us to reach beyond our current set of services. Revenue reaching beyond the current constraints of people/effort allows for license revenue and potential investment in businesses with/for our clients (Phase 2), including earlier stage companies with strong financial positioning.



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6. Growing and Scaling Our People Is the Most Exciting (and Potentially Challenging) Part of CGS

Over the first decade, CGS had people stay for many years, several of whom worked together for well over a decade. Many started as young professionals, were married, and started families. Others progressed through their careers, pivoted to education or other hobbies, and found a balance between valuable work and more freedom. The second decade brought even more of that. We continued to welcome new team members who brought energy, excitement, and knowledge to the firm.

Today, we are the choice place to work for transformation professionals. People knock down our door. Our environment continues to develop our people. Seventy percent of development occurs through an experiential approach – learning on client engagements. Twenty percent is accomplished in coaching and mentoring sessions. Ten percent is achieved with a formal education program. We focus on development and win the talent war, as talent is still the core of our business.

The development of our people leans heavily on four competencies of a CGSer:

- Subject Matter/Service Line Alignment (Mentoring relationship)
- Engagement Competency/Skill Level (Formal managerial relationship)
- Internal/Firm Functional Alignment (Sales, Marketing, etc.)
- Account Leadership

To further the strength of our firm, we invest in the “pair principle” where every major job function has two people: one is responsible, and one is a developing “deputy.”

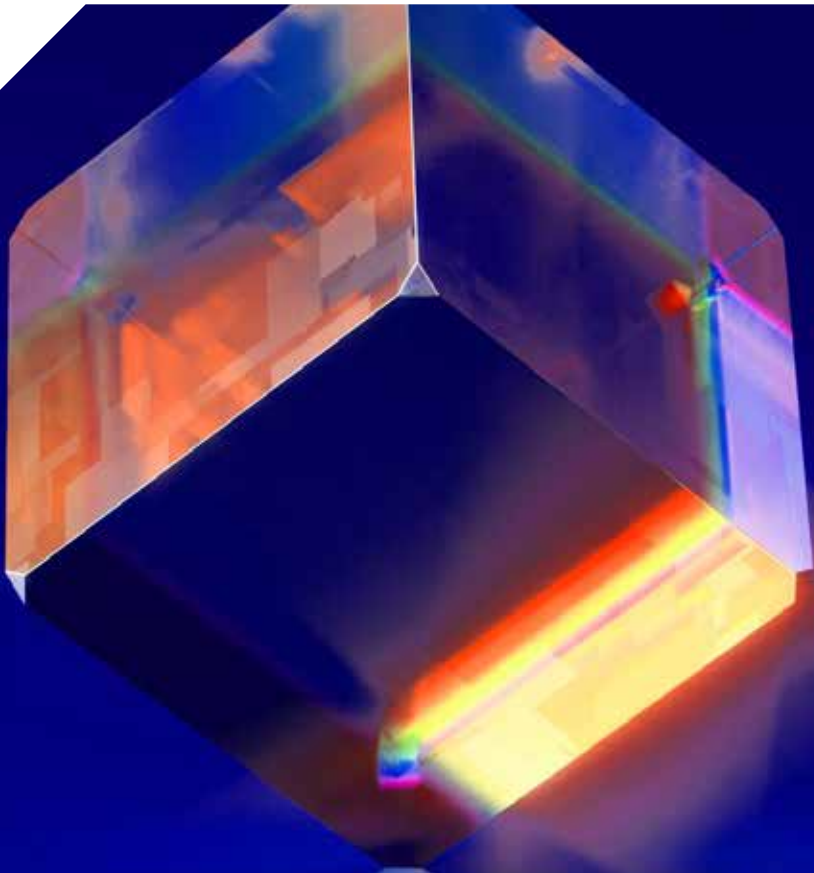
Some CGSers are here for a lifetime because of our development and flexibility. But of course, we’re going to have some who choose to depart and join our rich and strong alumni program. Alumni have become an important piece of the CGS equation as they join our clients and network. They move on to be transformational leaders, and CGS continues to work with them. Our people are at the core, and that doesn’t stop because they leave.

We have different resource types. Some focus on full-time, long careers while others are part of a flex environment that has been a staple within the firm since the first decade of operations. Additionally, there are rotational programs that move people around CGS roles. Other programs rotate CGSers out of the firm to start-ups, or “friend of CGS” firms, creating partial alumni as they go and work a transformation inside of a company and return to CGS because it’s that compelling.

7. We Scaled in the Market

We are bigger to be more sustainable. We focus on purposeful and intentional growth. There is more demand for our services than we are willing to provide to the market. We work only on transformations we deem as real and can swarm as a team. The result is a handful of large programs with at least half a dozen team members on each and several smaller teams focused on a myriad of other engagements.

Less regularly, we have one or two teams embedded in the client environment for longer periods. In total, we have doubled or tripled in size since 2021. We remain boutique, affording higher rates to clients, more flexible careers, and a diverse set of partners. Purposeful scaling is what we have achieved.



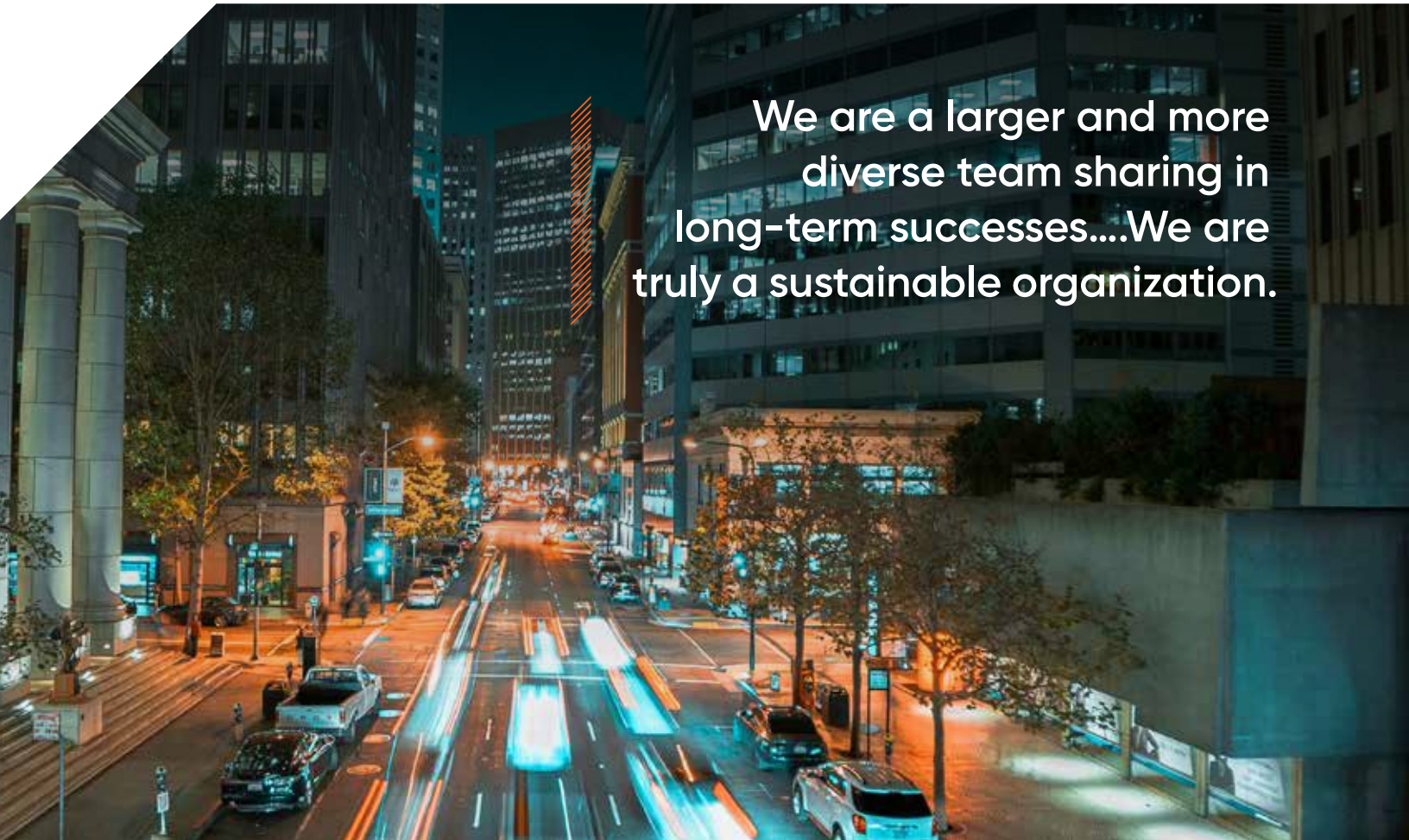
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8. There are Echoes of Our Founder


Echoes in the virtual hallways are what Gregg has achieved to protect the founder's intent. However, CGS has truly become the team's. We are a larger and more diverse team sharing in long-term successes and protecting the organization from unwarranted risk. We are truly a sustainable organization.

Our founder is both a figurehead and has assumed the role of chairman. He helps to drive market attention and works for the team managing the day-to-day operations.

To achieve this, we promoted our top talent into the Executive Leadership ranks and ensured the proper set of motivation for the those making up the core CGS team.



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A group of people are shown from the chest up, their hands stacked in a huddle. The image is heavily tinted with an orange color. In the top left corner, there are several thin, parallel white diagonal lines. The text is overlaid on the lower right portion of the image.

We are extremely hopeful to enter 2028 with consistent and profitable operations and with the ability to look back and say we achieved this vision. Yet, we are just getting started. As a friend of the firm once said, "This is not a promise, but it is absolutely a possibility." Let's make our possibilities a reality. I look forward to going on this journey with you.

BE BRAVE!

—Gregg



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