

Domain expertise - the foundation of Katalyst Partners



Executed
operational
improvements



132
locations



15% CAGR
systemwide sales

KEY ACHIEVEMENTS

- Executed a value creation plan, building a high-performing team, and **increasing revenues by \$20 MM**
- Identified an opportunity to create outsized returns **founding Katalyst Partners** on the premise that combining domain specific operating experience with strategic partners as investors results in a powerful investment combination to generate alpha

INVESTMENT PHILOSOPHY

- Identify opportunities of **asymmetric risk** to maximize returns and mitigate risks
- Pursue opportunities with **clear pathways to growth** aligned with Katalyst's direct operating expertise, and
- Deploy into each Company to **drive value and execute** on Katalyst's value creation plan.

SITUATION

Finding an investment opportunity

Katsnelson formed a search fund to acquire, operate, and scale 1 company. After reviewing over 200 opportunities, Katsnelson acquired SpeedPro Imaging, a printing franchisor with 109 locations generating \$38MM in systemwide sales with strong unit economics. SpeedPro was founder owned and operated with substantial room for operational improvements. Speedpro was rated a world-class franchise by the franchise research institute. The franchise was structured as a 3rd party system with regional developers who were contractually obligated to run their locations, sell new franchise units, and support franchisees.

TRANSFORMATION

Executing a value creation plan

As the new owner and CEO Katsnelson embarked on visits to franchisees and gained insights that led to the creation of a Value Creation Plan. He identified opportunities to improve SpeedPro's marketing, branding, online presence, point of sale system, and operational support systems. Next, he built a corporate team to execute on the initiatives. The value creation plan increased systemwide revenues by a CAGR over 15% over 3 years (2x industry) and the number of franchisees to 132.

However, significant challenges continued to hamper growth. First, the regional developers failed to sell and support franchisees despite siphoning half of SpeedPro's royalties. Second, the industry accelerated its transition away from a wholesale model and emergence of online players increasing competition. Third, market demand for owner operator franchise models dissipated.

OUTCOME

Leveraging industry and operational expertise

- Planned, built, and led a team driving systemwide sales growth of 15% (2x above industry)
- Katsnelson determined that by surrounding himself with industry experts with a keen understanding of the underlying business combined with his ability to execute a value creation plan in industries where he or operating partners have direct operating experience could create outsized investment returns. This became the foundation for creating Katalyst Partners.