

The background of the entire page is a photograph of a steep, snow-covered mountain peak. Three climbers are visible, ascending the slope. They are wearing dark gear and carrying large backpacks. Ropes are visible, suggesting they are roped together. The sky is a clear, deep blue. The overall tone of the image is cold and adventurous.

STRATEGIC PLANNING SESSION

2017

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Introduction

In early 2016, we laid out a long-term vision and plan for Summit, including targets for where we hoped to be in one, three, and five years. Some of those targets we missed, some we hit, some we surpassed, and some we changed. As we progressed through the year, new opportunities arose that we decided to pursue and some aspirations had to be delayed or abandoned in order to focus our resources. In addition, we also at times encountered unforeseen hurdles or challenges that limited our progress toward certain objectives, but that we nonetheless were able to continue to pursue, and toward which we slowly progress. Most importantly, however, we continued to move forward toward our long-term vision and end the year even more optimistic about our outlook than began. With all of that mind, we are excited to look back on many accomplishments over the last year and even more excited to lay out a plan to continue to move forward in the coming year.

2016 in Review

There is no adequate way to encapsulate a year's worth of highlights and accomplishments into a few short paragraphs, but numbers do help tell some of the story. In 2015, we celebrated our fifth straight year of double digit growth with a 52% increase over 2014. In 2016, we not only lengthened the streak of double digit growth to six straight years, we also almost matched the prior year's exponential growth by adding another 49% to our total revenue. That gave us cumulative growth of 539% since 2010. In addition, our expansion late in 2016 means that we are projecting to see similar growth in 2017. Perhaps even more importantly, we saw an almost 50% increase in commissions earned by our consulting team compared to 2015, more than tripling our commissions earned over the last three years. We are also proud to say that we continued to give more than 1% of our gross revenue to charitable organizations, not including the fees that we reduced or waived for local nonprofit organizations.

Numbers do not tell the whole story, though. Summit also expanded by bringing on new team members throughout the year and expanding our operations to include many new services. During that expansion, we also formed new divisions, including Summit Nonprofit Services and Summit Technology Consultants. The expansion allowed us both to serve new clients and also new charitable organizations through direct consulting and seminars, including the launch of the Nonprofit Training Series. That program held two seminars in 2016, with a total attendance of more than sixty representatives of local charitable organizations. Our biggest expansion in 2016 was the acquisition of Absolute Communications. For several months following the August 1 acquisition, the

team at Absolute worked diligently to integrate into the Summit model and to develop a new, combined brand. That work not only resulted in a new logo and brand standards for Summit, but also laid the necessary foundation for Absolute to begin 2017 as Summit Marketing.

Along with our new brand, Summit also saw significant progress in 2016 in building our organizational structure to better position us for the future. Summit realized a long-term goal during the year with the formation of our own charitable arm, The Summit Foundation, and with that organization receiving approval to operate as a private, tax-deductible, foundation. Summit also completed an overhaul of its divisions, moving all fee-based divisions into a single corporate entity and acquiring additional corporate licenses to expand our potential offerings under that entity. The new structure better positions Summit to grow its fee-based services while also adding future product lines to increase our client base and support long-term financial growth.

Those accomplishments, however, are most significant for what they mean going forward. We continue to focus on our long-term vision and to strive to steadily grow toward it. The following strategic plan continues to represent the same values and priorities that were laid out in early 2016, but is also updated to reflect the changes that we have experienced over the past year, both internally and externally. While we expect that we will continue to encounter many unforeseen challenges and opportunities we are nonetheless confident that this plan will provide a relevant and flexible guide for us to navigate the coming year and enter 2018 even closer to realizing our vision.

Current Structure

Map of divisions and strategic consulting services within The Summit Companies



Long-Term Vision

Over the course of a number of years, any business is expected to experience numerous external and internal changes that will affect its daily operations and business model, and we certainly expect that Summit will see many changes in the coming years. However, we are also committed to maintaining a steady long-term focus so that we can properly build on our prior successes and expand our potential impact. In order to ensure that we continue to remain focused on the right priorities, Summit has laid out the following principles of what we are trying to accomplish, how we believe we can accomplish it, and what we hope to become in the future.

Summit’s Definition of Success

- To have a growing team of individuals who are personally, professionally, and financially enriched from their involvement with Summit
- To have an expanding client base of for-profit and charitable organizations who see significant improvement as a result of the support provided by Summit
- For our constituents to recognize a reflection of Christ in the actions of Summit as an organization

Summit’s Strategy for Success

Mission

To build a team of knowledgeable and experienced individuals who are passionate about serving others, to provide that team with the most rewarding professional opportunities possible, to help client organizations maximize their potential, and to foster positive corporate citizenship in our circle of influence

Business Definition

Summit is a full service business advisory firm that provides access to the expertise and resources necessary for organizations to address and resolve the challenges they face in creating and executing customized operating and strategic solutions to achieve their goals.

Strategic Anchors

- Protect strategic consulting as our core identity and brand
- Prioritize long-term financial stability over volatile or risky high-profit opportunities
- Constantly seize opportunities to demonstrate our capabilities, with a willingness to sacrifice the guarantee of short-term revenue to create more loyal clients and advocates
- Overinvest in people and resources whenever it improves our brand and adds long-term stability

Organizational Values

- Only pursue business opportunities that align with our ability to meet the needs of current and potential employees
- Only accept profit on a job when we have delivered value
- Only seek or accept public credit when it helps further our mission

Individual Code of Conduct

- Endeavor to exceed expectations at every possible opportunity
- Be equally passionate about learning from and sharing your knowledge with others
- Treat every indication that you give with the weight of a promise
- Strive to respond in a timely manner to all communication
- Enjoy making a difference, even when no one else knows
- Recognize, correct, and address your mistakes before you are asked to

Summit’s Vision for the Future

Vision Statement

For Summit to be the leading business advisory firm in our region, the most desired place of employment for experienced consultants in our area, the leading provider of professional support to local charitable organizations, and a driving force in addressing the most pressing needs of our community

Results/Impact

- Consistently having a measurable impact on the success of our clients
- Providing staff with fulfilling and engaging jobs that offer pay and benefits among the most competitive in our market
- Serving every worthy charitable organization in our market who needs our services, regardless of their ability to pay
- Having a significant long-term impact on families and communities under economic hardship

Capabilities/Strengths

- Ability to offer any qualified professional with marketable knowledge the resources to build a profitable and fulfilling book of business
- Being well-known and well-regarded throughout the region as a valuable provider of strategic planning services, innovative solutions, and practical resources
- Ability to efficiently meet all strategic advisory needs of prospects and clients through our internal team and close business partners
- Being a regional leader in every business specialization that we offer
- Having recognized expertise in every major area of business

Structure

- A collection of business units collectively covering all major areas of business strategy
- Individual strategic leadership of each unit and representation of each on a collaborative management committee
- A thriving foundation, integrated into operations, actively supporting local and global causes
- A sustainable leadership development process and employee ownership model for business excellence and continuity

Key Processes/Resources

- Customized education program that offers all team members updates and technical knowledge for their specialties as well as general education in business and social entrepreneurship
- Active internal networking and referral system that allows for rounding out accounts and generating new business for team members
- A comprehensive continual improvement process that engages all team members
- Coordination of all teams through a proprietary model of business processes and strategy
- Office(s) that accommodate multiple teams and offer professional meeting and training facilities

Products/Services

- Packages of services and solutions for both specific business needs and specific industries
- Comprehensive training center offering classes and series for all major areas of business strategy
- Publishing of books and workbooks on strategic planning and related business topics
- Subscription-based strategic planning software customized to our planning models
- Incubator resources for nonprofits and start-up businesses

Situational Analysis

As we reflect on our long-term orientation, we must also identify and execute specific steps that will move us toward the organization that we envision becoming so that we might ultimately have the impact that desire. Entering our twelfth year, Summit has grown significantly from our early days and has transformed much of our structure, offerings, and identity since our founding. That transformation continues to this day, and while our underlying values and character may be consistent, our strategy for success must adapt to stay relevant in a new operating environment. This analysis is a survey of the key external and internal factors that we have identified which will play a role in the strategic steps that we take in the coming years and should continue to be considered as our plan is executed and updated.

Environmental Considerations

The following are external factors that are expected to play a large role in shaping the business environment in which we operate, including potential demand for our services, available resources to grow the business, and regulatory limitations that must be navigated.

Local Market Conditions

- Few large consulting firms in our market
- Most local large consulting projects performed by out of town firms
- Wealth of available consulting talent
- Aging leadership/ownership of local insurance agencies
- Rapidly changing business environment

Regulatory

- Insurance rebating policies limit how we combined consulting with insurance
- Certain professions present licensing restrictions that affect marketing and packaging
- Insurance commissions cannot be assigned to non-insurance entities

Internal Considerations

The factors listed below are internal considerations that result from our current position as an organization and are expected to remain accurate and relevant over the next three to five years. These will shape our ability to be able to best operate within our market environment and should be considered as we evaluate potential paths to move forward as an organization while still protecting our core business.

Business Model Factors

- Our financial stability is dependent on a commission-based model that requires significant employee autonomy
- Attracting and retaining top talent is dependent on protecting employee autonomy and paying high commissions
- Products and solutions provide more consistent revenue and easier entry than consulting
- Consulting services provide stronger long-term relationships

Situational Factors

- Limited financial resources compared to regional competitors
- Current team is spread out geographically and many are part-time

Building Blocks for Future Success

Summit is fortunate to have many key strengths upon which we can build for the future. The list below is in no way exhaustive, but rather represents selected strengths that are expected to play an important role in decision-making and need to be considered when opportunities for future growth are considered.

- Uniquely valuable team
 - Practical experience and recognized credentials
 - Strong reputations and networks
 - Intrinsic commitment to the mission of Summit
- Strong advocates and partners in our community
- Broad internal administrative expertise
- Flexible corporate structure
- Mergers and Acquisitions experience
- Significant additional capacity with existing systems and support staff
- Loyal client base

Areas with Room for Improvement

Along with our strengths come weaknesses, and while some cannot be easily addressed, others point to areas with significant room for improvement. The areas covered below are a sampling of capability limitations which are current affecting performance or are expected to affect it in the future, and which we feel are within our resources to address in the near future.

- Increasing referrals among team members
- Consulting gaps and lack of depth
- Poor marketability of new offerings
- Limited packaging of services
- Lack of sustainability of all divisions
- Lack of centralized office space
- Top-heavy client base

Long-Term Goals

Based on the information gathered and communicated through the Situational Analysis, we have identified a number of long-term goals that we will strive to accomplish over the next three to five years. We feel that these goals represent the most impactful steps that Summit can take to move toward our long-term vision, in light of our current position and operating environment. Summit’s long-term goals are structured around the key capabilities and resources that are necessary to allow for sustainable success. The umbrella goals are written generically and together cover all broad categories of critical processes. This method allows for the parent goals to stay consistent year after year, while the supporting actions under each are updated to reflect Summit’s progress and changes in the operating environment.

Provide a strong and sustainable structure to support operations

1. Implement continual strategic planning processes for each Summit team and coordinate all processes with each other and with the overall Summit strategic planning process
2. Acquire business entities with sustainable books of business in areas that fit within or complement Summit’s advisory services
3. Bring more people into organizational leadership and implement stronger succession planning
4. Move into more centralized office space in Tri-Cities
5. Establish a more permanent office in Knoxville
6. Design or purchase client software to support strategic consulting engagements
7. Improve IT infrastructure to be more scalable, secure, and capable

Build and maintain a productive team

1. Add additional consultants to the team to fill any major strategic expertise gaps, to build stronger internal networks for collaboration and referrals, and to add depth in areas where needed to meet demand and to protect business
2. Implement stronger internal practices to help strengthen relationships between team members, including better awareness of each other’s skill sets and needs and more interactions to build better teamwork
3. Implement a formal continuing education process that helps build technical knowledge, keeps employees up to date on innovation and regulatory changes, and teaches sales and client management skills

Develop marketable product offerings

1. Build new packages of offerings which combine different services into set monthly fees and can be tailored business to different sizes and phases of business
2. Develop industry-specific programs and better market existing offerings to better attract target industries
3. Put together full and customizable marketing kits for each key business offering

Maximize sales opportunities

- 1. Significantly expand content production, including white papers and electronic content
- 2. Develop formal system for cross-selling and rounding out accounts
- 3. Implement more consistent referral processes, including formal networking meetings and better information sharing on current accounts and client needs
- 4. Formalize the business development process with more access to prospect data and better visibility of prospecting and client activity across divisions
- 5. Continue development of online assessment tools and launch full assessment tools that are suitable for both for-profit businesses and not-for-profit organizations
- 6. Increase general marketing and promotional efforts

Convert sales opportunities to profitable business

- 1. Build out formal assessment processes for prospects in all divisions
- 2. Formalize proposal development and business conversion process

Deliver value to clients and build long-term relationships

- 1. Implement client portals and begin to use on all possible engagements
- 2. Finish development of Summit capabilities model and build into a proprietary strategic planning model

2017 Strategic Plan

Although we feel that all of the long-term goals listed in the previous section are worthy of our pursuit, we also recognize that not all of those goals can be pursued at one time, nor or all feasible for us to complete at this time. As a result, we have also identified the elements of our long-term goals that we feel should receive the most focus and resources over the next twelve months and have organized them into a strategic plan for 2017. The Strategic Initiatives are the heart of that plan and represent the primary strategic changes that we hope to accomplish during the next year. In addition to those are other goals that do not fit into the initiatives but that we also are committed to pursuing. We hope and expect that additional progress will be made in at least some other areas of the long-term plan that are not addressed below, but that progress will depend on the resources and opportunities available after the priorities identified here.

Strategic Initiatives

Initiative 1: Strengthen the individual team units as standalone companies

Rationale: As a growing company, building a sustainable book of business is critical to Summit’s long-term success. With the market that we are in, building that book of business on fee-based services alone would be extremely difficult and risky. The unique structure and design of our organization allows us to address that limitation by supplementing fee-based services with income from strategic services and solutions. At the same time, this cannot be done at the expense of our identity and brand as a primarily advisory organization. In order to navigate both considerations, each of the individual divisions under Summit must have a sustainable brand and business model that allows it to compete favorably with other organizations with similar specializations. Building those individual models in turn requires strategic focus in each area, in addition to the strategic guidance provided by the overall strategy and leadership.

Elements:

- 1. Clarify the individual brands of each division and communicate how they fit in within the overall structure and next to the sister divisions
- 2. Establish strategic leadership of as many divisions as are possible
- 3. Establish a regular leadership team meeting that includes each of the division managing directors
- 4. Benchmark each individual brand against regional leaders and identify how Summit’s corporate resources can best be utilized in its value proposition

Initiative 2: Increase engagement among team members

Rationale: Summit’s value has always been and will continue to be primarily derived from the knowledge and ability of its team, both the consultants interacting directly with clients and the support staff working with them. In addition, one of Summit’s unique strengths is the diversity of its team members and their eagerness to work with and learn from each other. That strength, however, cannot be fully utilized if the team has only limited interaction with each other. Because of our wide footprint and flexible model, historically our team has worked less with each other than most similar organizations. If we can address that, it will help us to better translate the strength of our team into more successful client engagements.

Elements:

- 1. Transition all possible team members onto unified systems for document sharing, project management, and contact management
- 2. Formalize the onboarding process to improve adoption and incorporation of all systems by new team members
- 3. Hold regular sales and networking meetings
- 4. Produce and disseminate full customized bios for all team members seeking to pick up new business
- 5. Implement a flexible system for tracking and communicating team member capabilities, availability, and referral requests.

Initiative 3: Raise awareness of Summit in our market

Rationale: Certain business offerings, such as commercial insurance, feature sales models that are largely dependent on sales personnel and prospecting. Businesses focusing on such offerings can build a strong sales pipeline with limited branding and marketing. However, fee-based advisory services are traditionally initiated through networking referrals and requests from potential clients who have already identified their need for such services. In order for Summit to build a successful pipeline for those fee-based services, we must both educate the market on the value of the types of advisory services it provides and also increase our name recognition within that same market.

Elements:

- 1. Provide strategic planning and advisory services to well-connected not-for-profits in our area
- 2. Complete the overhaul of the Summit website and improve SEO for all target offerings
- 3. Increase engagement on social media, including informational content production
- 4. Pursue selected print and digital media opportunities for multiple divisions
- 5. Improve utilization of local news media resources and opportunities

Initiative 4: Formalize sales and service processes

Rationale: Successful consulting engagements are dependent both on the previous experience and knowledge of the consultant and on the processes and resources that they bring to the engagement. While all of Summit’s consultants offer the former, many have limited or no previous consulting experience when they come to Summit. As a result, the initial engagements can be less efficient and effective than they might otherwise be while the consultant develops his or her own processes to organize the project. This also is true of the sales process itself until the consultant establishes an information-gathering and proposal process and templates. While the necessary resources for each consultant will be somewhat unique to each consultant, enough of those resources are similar for there to be significant value in generating templates and processes that can be used across all divisions.

Elements:

- 1. Complete full organizational assessment template
- 2. Use assessment template to build online assessment tools
- 3. Build informational gathering templates and checklists for multiple divisions
- 4. Revise and formalize proposal templates

Other Goals for Year

The goals listed below do not fit neatly into the initiative provided above, but they are equally important parts of the strategic plan for 2017. These goals are also distinguished from the initiatives by the fact that we are either already pursuing them as ongoing objectives or that they will require less elements to accomplish than the Strategic Initiatives

- 1. Integrate Summit Foundation into operations. Our goal is to give individual team members the ability to be able to direct part of the revenue that they generate to the Foundation and then to have significant involvement in determining how those funds are used.
- 2. Make significant progress toward consolidating the Tri-Cities offices. We are seeking to move all personnel in the Tri-Cities area into a single building that is in a location that will be reasonably convenient and also allow us to protect our current strong network partnerships.
- 3. Identify and make significant progress toward acquiring a large book of business in one of our focus areas. We are exploring the possibility of acquiring either a book of fee-based consulting services and/or a book of product-based income, such as commercial insurance. In either case, we are looking for a viable business that could be made more profitable and effective by utilizing the Summit structure, and that will help strengthen our brand.
- 4. Bring on additional consultants. The growth of our consulting team is a consistent area of focus. Specifically, in 2017, we are look to grow by filling a couple of capability gaps, such as legal expertise and programming, build more depth for areas of high demand, such as Human Resources, and grow our Knoxville market past critical mass to allow for more organic growth in the years to come.

Making Our Vision a Reality

While 2016 was momentous year for Summit, we hope and believe that 2017 will see even greater progress and growth. That growth, however, will be measured not by revenue or profit alone, but by the impact that we are able to have on our team, our clients, and our community. Measuring success in those areas may be more difficult than looking at a financial statement, but we are nonetheless confident that if we become the organization that we have the potential to be, that those fruits will be evident.

We also bear in mind that while strategic plans are a critical tool for organizational growth and success, on their own they can do nothing to bring about change. Ultimately, the success of a strategic plan is measured not by the document, but by the results. We present this document as a kick-off to the year, both laying out a plan to move forward and also providing a tool for accountability. We have no doubt that unforeseen opportunities and challenges will present themselves during the year, and we are committed to remaining adaptable enough to revise our plans as needed to reflect those circumstances. Those changes, however, cannot serve as an excuse to not move forward. While the steps may change, our destination should remain the same, and we expect to end 2017 closer to that destination than we began. We look forward to moving their together.



Your Business. **Elevated.**