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**Reference:**

FAQ

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**From:**

Advanced Development

**Date, Place:**

08.07.2009, Bucharest

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**To:**

WHOM IT MAY CONCERN

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## Frequently Asked Questions

### **What is turnaround management?**

*The process of evaluating an underperforming business to determine the cause of its problems, developing potential solutions to address the problems, selecting and implementing the appropriate strategies and course of action, and making corrections to the plan as circumstances warrant.*

### **How much will it cost?**

*Cost depends on the scope of the engagement and may be charged on an hourly or fixed fee basis. Our rates are very competitive within our industry. More importantly, we believe that our work will provide savings or benefits that will more than offset our charges.*

### **Does Advanced Development bring money?**

*No. Advanced Development's policy is to avoid taking an ownership or creditor's position with its client companies. We must remain neutral in our client relationships to avoid conflicts that might limit the remedies available to address your issues.*

### **If I am going broke how can I pay that much?**

*Advanced Development will not accept an assignment unless we are comfortable that we will provide value well in excess of the professional fee involved. Our reputation in the market is based on providing superior service at a very fair price. We value that reputation and will not do anything to put that reputation at risk. Accordingly, it is fair to say that if a company needs our services, they cannot afford not to hire us - and it is almost universally true that it is better to hire us sooner rather than later.*

### **If Advanced Development doesn't bring money, where will the money come from?**

*Advanced Development has extensive contacts in the lending community and can replace your current lender, if appropriate. More importantly, new debt is but one solution for a funding shortage. We will work with vendors to improve your payment terms. More importantly, we will improve cash flow by lowering inventory, speeding up receivable collections, and by selectively selling off fixed assets.*

**I have personally guaranteed my company's debt. How can I avoid having those guarantees enforced?**

*Consider these possibilities: First, an alternative lender, or even your current lender, may agree to a loan structure that doesn't require a guarantee. Second, you can improve the financial condition of your company to avoid exposure on the guarantee. An answer to your question probably is a combination of the two wherein the lender may forego the guarantees if it is confident that you are making progress in stabilizing your business.*

**If I have to cut back operations, how will I handle the media?**

*Advanced Development is skilled in media interaction and will either perform this function for you or guide you through the process.*

**Does Advanced Development guarantee success?**

*Unlike consultants who look for low-hanging fruit on which they can get a quick return, Advanced Development focuses on the core issues relevant to long-term financial performance. Success, if defined as attainment of mutually agreed upon objectives, is usually attainable but never guaranteed. The difficult part is to agree on objectives. For example, it may be best to liquidate your assets rather than stay in business. Our analysis will help you make that decision and to set attainable goals for its execution. We then can execute your decision with a reasonable certainty but no guarantee of achieving your goals.*

**Is Advanced Development hiring additional professionals?**

*We are not seeking additional professionals at this time, but we maintain an active resume file in the event our needs change. At times our clients are in need of personnel to fill key management roles and if that need should arise we would be happy to supply your resume for review by the client.*

**What types of organizations hire Advanced Development?**

*Advanced Development has been employed across the entire spectrum of organizational entities. Public and private, profit and non-profit, large and small, business sectors.*

**How does your fee structure work?**

*Our fees are based upon a number of factors:*

- 1. The resources required to accomplish the objective.*
- 2. The amount of time required.*
- 3. Whether the assignment can be completed on a full or part time basis.*
- 4. The value of the service to be provided.*

**Can I obtain more information about possibly employing Advanced Development without any commitment?**

*Yes. We would welcome the opportunity to discuss how we may be of assistance without any obligation on your part. Call +40-21-409.28.28 .*

**I am concerned with how it may look for me to get outside help. What are your thoughts on potential backlash?**

*Quite often a fresh pair of eyes without any influences is exactly what is required to fix an organization. That fact is rapidly becoming conventional wisdom and therefore part of most "go to" solutions.*

**Do you do forensic accounting?**

*Advanced Development does not provide forensic accounting services. In many cases what is actually needed is sophisticated fraud investigation, analysis and documentation. When necessary we call on our network of professional resources for forensic accounting and other services beyond what we provide.*

**Do you provide strategy consulting?**

*Evaluating a client's strategy is perhaps the most important aspect of an organizational assessment. In many cases it is necessary to refine the strategy to reflect changes in the market and/or constraints related to the resources available to the client. This is an area of specific expertise for Advanced Development professionals. A sound strategy is critical to developing and executing a successful turnaround plan. Accordingly, assessing a client's strategy and recommending changes, if necessary, is central to our work for most clients.*

**What makes you think you know anything about my industry?**

*We have industry specific experience in a wide range of industries. However, in most situations it is more important to the client to have consultants who understand strategy, operations, finance and organizational issues in a global sense, across a broad range of industries and situations. Advanced Development 's professionals are senior level with objectivity and experience relevant to virtually every business situation.*

**Why do I want someone who works with sick companies? I want someone who works with winners.**

*Much of our work is for strong companies that require an objective third party assessment of what the company is doing well and what the company is doing less well. This type of work is often for investors, financial institutions and Boards of Directors. Hiring Advanced Development is an indication of commitment to maintaining and/or improving business performance. Also, our experience with underperforming companies makes us experts in identifying the root causes for underperformance. Even winners can have functional areas or business units that are sub-par. In fact, many very successful companies are strong enough in one or more areas to overcome or disguise significant weakness in other areas of the business. Identifying and correcting those areas of weakness can provide significant long term benefits to the business, its managers, and its owners.*

**Can I pick the specific consultant(s) on the project?**

*Advanced Development generally brings a team approach to our work with clients. We will work with you to develop the team most appropriate for your specific requirements.*

**Will you take payment in kind (barter, equity, notes payables)?**

*We will consider alternative compensation structures involving equity and/or success fees.*

**How long will it take you to diagnose and solve my problem?**

*An organizational review/assessment typically takes anywhere from 6 weeks to 3 months, depending upon the complexity and size of the business and the issues to be evaluated. The time line for implementing corrective action, if any, will vary depending on the specifics of the plan.*

**Why should I pick Advanced Development instead of a smaller firm to whom I will be a more important client?**

*Every client is equally important to the professionals at Advanced Development. Each Advanced Development professional has significant consulting and management experience and each client is the top priority of the Advanced Development professionals who work that client.*

**Why should I pick Advanced Development instead of a national firm which has greater resources, experience, and expertise?**

*Each Advanced Development professional has significant consulting and management experience. Larger firms may have more people, but they do not have more expertise. Our business model is based on being a low overhead mid-sized firm serving the middle market. We do not have a large enough employee base to staff the operating turnaround of a Fortune 500 company, but we are the ideal resource for middle market assignments.*

**The larger firms charge more, they must do better work.**

*Larger firms must charge more to cover the overhead required to maintain employees in reserve to staff mega projects as they become available. The big firm's higher overhead does not translate into better work; it simply means that they must charge more.*

**The smaller firms charge less, they must be a better value.**

*Advanced Development uses a low leverage, low overhead model in which each consultant is a professional. That means we provide superior value to our clients.*

**Can you give me some references to check out before I meet with you?**

*We will be pleased to provide additional references at the appropriate time.*

Advanced Development