



# Operational Value Report

Client Name

**Presented by:**

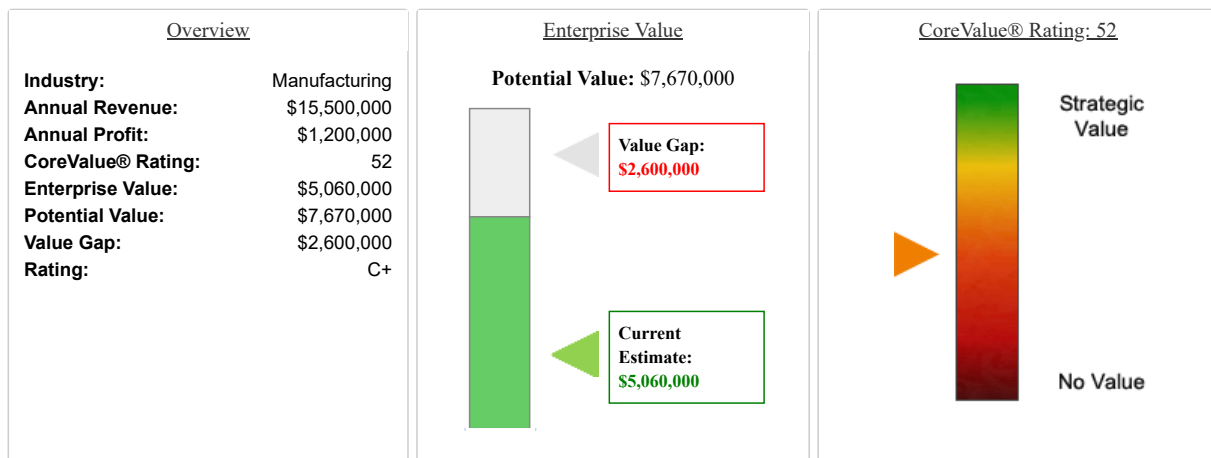
Advisor Name  
Sample Agency, LLC  
advisor@firmname.com

**Prepared for:**

Joe Client  
Company Name  
November 14, 2018

## Executive Summary

- Test is a business in the Manufacturing industry with annual revenues of \$15.5M and EBITDA of \$1.2M.
- The business currently scores a CoreValue rating of 52. The business has an *Enterprise* (current) value of \$5.06M and a *Potential* value of \$7.67M. We calculate a *Value Gap* of \$2.6M.
- We found 6 *Red Flag* issues associated with drivers: Operating Reports, Risk and Insurance, Tax, Roles & Responsibilities, Team Functionality, and Litigation.
- We found the following top 5 *Critical Drivers* that are contributing to the majority of your *Value Gap*: Financial (Gap: \$442K), Product Differentiation (Gap: \$270K), Large Potential Market (Gap: \$266K), Margin Advantage (Gap: \$227K), and Operations (Gap: \$210K).
- We offer 24 *Suggested Tasks* (see below) to help you close your *Value Gap*.
- Currently, there are no documents in your due-diligence vault.



This is how the market will view your business at the highest level based on the industry in which you operate, the past financial performance, and expected future operational performance with no changes or investments.

*Enterprise Value* is a measure of your business value based on what a theoretical buyer would pay after conducting thorough due diligence. The Enterprise Value is calculated based on an algorithm, which includes industry normalized trading ranges, financial performance, and the CoreValue Rating. It does not take into account any balance sheet adjustments.

*CoreValue Rating* is a measure of how dependably a business can operate and generate future revenue and profit at or above its current rate. The Rating is scored from 0-100 and is divided into Market Drivers (external in nature) and Operational Drivers (internal in nature). Businesses with a Rating below 30 are at risk of having little or no value, and businesses above 80 have significant strategic potential in a sale or transfer.

## Red Flags

*Red Flags* are important issues or "watch outs" that can negate all the value in your business. If you are trying to raise capital or sell the business, these are the types of issues that will bubble up during due diligence. They are the major reason half the businesses never make it through the due diligence process. For those that do make it through due diligence, the majority take a significant hit in price and negotiating terms when these issues are present.

Based on your responses in your workbook, the table below lists specific red flag conditions we believe are harming your business value. Be proactive and work to eliminate all your red flags. The interactive CoreValue application will recommend tasks you can do to remove each red flag and track your progress.

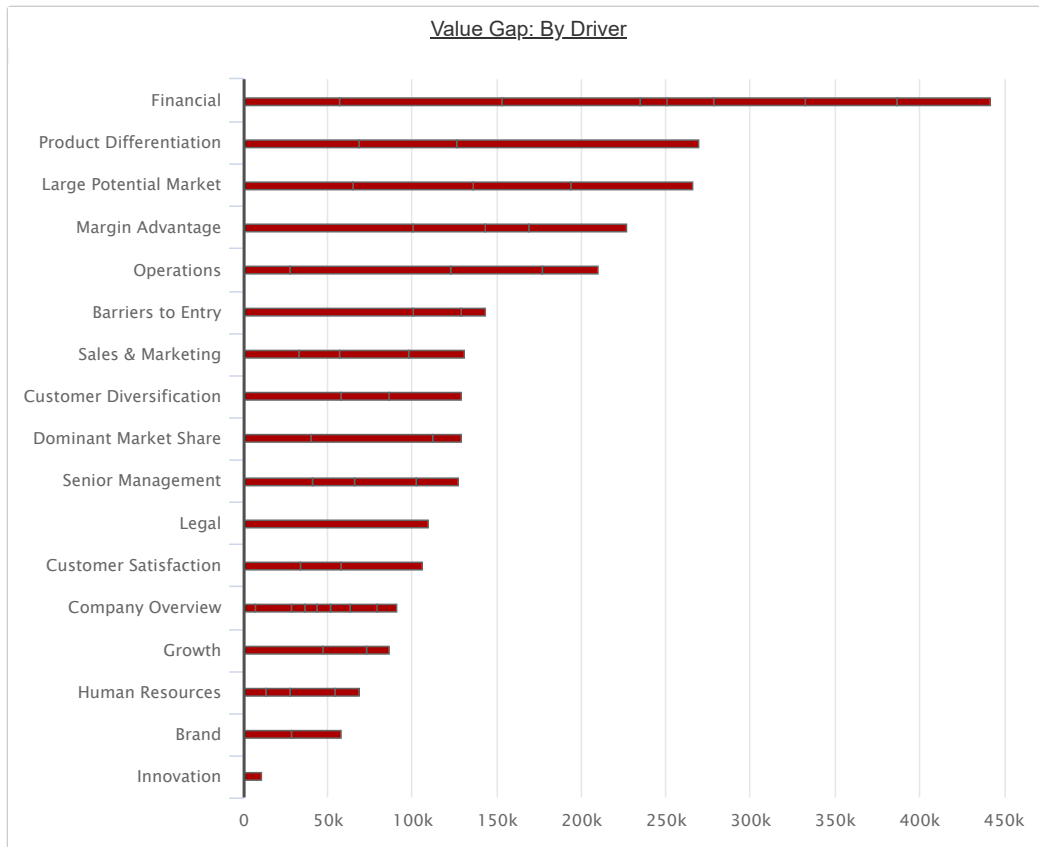
Here are the red flag conditions we found in your assessment:

- **Red Flag: Operating Reports**  
Valuable businesses use operating reports in addition to financial statements to track performance. The absence of operating reports is a signal that your company doesn't understand and value the key drivers of your company's performance.
- **Red Flag: Risk and Insurance**  
If you're not sure that you're protected from big exposures, such as environmental liability, others will be reluctant to invest in your company's future.
- **Red Flag: Tax**  
Unpaid taxes can bite you, and investors know it.
- **Red Flag: Roles & Responsibilities**  
Unclear senior manager roles and responsibilities is usually a sign of deeper issues within an organization.
- **Red Flag: Team Functionality**  
A dysfunctional senior management team is usually a symptom of deeper issues within a company.
- **Red Flag: Litigation**  
Nothing can kill the value of a company faster than legal issues.

## Value Gap Analysis

*Value Gap* is the difference between how much your business is worth today and how much it could be worth. The top most *Critical Drivers* are contributing most directly to your Value Gap and represent the greatest opportunity to improve the value of your company. Value Gap is measured in real dollars, broken down in the chart below by driver. In this chart drivers are sorted from highest value gap to lowest.

**Total Value Gap: \$2,600,000**



## Detail by Driver

### Value Driver Detail Reports

These 18 reports show your workbook answers and scores for the components of each single driver. Higher scores are better. The drivers are listed in descending order by largest value gap to smallest. We recommend you tackle the biggest gaps first.

#### Financial Gap: \$442,000

Goal: All of your company's financial matters are in order and you follow best practices.

##### Audits

**Goal:** You have had routine, independent inspections and assessments of your company's financial integrity and related processes which provide quantitative proof your company has a healthy and standardized reporting structure reflective of the business.

**Response:** *We have someone review our finances only if it's necessary.*

##### Audits

3

##### Financial Statements

**Goal:** Your chart of accounts clearly reflects the business you are in, enabling fast and effective communication both internally and externally, and you routinely generate the standard set of three statements (income, balance sheet and cash flow).

**Response:** *We could be better, but there are probably companies a lot worse than us.*

##### Financial Statements

3

##### Operating Reports

0

##### Operating Reports

**Goal:** Financial operating reports are routinely generated and used by management to review your company's performance and make operational decisions.

**Response:** *We don't have operating reports.*

##### Tangible Assets

7

##### Tangible Assets

**Goal:** You have knowledge of and documentation that defines the ownership, control, and use of the tangible assets needed to deliver products and services.

**Response:** *We have documentation, but it may need some updating.*

##### Intellectual Property

0

##### Intellectual Property

**Goal:** You have a thorough understanding of your company's Intellectual Property (IP).

**Response:** *IP isn't that important in our company.*

##### Banking and Capital

0

##### Banking and Capital

**Goal:** You efficiently utilize banking services, and have the ability to obtain and manage outside capital.

**Response:** *We have a poor banking relationship.*

##### Risk and Insurance

0

##### Risk and Insurance

**Goal:** You have protected your company from, or limited its risk.

**Response:** *We're not worried about risk, nothing bad will happen.*

##### Tax

0

##### Tax

**Goal:** You have a complete understanding and fulfillment of all tax obligations.

**Response:** *Not sure.*

#### Product Differentiation Gap: \$270,000

Goal: Your company has a product/service with unique characteristics that provide a competitive advantage.

##### Proof of Differentiation

**Goal:** You can quantify how the uniqueness of your company's products/services gives you a competitive advantage in a significant market or customer segment.

**Response:** *We're not really sure if our products or services are unique, but people seem to buy them anyway.*

##### Proof of Differentiation

2

##### Product/Service Lifecycle

**Goal:** You can articulate where the products/services are within its lifecycle, and show plans to keep, replace, or upgrade the products/services as the market continues to evolve.

**Response:** *We really don't know.*

##### Product/Service Lifecycle

0

##### Financial Differentiation

**Goal:** You have quantitative proof of differentiation, by product or service, and can show a pricing and/or cost advantage over its competition. For example, your company can demand a higher market price for comparable products/services at a cost that results in superior gross margins.

**Response:** *We don't know what our gross margins are or how our margins compare to the industry's average.*

##### Financial Differentiation

0

## **Large Potential Market Gap: \$266,000**

Goal: The market supports significant growth of the business.

### **Market Size**

**Goal:** There exists a large market for your products or services, and your company has complete written documentation and up-to-date research to substantiate the size of your current market.

**Response:** *Our market is pretty small.*

### **Niche Clarity**

**Goal:** You have research and documentation on your company's market niche by product or service line.

**Response:** *We don't have any documentation.*

### **Competitive Monitoring**

**Goal:** You have a system or process in place to monitor significant competitors and new entrants into your market.

**Response:** *We don't have a formal process, but we do monitor competitive entrants informally.*

### **Future Market Growth**

**Goal:** You can document through research or other methods, growth trends in the market, and how the company will take advantage of those trends.

**Response:** *No, we don't have such documentation.*

Market Size

— 1

Niche Clarity

— 0

Competitive Monitoring

— 2

Future Market Growth

— 0

## **Margin Advantage Gap: \$227,000**

Goal: Your company enjoys gross and net margins greater than the industry norm.

### **Quantifiable Advantage**

**Goal:** Your company's gross and net margins are consistently above the industry norm and can clearly demonstrate:

- Gross margin (percentage) advantage relative to its industry and direct competitors.
- Net bottom line margin (percentage) advantage relative to its industry and direct competitors.

**Response:** *At least one of our margins is below par.*

### **Margin Trends**

**Goal:** You can provide a history by quarter and trend analysis of both gross and net margins.

**Response:** *No, we don't have such documentation.*

### **Margin Improvement Process**

**Goal:** You have a documented, rigorous process in place to constantly improve margins.

**Response:** *We have a process, but it's not well documented.*

### **Margin Advantage**

**Goal:** You have projections of your company's future margin advantage, and can defend these projections.

**Response:** *No, we do not have projections.*

Quantifiable Advantage

— 3

Margin Trends

— 0

Margin Improvement Process

— 4

Margin Advantage

— 0

## Operations Gap: \$210,000

Goal: Your company has the ability to deliver on the sales promises made to the marketplace and to do it in a systematic and process-driven manner.

### **Delivery Objectives**

**Goal:** You have operations objectives that are executable, measurable, and updated regularly

**Response:** *We have some objectives, and they could be better.*

Delivery Objectives



### **Delivery Process**

**Goal:** You have clear and documented operational processes such that an outsider could learn them quickly, easily jump in, and be effective.

**Response:** *We would have to spend some time teaching someone new.*

Delivery Process



### **Performance Metrics**

**Goal:** You regularly measure how well your company is meeting its operational objectives, driving its processes and making good on its commitment to customers.

**Response:** *We have some metrics that we use most of the time.*

Performance Metrics



### **Industry Standards**

**Goal:** You follow or comply with industry standards ranging from government regulations, best practices and independent certifications.

**Response:** *We do our best to comply with everything.*

Industry Standards



### **Suppliers and Contracts**

**Goal:** You have written supplier contracts defining the relationships between your company and your suppliers.

**Response:** *Yes, we have contracts with most of our suppliers.*

Suppliers and Contracts



## Barriers to Entry Gap: \$144,000

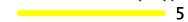
Goal: There are significant obstacles facing a new entrant into your company's market.

### **Barriers to Entry Types**

**Goal:** You have significant obstacles facing a new entrant into your company's market including legal, market, and/or capital barriers.

**Response:** *We have some barriers.*

Barriers to Entry Types



### **Legal Barriers Documentation**

**Goal:** Your company has well organized and documented agreements, licenses, and/or contracts, plus patents, trademarks and/or copyrights that clearly define the protection and the extent of your protection. This protection may include regulatory protection.

**Response:** *No, we haven't bothered with any formal paperwork, or anything that requires a lawyer.*

Legal Barriers Documentation

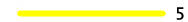


### **Market Barriers Documentation**

**Goal:** Your company has market barrier documentation that includes how it created these market barriers and will protect them: examples include brands, licenses, trade secrets, exclusive agreements, location, etc.

**Response:** *We have some documentation, but it's not complete.*

Market Barriers Documentation



### **Capital Barriers Documentation**

**Goal:** Your company has documented all aspects of capital required for new entries into the marketplace.

**Response:** *Yes, we have documentation.*

Capital Barriers Documentation



## Sales & Marketing Gap: \$131,000

Goal: Your company can produce revenue in a proven and systematic way, ensuring the business is sustainable and not simply based on the efforts of individuals within the business today.

### **Sales & Marketing Objectives**

**Goal:** Your company has clear sales and marketing objectives.

**Response:** *We have objectives for the important stuff.*

Sales & Marketing Objectives



### **Marketing Plan & Process**

**Goal:** You have a clear marketing plan and routinely engage in specific and organized actions to interest potential customers in your products or services.

**Response:** *Yes, we have a complete marketing plan and we execute against it.*

Marketing Plan & Process



### **Market Research**

**Goal:** You have access to, and regularly use, market research to make informed marketing, sales, and operational decisions.

**Response:** *We use data for the big decisions.*

Market Research



### **Sales Plan & Process**

**Goal:** You have a sales plan and repeatable sales process to deliver your company's revenue goals that are well-developed, managed, and executed.

**Response:** *We have some elements of a sales plan and process.*

Sales Plan & Process



Customer Contracts



### **Customer Contracts**

**Goal:** You execute contracts between your company and your customers where possible, or have documented payment and delivery terms.

**Response:** *Yes, we routinely execute customer contracts, have documented payment and delivery terms, or receive payment at time of purchase (i.e. retail businesses).*

Sales & Marketing Metrics



### **Sales & Marketing Metrics**

**Goal:** You regularly measure how well your company is meeting its sales and marketing objectives.

**Response:** *We track our progress and sometimes take action.*

## Customer Diversification Gap: \$129,000

Goal: Your company has a well-diversified customer base.

### **Customer Concentration**

**Goal:** You have complete customer records and analysis that shows a well diversified customer base where no one customer represents more than 20% of the company's revenue.

**Response:** *Most of our company's revenue is concentrated in 3-5 customers.*

Customer Concentration



### **Trend Analysis**

**Goal:** You can show historical data and trends to prove continuing diversification.

**Response:** *No, we don't have such documentation.*

Trend Analysis



### **Future Customer Diversification**

**Goal:** You have documented and can defend future projections, by customer or product/ service line, of continued or growing diversification.

**Response:** *No, we don't have such documentation.*

Future Customer Diversification





## Dominant Market Share Gap: \$129,000

Goal: Your company owns the highest percentage of the available market relative to its competitors.

### Market Definition

**Goal:** You can clearly define and quantify your market by product/service, region, or other factors.

**Response:** *Yes, we can define our market, but don't have the data to quantify it.*

### Dominant Market Position

**Goal:** Your company is the dominant competitor in the market and can quantify its position in the market relative to all significant competitors.

**Response:** *We're pretty sure we're one of the top players, but don't have all the data.*

### Market Communication

**Goal:** You can clearly communicate why your company will either retain its dominant market share, or communicate how it will attain a dominant market share.

**Response:** *Yes, but only for 2 reasons.*

Market Definition



Dominant Market Position



Market Communication



## Senior Management Gap: \$127,000

Goal: Your company has a leadership team/individual in place to realize the company's vision and mission while helping the owner achieve his/her objectives.

### Roles & Responsibilities

**Goal:** Throughout your company, there are clear and understood roles and responsibilities for senior managers that support the company's objectives.

**Response:** *Not sure what our senior managers do.*

### Reporting Relationships

**Goal:** The company can run effectively without you.

**Response:** *Yes, I could leave tomorrow for an extended vacation and the business would be just fine..*

### Team Functionality

**Goal:** The senior management team effectively works together to deliver company goals and objectives.

**Response:** *Our senior management team is a bit dysfunctional.*

### Compensation

**Goal:** Senior management compensation is competitive and tied to individual performance against company goals and objectives.

**Response:** *Not sure if our compensation is competitive or it's probably lower than what others are offering.*

### Succession Plan

**Goal:** You have a personnel plan in place for each senior manager that ensures a smooth continuation of the business in case a change in senior management occurs.

**Response:** *We don't have plans for any of our senior managers.*

Roles & Responsibilities



Reporting Relationships



Team Functionality



Compensation



Succession Plan



## **Legal Gap: \$109,000**

Goal: You have all legal matters in order, documented, and your company follows best practices.

### **Litigation**

**Goal:** There are no claims for or against your company, or its employees, resulting in formal proceedings.

**Response:** *We have pending or active litigation that's a real doozie.*

### **Process**

**Goal:** You have a process to handle potential liability issues.

**Response:** *Yes, we have a process to handle all sticky legal issues.*

### **Contracts**

**Goal:** You have well-organized and documented contracts with key customers, suppliers, advisors, contractors, and employees

**Response:** *Yes, all of our contracts are organized and within arm's reach.*

### **Capital**

**Goal:** You have well-organized and documented agreements with all investors/parties (both internal and external), who have provided capital to the company in any form.

**Response:** *Yes, we have documented agreements with all investors.*

Litigation

● 0

Process

————— 10

Contracts

————— 10

Capital

————— 10

## **Customer Satisfaction Gap: \$106,000**

Goal: Your company tracks and uses key measures to meet customer expectations at all levels.

### **Satisfaction Objectives**

**Goal:** You have customer satisfaction goals and objectives, and you communicate them both internally and externally.

**Response:** *We don't have customer satisfaction goals.*

### **Satisfaction Plan & Process**

**Goal:** You have developed and executed a plan to meet customer satisfaction objectives.

**Response:** *Our plan is pretty informal.*

### **Customer Satisfaction Metrics**

**Goal:** You routinely and continuously measure customer satisfaction.

**Response:** *We sometimes measure customer satisfaction.*

Satisfaction Objectives

● 0

Satisfaction Plan & Process

————— 3

Customer Satisfaction Metrics

————— 3

## Company Overview Gap: \$91,000

Goal: An outsider can easily obtain a holistic understanding of your company including your company's performance, practices, culture, discipline, and mission.

### **Business Profile**

**Goal:** You have a well-organized and documented profile of your company that includes an industry description, high level year-over-year sales and gross margin reports, company history, location of operations, employee count and make-up, corporate and legal structure, and the accountants or lawyers advising the company.

**Response:** *We have some information gathered in one place.*

Business Profile



### **Company Story**

**Goal:** If asked, your employees could succinctly communicate (verbally and in writing), what the company does, why, and how.

**Response:** *The company story is sort of defined, but only a few people know it.*

Company Story



### **Web Presence**

**Goal:** Your company has a professional web presence that supports your company's goals and objectives and easily communicates important information about your company (contact information, operating hours, location, key personnel, company overview, etc.).

**Response:** *Our web presence is basic but adequate.*

Web Presence

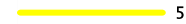


### **Defined Market**

**Goal:** You have a comprehensive understanding of your company's current market niche, your company's place in that market, and a process to keep informed of market changes.

**Response:** *We have a solid understanding, but we could be better informed.*

Defined Market



### **Competitive Information**

**Goal:** You have a comprehensive understanding of the competition in your market.

**Response:** *We have a solid understanding, but we could be better informed.*

Competitive Information



### **Strategic Direction**

**Goal:** You have a strategic plan that supports the owner's personal goals. This plan includes a vision and mission, business model, business goals, objectives, and an executable plan (tactics).

**Response:** *We have at least some components of a strategic plan but are not sure if they mesh with the owner's goals.*

Strategic Direction



### **Trusted Advisor**

**Goal:** You have a trusted, high-level advisor who reviews, advises and provides feedback to the owner/CEO.

**Response:** *No, we don't have a trusted advisor.*

Trusted Advisor

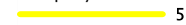


### **Company Culture**

**Goal:** Your company has a positive and adaptive culture that is aligned with and supports your company's goals.

**Response:** *Our company is an OK place to work.*

Company Culture



## Growth Gap: \$86,100

Goal: Your company has a history of consistent growth greater than its competitors, coupled with projected, future revenue growth above the market's rate.

### **Company Growth**

**Goal:** Your company can demonstrate quantifiable and historic growth greater than its competitors, and can substantiate growth projections greater than the industry rate.

**Response:** *Yes, and we have supporting documentation.*

Company Growth



### **Industry Growth**

**Goal:** Your company can clearly document the growth of its industry (broad category definition) and within its niche (specific market).

**Response:** *Pretty sure.*

Industry Growth



### **Customer Advantage**

**Goal:** Your company can articulate why its products/services will continue to effectively provide for and service future growth.

**Response:** *Yes, and we can give many reasons.*

Customer Advantage



## **Human Resources Gap: \$68,200**

Goal: Your company has the ability to find, develop, and retain quality individuals that enables success in all aspects of your business.

### **Roles & Responsibilities**

**Goal:** Throughout the company there are clear and understood roles and responsibilities for each employee that supports the company's goals and objectives.

**Response:** *The majority of employees have a good understanding.*

Roles & Responsibilities

 5

### **Recruitment**

**Goal:** You have a standardized, efficient, and effective process to staff the company including internal job postings, appropriate testing, multiple interviews with multiple staff, and reference checks.

**Response:** *We sometimes use different methods to staff our company.*

Recruitment

 5

### **Employee Contracts**

**Goal:** You have written employee contracts defining the legal relationship and responsibilities between the company and its employees.

**Response:** *We don't have employee contracts.*

Employee Contracts

 0

### **Policies and Process**

**Goal:** You have documentation and processes to ensure effective administration and employee relations.

**Response:** *Yes, we have documented processes.*

Policies and Process

 10

### **Compensation and Benefits**

**Goal:** You understand and follow compensation best practices for your industry, and utilize a combination of fixed, variable, and non-wage forms of compensation.

**Response:** *We probably follow some best practices.*

Compensation and Benefits

 5

## **Brand Gap: \$57,400**

Goal: Your company has a recognizable brand that reinforces the business' presence in the marketplace and supports the company's objectives.

### **Brand Awareness**

**Goal:** Your company enjoys high brand awareness that resonates with target customers, and has clear documentation that supports the strength and multiple aspects of the brand.

**Response:** *We have some documentation on the strength of our brand.*

Brand Awareness

 7

### **Brand Advantage**

**Goal:** Your company can articulate and quantify its brand advantage in the marketplace with a pricing model and financial measures that demonstrate the value of its brand.

**Response:** *We have a pricing model/financial measures that show our brand gives us a huge competitive edge.*

Brand Advantage

 10

### **Brand Protection**

**Goal:** Your company has protected its brand including logos and trademarks, and has a documented process to ensure that all aspects of the brand are represented in the marketplace in a consistent manner.

**Response:** *We're pretty good about protecting our brand and policing how it's used.*

Brand Protection

 7

**Innovation Gap: \$10,900**

Goal: Your company understands that innovation is invaluable to creating an ongoing competitive advantage; it has a proven and systematic way to drive and capture innovation at all levels and encourages innovation in every area of the business.

**Culture and Rewards**

**Goal:** Your company's culture encourages and rewards innovation at all levels of the organization.  
**Response:** *Yes, we are all about innovation, and we reward employees for innovations at all levels.*

Culture and Rewards  10

**Process**

**Goal:** Your company has a well defined process to encourage, capture, and protect innovation among your employees.  
**Response:** *Yes, we have a well-defined and documented process.*

Process  10

**Collaboration**

**Goal:** Your company has tapped multiple constituents in its professional network (such as customers, suppliers, universities, consumers, advisors, or others), to keep abreast of new innovations and test your own innovations.  
**Response:** *We are completely tapped into multiple professional networks.*

Collaboration  10

**Metrics**

**Goal:** Your company can quantify the benefits of innovations through various means such as patents, copyrights, revenue growth, work flow efficiencies, and financial improvements.  
**Response:** *We have quantified the benefits of some innovations.*

Metrics  8

## Suggested Tasks for Recapturing Value Gap

*Suggested Tasks* are identified actions you can take to grow and improve the value of your business. The CoreValue Task List is a complete list of suggestions we offer to improve your Value Gap. We list them below in descending order sorted by value gap.

Some tasks will be quick to accomplish, inexpensive, less disruptive, and have a high ROI -- we believe you should do those first. They get you moving quickly, drive momentum, and provide you and your team real measurable improvements.

<u>Category</u>	<u>Value Gap</u>	<u>Suggested Task</u>
Financial Differentiation	\$144,000 5.5%	<b>Improve Your Gross Margins</b> Demonstrate that you have quantitative proof of differentiation, by product or service, and make sure that you can show a pricing and/or cost advantage over its competition.
Litigation	\$109,000 4.2%	<b>Resolve All Legal Matters As Soon As Possible</b> There's nothing like legal problems to distract you and potentially keep you awake at night. Make sure you have good legal representation, settle when you can, and take action to prevent these types of issues arising in the first place.
Future Market Growth	\$71,800 2.8%	<b>Document Your Market's Future</b> Document where you think the market will be in the next 1, 5, and 10 years. Ideally, you are in a growing market, providing substantial opportunity for your company to grow and make tons of money.
Niche Clarity	\$71,800 2.8%	<b>Define And Document Your Market Niche</b> Document your market niche by product line or service type.
Proof of Differentiation	\$68,900 2.6%	<b>Differentiate!</b> Create a meaningful point of difference, or uniqueness for your product or service, something that will attract new customers and ensure your current customers keep buying from you.
Competitive Monitoring	\$57,400 2.2%	<b>Document How You Monitor Competition</b> Take the time to document how your company monitors competition.
Customer Concentration	\$57,400 2.2%	<b>Diversify Your Customer Base</b> Customer concentration equals risk. Expand your customer base to avoid having "all your eggs in one basket."
Margin Advantage	\$57,400 2.2%	<b>Project Your Future Gross/Net Margins</b> Create projections showing improving gross and net margins, and be able to support your assumptions behind these rosy projections.
Future Customer Diversification	\$43,100 1.7%	<b>Document A Plan To Diversify Your Customer Base</b> Even if you have revenue concentration with just a few customers now, document a plan on how you will add new customers over time and reduce your reliance on just a few customers.
Margin Trends	\$43,100 1.7%	<b>Document Your Margin Trend</b> Chart your gross and net margins by quarter for at least the past 3 years (assuming you've been in business that long). Calculate and graph your margin trend.
Market Definition	\$40,200 1.5%	<b>Quantify The Size Of Your Market</b> Determine how big your market is (\$). If you don't have the data on hand, there are many on-line resources you can tap. You can even extrapolate the market size, as long as you document your assumptions.
Legal Barriers Documentation	\$28,700 1.1%	<b>Document Legal Barriers</b> Document and organize your legal barriers to entry: licenses, and/or contracts, plus patents, trademarks and/or copyrights that clearly define the protection and the extent of the protection (this protection may include regulatory protection).
Trend Analysis	\$28,700 1.1%	<b>Document And Diversify Your Customer Base</b> Diversify your customer base, and make sure to document your progress over time. Showing growing diversification, even if you still have significant customer concentration now, will at least show you're moving in the right direction.
Intellectual Property	\$27,300 1.0%	<b>Identify Your Intellectual Property</b> Intellectual property can be the most valuable asset in your company, but the one most overlooked, unprotected, and difficult to value. First, determine what IP your company has, and then determine how to best protect it. Examples of legal protection include copyrights, trademarks, and patents.
Margin Improvement Process	\$25,800 1.0%	<b>Document Your Process To Improve Margins</b> Document your process for improving margins. Make sure your process includes a way to continually track and measure progress.
Team Functionality	\$24,500 0.9%	<b>Fix Your Senior Management Team</b> We all know that some teams work better together than others, and having a high functioning senior management team is critical to a company's success. As the leader of the company, it's up to

you to make it work. If your team isn't functioning as well as it should, first diagnose the problem (do you have the right people? are they empowered to make decisions? are they all working towards a common goal?). Once you know the problem, take corrective action!

Succession Plan	\$24,500	0.9%	<p><b>Create Succession Plans For All Senior Managers</b> Create a personnel plan for each senior manager that ensures a smooth continuation of the business in case a change in senior management occurs.</p>
Audits & Independent Review	\$22,900	0.9%	<p><b>Find An Independent Auditor For Your Business</b> Ensure your auditor is completely independent of your company. An outside source that may have a conflict of interest when performing the audit is not truly independent.</p>
Company Growth & Competitor Revenue Chart	\$21,500	0.8%	<p><b>Chart Your Competitors' Revenues</b> Create a chart or graph that shows your top 2 or 3 competitors' revenue over several years, and compare their revenue trend with yours. <b>Get Revenue Data For Competitors</b> Acquiring revenue data for your competitors is not always easy, but at the very least you can estimate their revenues relative to your own.</p>
Company Story	\$21,500	0.8%	<p><b>Communicate Your Company's Story</b> First, make sure you can succinctly give an "elevator pitch" or a 1 minute topline summary on your company (what it does, the history, why it is successful, etc). Then, make sure everyone in your company understands your company's story and can communicate it clearly (both written and orally) as well. Having everyone aligned around the basic information about your company is essential; it's the glue that holds a company together and ensures that there is a consistent message to the outside world.</p>
Trusted Advisor	\$16,200	0.6%	<p><b>Identify A Trusted Advisor For Your Company</b> Identify a trusted, C-level advisor, who reviews, advises, and provides feedback to the owner/CEO. A trusted advisor (versus a business expert) typically helps build the business as a whole and is a confidant to the owner. This advisor should have broad business experience, be able to share both good and bad news, have access to all financial and operating information, and show up regularly to play an active role as part of the fabric of the business.</p>
Market Barriers Documentation	\$14,400	0.6%	<p><b>Document Market Barriers</b> Document and organize your market barriers to entry. Make sure to include how you created these market barriers and how you will protect them. Examples include brands, licenses, trade secrets, exclusive agreements, location, etc.</p>
Strategic Direction	\$11,300	0.4%	<p><b>Create A Strategic Plan For Your Company</b> Create a strategic plan that supports the owner's personal goals. This plan should include a vision and mission, business model, business goals, objectives, and an executable plan (tactics).</p>
Business Profile	\$6,700	0.3%	<p><b>Create A Company Binder</b> Create a profile of your company that includes an industry description, high level year-over-year sales and gross margin reports, company history, location of operations, employee count and make-up, corporate and legal structure, and the accountants or lawyers advising the company.</p>