



## Benchmark Operational Value Report

**Prepared for:** James Gold  
Gold Industries  
Monday, August 20, 2018

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Sample Agency, LLC

This report details the present operational strength and estimated enterprise value of [CLIENT BUSINESS NAME GOES HERE] and offers suggestions for operational improvements that will enhance the company's overall growth and profitability. It was prepared using the results from a business interview with [CLIENT NAME(S) AND TITLE GOES HERE], using CoreValue Software's Unlock: Deep Dive Analysis.

CoreValue is not a financial valuation tool; any projections or statements of business value should not be construed as a suggested selling price for the business.

## Overview

[Paragraph(s) that detail the company history, owners' primary objectives and time frame, and any other supplemental information that will help to clarify the current state of the business and how it functions today]

## Report Highlights

- Gold Industries is a business in the Manufacturing industry with annual revenues of \$32.5M and EBITDA of \$1.5M.
- The business currently scores a CoreValue rating of 51. The business has an *Enterprise* (current) value of \$6.39M and a *Potential* value of \$9.89M. We calculate a *Value Gap* of \$3.5M.
- 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: \$577K), Product Differentiation (Gap: \$352K), Large Potential Market (Gap: \$347K), Margin Advantage (Gap: \$296K), and Operations (Gap: \$274K).

Based on information gathered during the Unlock Deep-Dive Analysis

**[Add in any supplemental details that can help clarify the summary info, if needed]**

## Risk Factors Identified

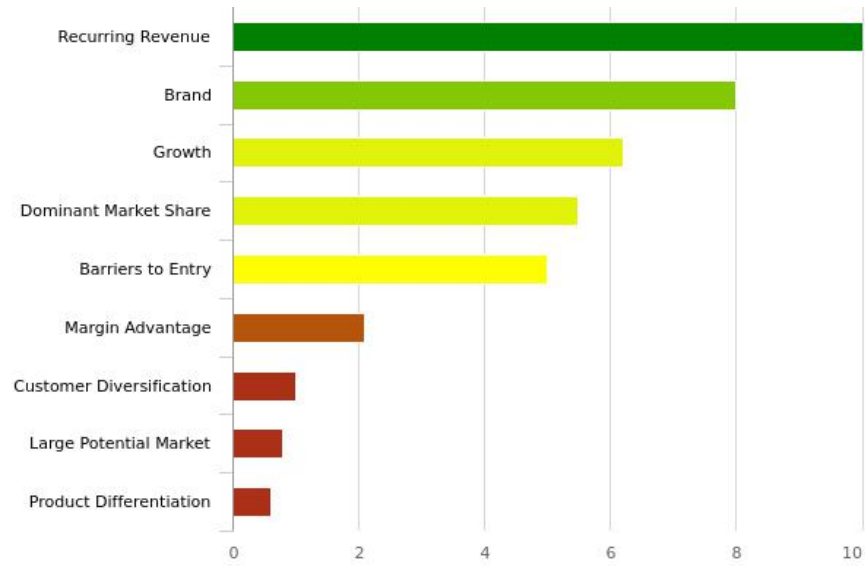
Operating Reports	Valuable businesses use operating reports in addition to financial statements to track performance. The absence of operating reports is a signal that your company doesn't understand and value the key drivers of your company's performance.
Risk and Insurance	If you're not sure that you're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

Based on information gathered during the Unlock Deep-Dive Analysis

Risk Factors, also known as "Red Flags" are important issues or watch outs that can negate all the value in your business. If you are trying to raise capital, these are the types of issues that will bubble up during due diligence. Based on your responses, these are specific red flag conditions we believe are harming your business.

**[Add additional language that addresses each of the Red Flags within the context of the current business climate and/or the owner's objectives. Helpful if you can also address how your firm can help eliminate these risk factors, or provide specific steps or an action plan for improvement]**

## Market Driver Results-Scores

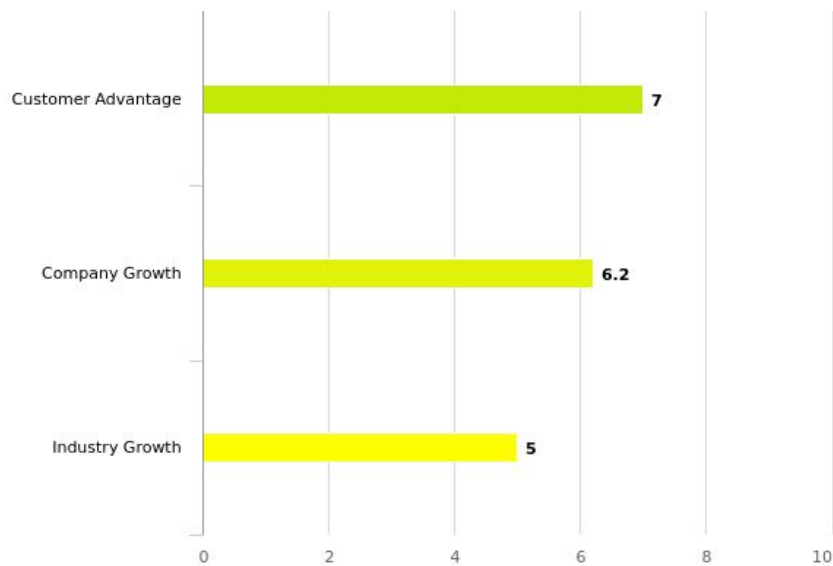


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Based on the information gathered during the Unlock Deep-Dive Analysis

**[Add additional detail around the driver scores based on the discussion(s) you had with your client during the Unlock.]**

### Growth Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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

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

*Gold Industries response: We have a few compelling reasons.*

**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.

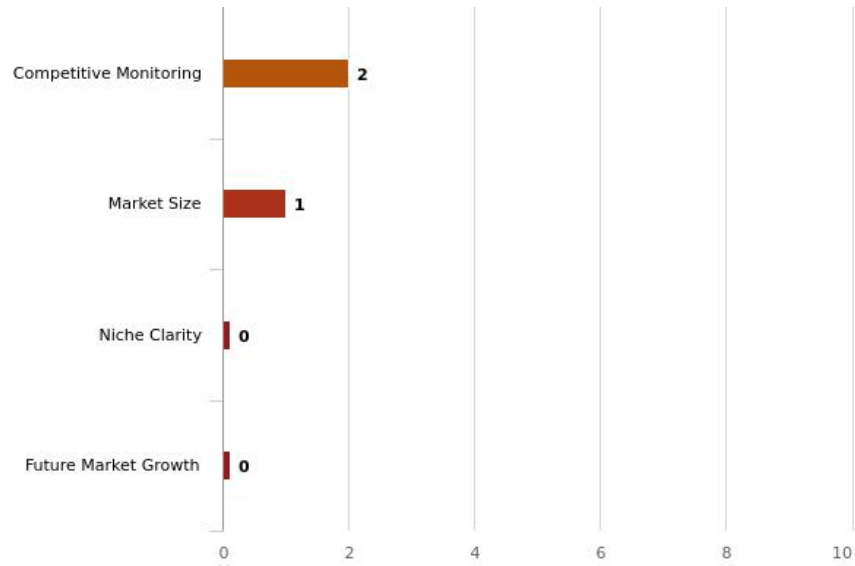
*Gold Industries response: Think so, but we don't have all the documentation together.*

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

*Gold Industries response: Think so.*

**[Enter any specific recommendations for improvements to this driver]**

## Large Potential Market Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Large Potential Market Best Practice Goal:** The market supports significant growth of the business.

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

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

**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.

*Gold Industries 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.

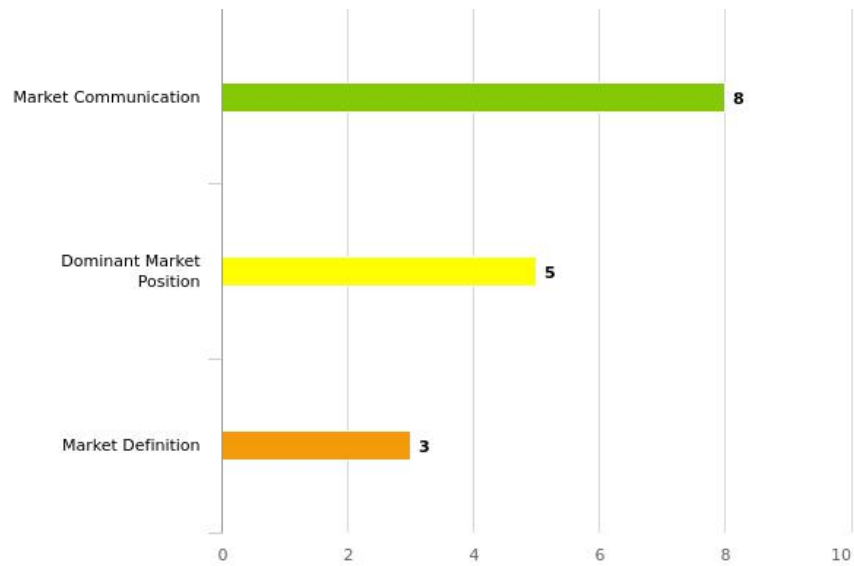
*Gold Industries response: We don't have any documentation.*

**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.

*Gold Industries response: No, we don't have such documentation.*

[Enter any specific recommendations for improvements to this driver]

### Dominant Market Share Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Dominant Market Share Best Practice Goal:** Your company owns the highest percentage of the available market relative to its competitors.

**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.

*Gold Industries response: Yes, but only for 2 reasons.*

**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.

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

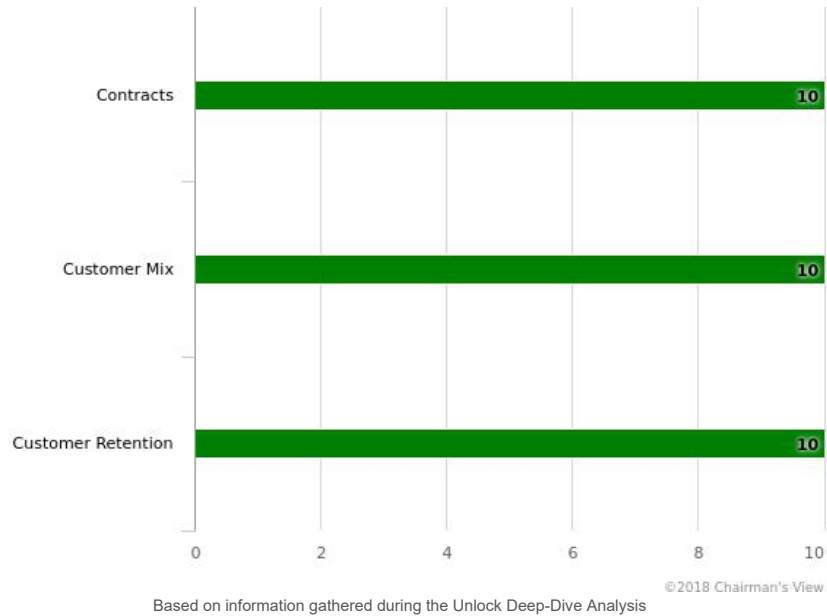
**Market Definition Goal:** You can clearly define and quantify your market by product/service, region, or other factors.

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

**[Enter any specific recommendations for improvements to this driver]**



## Recurring Revenue Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

**Recurring Revenue Best Practice Goal:** Your company can rely on a portion of future revenue from contractually committed customers.

**Contracts Goal:** You have formal written contracts that provide for consistent revenue.

*Gold Industries response: Yes, we have customer contracts or assurances of future revenue that represents most (over 75%) of our annual revenue.*

**Customer Mix Goal:** Your company's customer base includes a mix of new, developing, and long term customers.

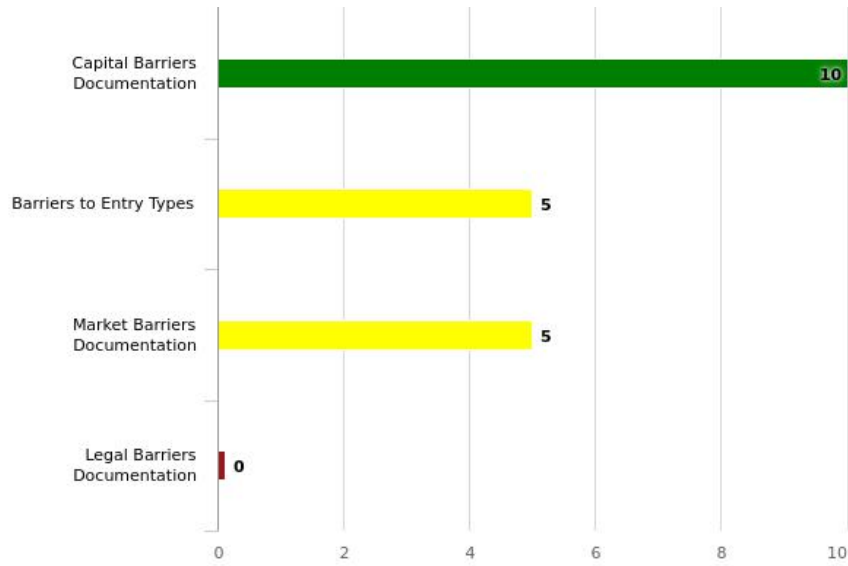
*Gold Industries response: Yes, our customer base is a mix of new, developing, and long term customers.*

**Customer Retention Goal:** You can articulate why customers will continue to purchase from your company.

*Gold Industries response: Yes, we can articulate 3 such reasons.*

**[Enter any specific recommendations for improvements to this driver]**

## Barriers to Entry Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Barriers to Entry Best Practice Goal:** There are significant obstacles facing a new entrant into your company's market.

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

*Gold Industries response: Yes, we have documentation.*

**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.

*Gold Industries response: We have some barriers.*

**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.

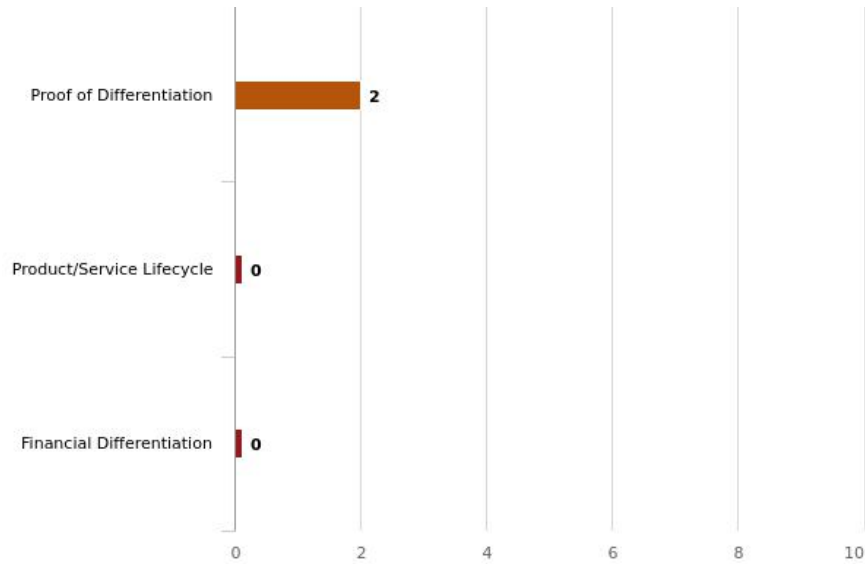
*Gold Industries response: We have some documentation, but it's not complete.*

**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.

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

**[Enter any specific recommendations for improvements to this driver]**

## Product Differentiation Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Product Differentiation Best Practice 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.

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

**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.

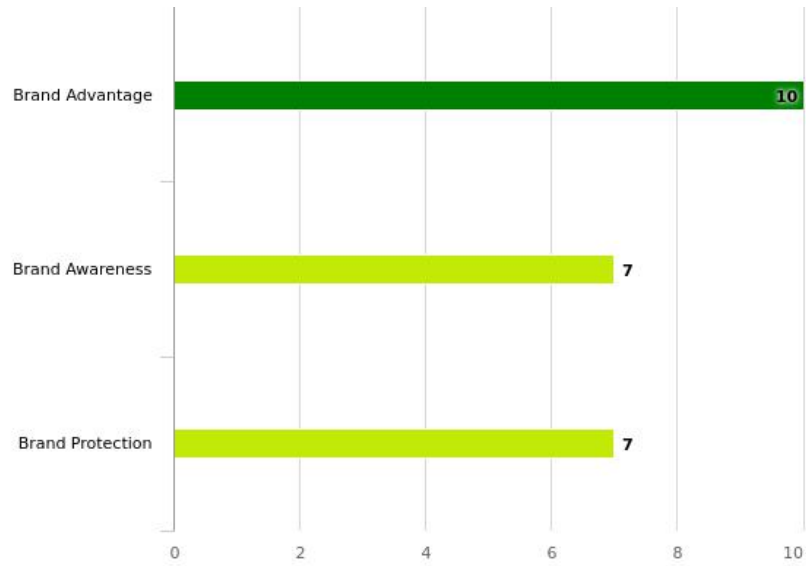
*Gold Industries response: We really don't know.*

**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.

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

[Enter any specific recommendations for improvements to this driver]

## Brand Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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

**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.

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

**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.

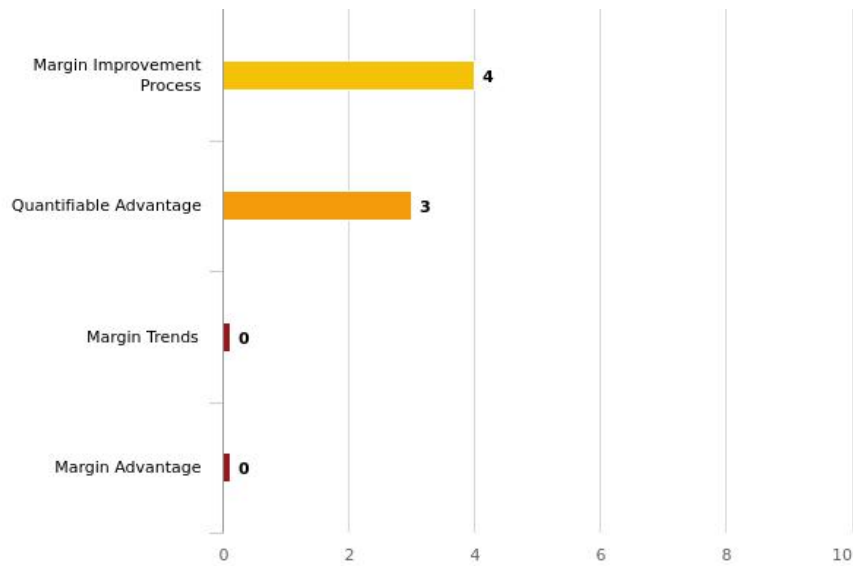
*Gold Industries response: We have some documentation on the strength of our brand.*

**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.

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

[Enter any specific recommendations for improvements to this driver]

## Margin Advantage Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Margin Advantage Best Practice Goal:** Your company enjoys gross and net margins greater than the industry norm.

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

*Gold Industries response: We have a process, but it's not well documented.*

**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.

*Gold Industries 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.

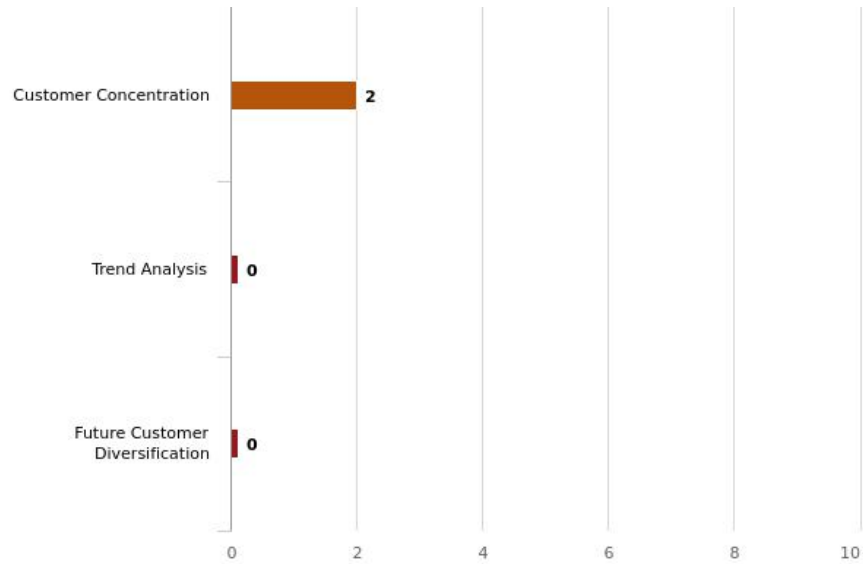
*Gold Industries response: No, we don't have such documentation.*

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

*Gold Industries response: No, we do not have projections.*

**[Enter any specific recommendations for improvements to this driver]**

## Customer Diversification Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Customer Diversification Best Practice 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.

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

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

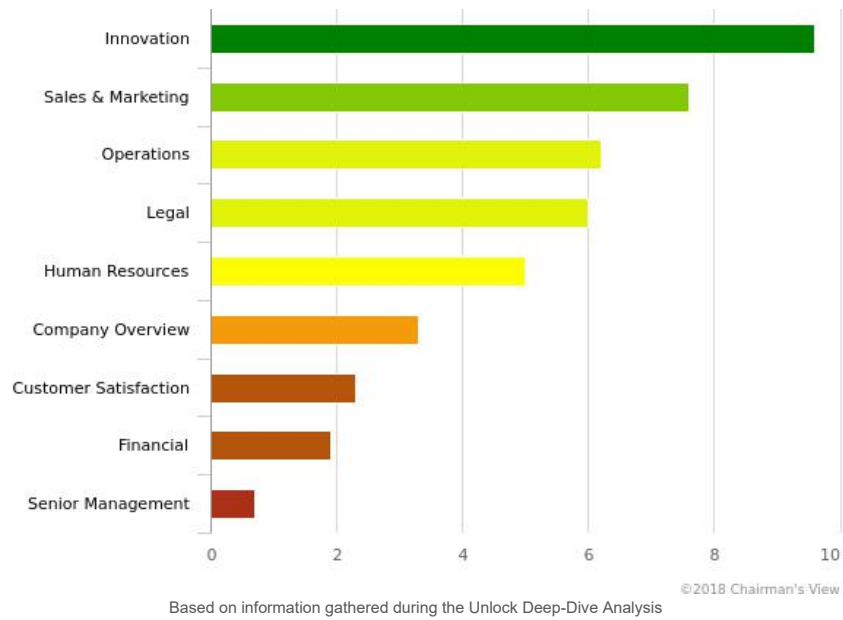
*Gold Industries response: No, we don't have such documentation.*

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

*Gold Industries response: No, we don't have such documentation.*

**[Enter any specific recommendations for improvements to this driver]**

### Operational Driver Results - Scores



[Add additional detail around the driver scores based on the discussion(s) you had with your client during the Unlock.]

## Company Overview Driver Detail



Based on information provided during the Unlock Deep-Dive Analysis

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

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

*Gold Industries response: We have a solid understanding, but we could be better informed.*

**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.).

*Gold Industries response: Our web presence is basic but adequate.*

**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.

*Gold Industries response: We have a solid understanding, but we could be better informed.*

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

*Gold Industries response: Our company is an OK place to work.*

**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.

*Gold Industries response: We have some information gathered in one place.*

**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).

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

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

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

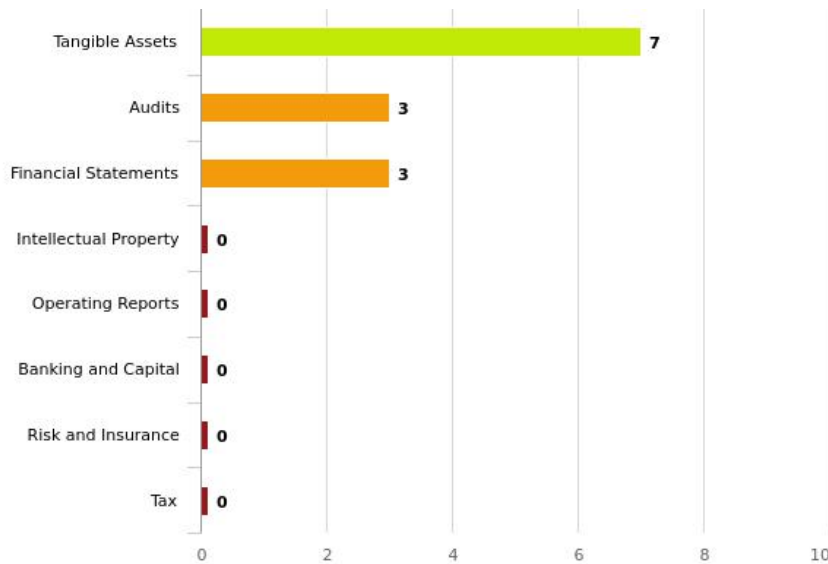
**Trusted Advisor Goal:** You have a trusted, high-level advisor who reviews, advises and provides feedback to the owner/CEO.

*Gold Industries response: No, we don't have a trusted advisor.*

**[Enter any specific recommendations for improvements to this driver]**



## Financial Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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

**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.

*Gold Industries response: We have documentation, but it may need some updating.*

**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.

*Gold Industries response: We have someone review our finances only if it's necessary.*

**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).

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

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

*Gold Industries response: IP isn't that important in our company.*

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

*Gold Industries response: We don't have operating reports.*

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

*Gold Industries response: We have a poor banking relationship.*

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

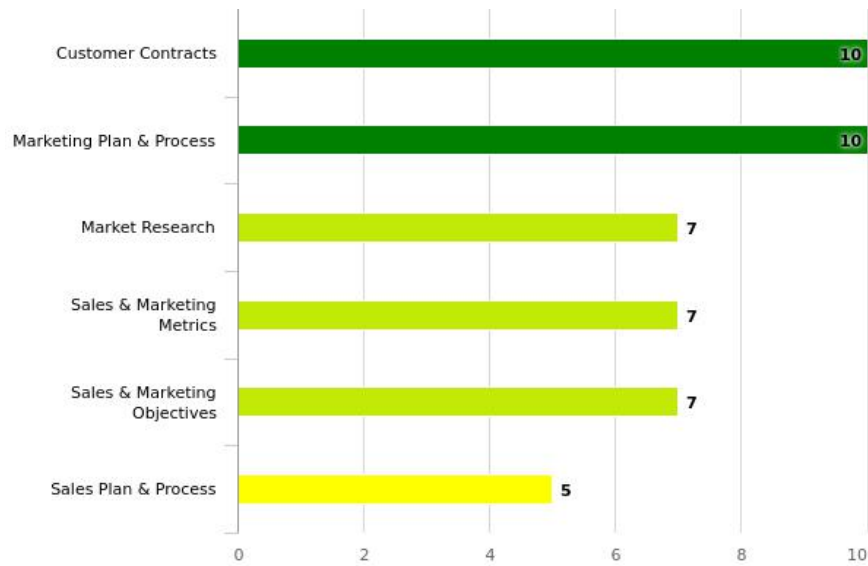
*Gold Industries response: We're not worried about risk, nothing bad will happen.*

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

*Gold Industries response: Not sure.*

**[Enter any specific recommendations for improvements to this driver]**

## Sales & Marketing Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Sales & Marketing Best Practice 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.

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

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

**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.

*Gold Industries response: Yes, we have a complete marketing plan and we execute against it.*

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

*Gold Industries response: We use data for the big decisions.*

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

*Gold Industries response: We track our progress and sometimes take action.*

**Sales & Marketing Objectives Goal:** Your company has clear sales and marketing objectives.

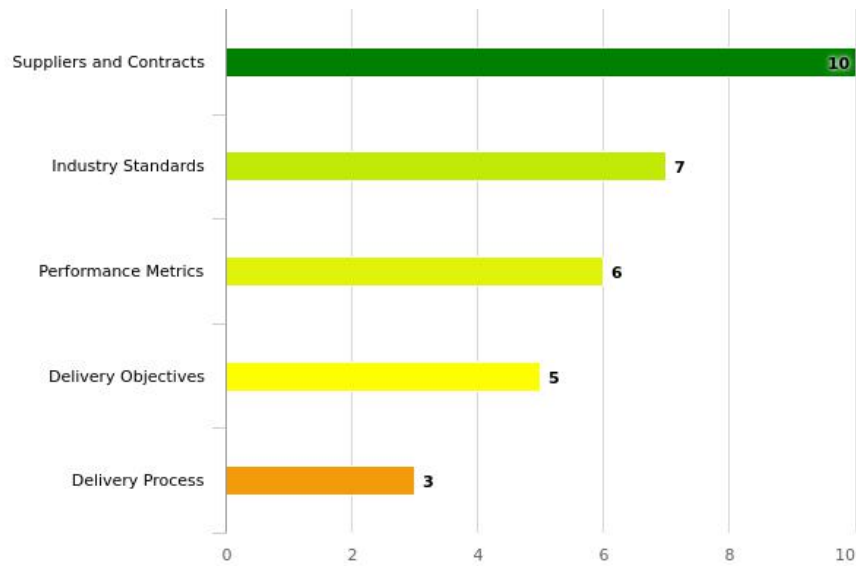
*Gold Industries response: We have objectives for the important stuff.*

**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.

*Gold Industries response: We have some elements of a sales plan and process.*

**[Enter any specific recommendations for improvements to this driver]**

## Operations Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Operations Best Practice 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.

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

*Gold Industries response: Yes, we have contracts with most of our suppliers.*

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

*Gold Industries response: We do our best to comply with everything.*

**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.

*Gold Industries response: We have some metrics that we use most of the time.*

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

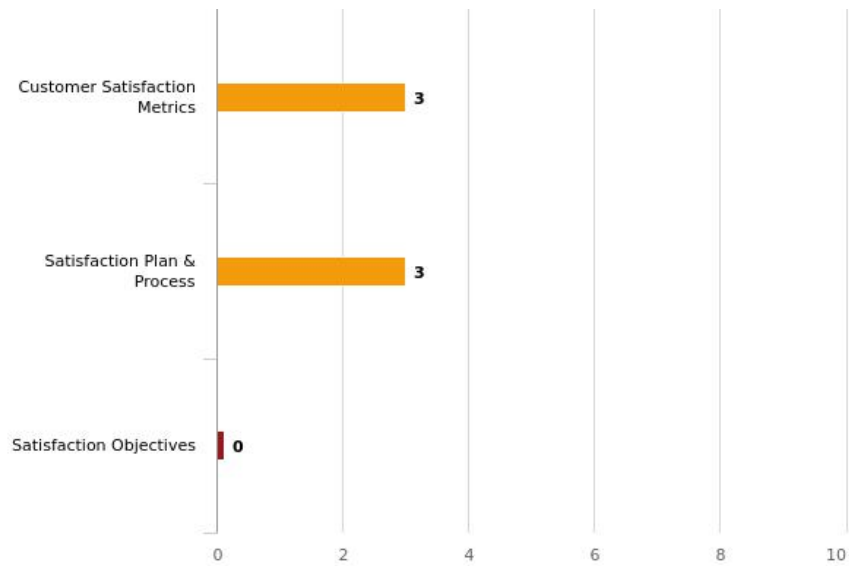
*Gold Industries response: We have some objectives, and they could be better.*

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

*Gold Industries response: We would have to spend some time teaching someone new.*

**[Enter any specific recommendations for improvements to this driver]**

### Customer Satisfaction Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Customer Satisfaction Best Practice Goal:** Your company tracks and uses key measures to meet customer expectations at all levels.

**Customer Satisfaction Metrics Goal:** You routinely and continuously measure customer satisfaction.

*Gold Industries response: We sometimes measure customer satisfaction.*

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

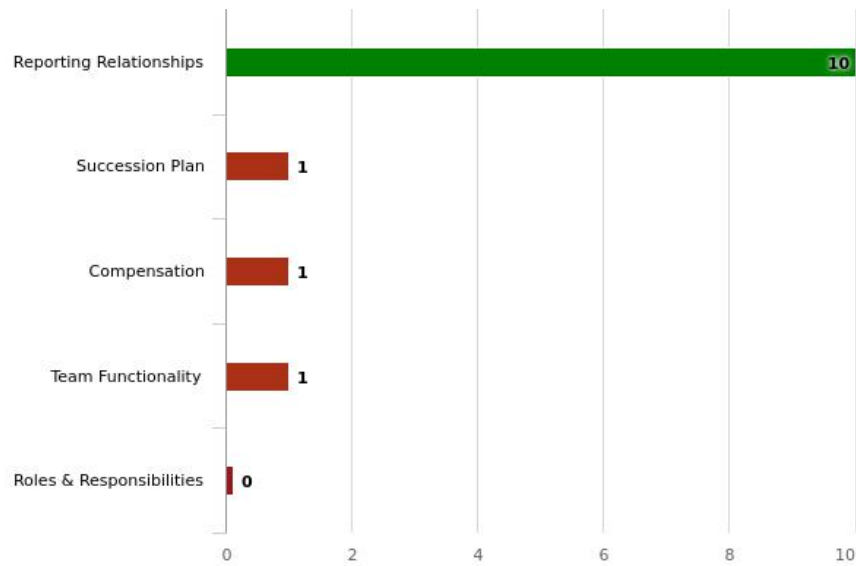
*Gold Industries response: Our plan is pretty informal.*

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

*Gold Industries response: We don't have customer satisfaction goals.*

**[Enter any specific recommendations for improvements to this driver]**

## Senior Management Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Senior Management Best Practice 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.

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

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

**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.

*Gold Industries response: We don't have plans for any of our senior managers.*

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

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

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

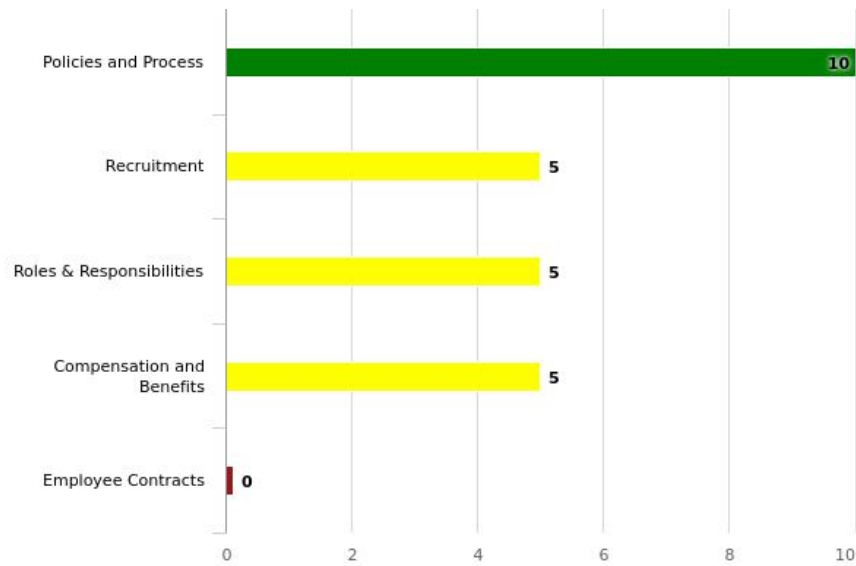
*Gold Industries response: Our senior management team is a bit dysfunctional.*

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

*Gold Industries response: Not sure what our senior managers do.*

**[Enter any specific recommendations for improvements to this driver]**

## Human Resources Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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

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

*Gold Industries response: Yes, we have documented processes.*

**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.

*Gold Industries response: We sometimes use different methods to staff our company.*

**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.

*Gold Industries response: The majority of employees have a good understanding.*

**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.

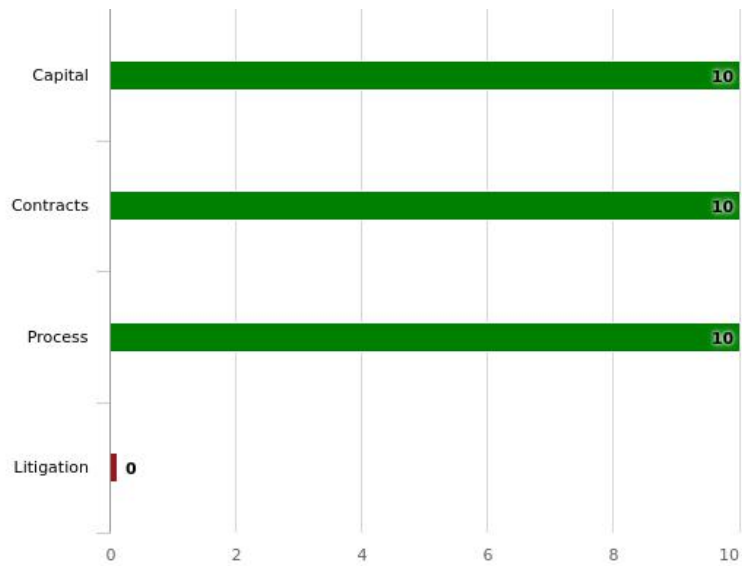
*Gold Industries response: We probably follow some best practices.*

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

*Gold Industries response: We don't have employee contracts.*

**[Enter any specific recommendations for improvements to this driver]**

## Legal Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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

**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.

*Gold Industries response: Yes, we have documented agreements with all investors.*

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

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

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

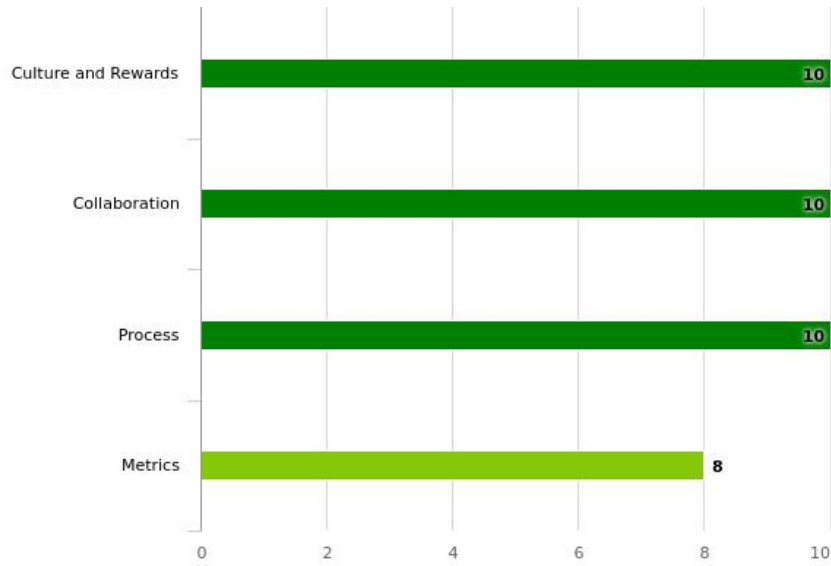
*Gold Industries response: Yes, we have a process to handle all sticky legal issues.*

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

*Gold Industries response: We have pending or active litigation that's a real doozie.*

[Enter any specific recommendations for improvements to this driver]

## Innovation Driver Detail



Based on information gathered during the Unlock Deep-Dive Analysis

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**Innovation Best Practice 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.

*Gold Industries response: Yes, we are all about innovation, and we reward employees for innovations at all levels.*

**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.

*Gold Industries response: We are completely tapped into multiple professional networks.*

**Process Goal:** Your company has a well defined process to encourage, capture, and protect innovation among your employees.

*Gold Industries response: Yes, we have a well-defined and documented process.*

**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.

*Gold Industries response: We have quantified the benefits of some innovations.*

[Enter any specific recommendations for improvements to this driver]



## Action Steps to Consider

<u>Category</u>	<u>Value</u>	<u>Gap</u>	<u>Suggested Task</u>
Financial Differentiation	\$187,000	5.4%	<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	\$142,000	4.1%	<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.
Niche Clarity	\$93,700	2.7%	<b>Define And Document Your Market Niche</b> Document your market niche by product line or service type.
Future Market Growth	\$93,700	2.7%	<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.
Proof of Differentiation	\$90,000	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	\$75,000	2.1%	<b>Document How You Monitor Competition</b> Take the time to document how your company monitors competition.
Customer Concentration	\$75,000	2.1%	<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	\$75,000	2.1%	<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	\$56,200	1.6%	<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	\$56,200	1.6%	<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	\$52,500	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	\$37,500	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	\$37,500	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	\$35,600	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	\$33,700	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.
Succession Plan	\$32,100	0.9%	<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.
Team Functionality	\$32,100	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!
Company Growth » Competitor Revenue Chart	\$28,100	0.8%	<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. <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.
Company Story	\$28,000	0.8%	<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.
Trusted Advisor	\$21,200	0.6%	<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.
Market Barriers Documentation	\$18,800	0.5%	<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.
Strategic Direction	\$14,800	0.4%	<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).
Business Profile	\$8,700	0.2%	<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.

## Summary and Recommendations

Here you should pull it all together with a summary and (possibly) list your final recommendations.

## Scope of Calculation Report to Determine the CoreValue "Value"

CoreValue® Enterprise Value is not a formal financial valuation and should not be used as such. It's not about a single number. It's about the integrity of your business, the market you're operating in, and your company's ability to reliably generate revenue and profit into the future - and ultimately transfer.

The reported analysis included in this report adheres to industry recognized valuation standards and the following explains the relationship between the value estimated by the CoreValue software and these standards.

The value estimated by CoreValue falls within the scope of a Calculation Engagement. It is called a Calculated Value.

This is distinguished from an Conclusion of Value engagement (Valuation Engagement) for reasons related to scope limitations, agreed upon procedures, and assumptions being made. For these reasons a Calculation Report is a more streamlined analysis, yet still a good tool when attempting to establish a benchmark value.

The elements of a Calculation Engagement are specified below.

It is agreed between the advisor and the client that the CoreValue proprietary process has been used to develop the Calculation of Value shown in the CoreValue report.

The subject interest considered as part of the CoreValue process is a 100% controlling, marketable interest in the client's company.

The date of the CoreValue report shall serve as the Calculation Date.

This CoreValue analysis is prepared solely for the client for purposes of internal business consulting and shall not be used for any other purpose or by any other party for any purpose.

The CoreValue analysis is prepared under a fair market value standard, as agreed with the client, on a going-concern basis. The parties have agreed that discounts are not considered in the CoreValue analysis.

The purpose of a Calculation Engagement is to determine the Calculated Value of the subject company where the client has requested only limited analyses to be performed. In this case, the analysis is limited to the CoreValue proprietary process. Based on these limitations, the analyst will not be rendering a Conclusion of Value.

In a Calculation Engagement, the valuation analyst and the client agree on the specific valuation approach(es) and valuation method(s) the valuation analyst will use and the extent of valuation procedures the valuation analyst will perform to estimate the value of the subject interest. The parties have agreed hereby on use of the CoreValue proprietary process and software to calculate the value of the subject company. A Calculation Engagement does not include all the procedures required in a Valuation Engagement (Conclusion of Value), as that term is defined in professional standards. Had all the procedures been performed; the results might have been different.

By accepting this report, the client agrees with the approaches, methods, and extent of calculation procedures performed with specific reliance and development based upon the CoreValue proprietary process.

This Calculation of Value is based on information provided by the client to date and the data used in this report was obtained from sources believed to be reliable. All data inputs that have bearing on the calculated values have been considered as part of the CoreValue proprietary process. However, as agreed with the client, the data has not been corroborated and all restrictions and agreements that may exist have not been considered.

CoreValue does not purport to be a guarantor of value; therefore, CoreValue makes no guarantees as to what values individual buyers and sellers may reach in an actual transaction. This Calculation shall not replace any due diligence that takes place as part of a contemplated transaction.

We, by reason of this Calculation Engagement, are not required to furnish a complete valuation report as would be required in a Valuation Engagement (Conclusion of Value), or to give testimony, or to be in attendance in court with reference to the assets, properties, or business interests in question unless arrangements have previously been made.

This Calculation was developed, and this analysis has been prepared, in conformity with, and is subject to, the requirements of the code of professional ethics and standards of professional conduct of the professional valuation organization(s) of which we are members. We have performed a Calculation Engagement, as that term is defined in the National Association of Certified Valuators and Analyst's Professional Standards. The estimate of value that results from a Calculation Engagement is expressed as a Calculated Value.

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