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The **VALUE BUILDER** ASSESSMENT

The ValueBuilder System™

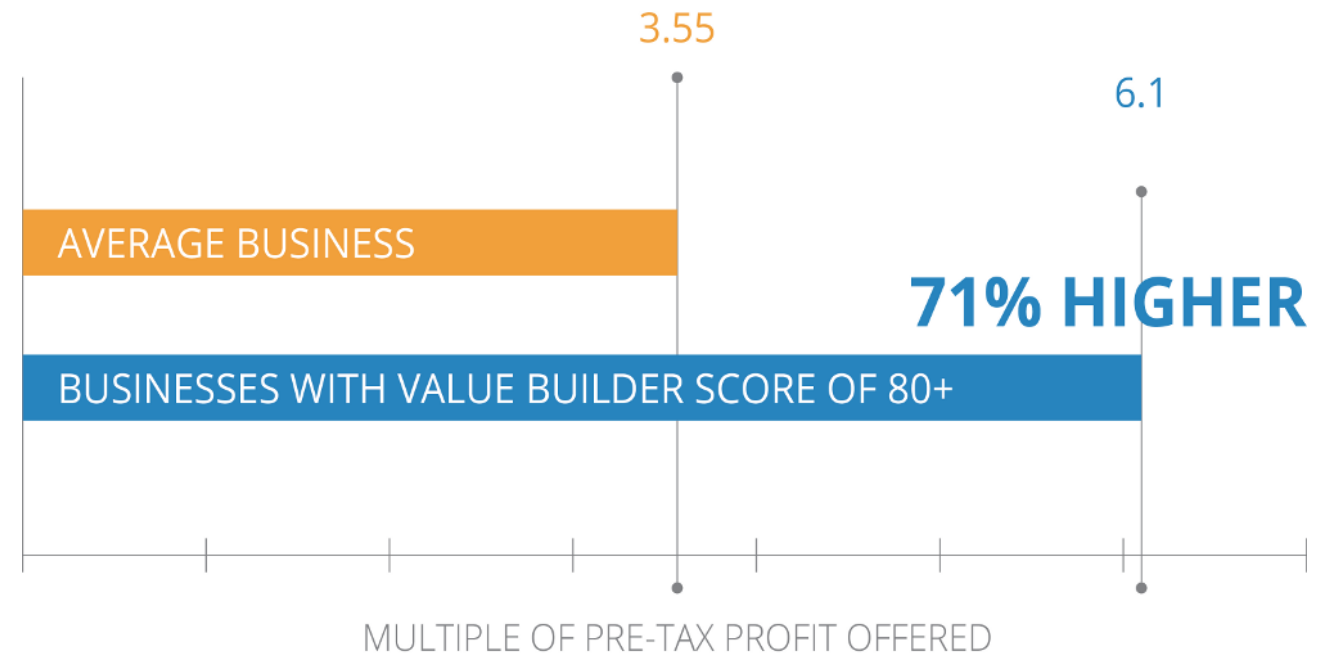
Overall Score

The Value Builder Score gives you a comprehensive assessment of the "sellability" of your business, whether you want to sell next year or just know you're building a valuable asset for the future.

▶ **Score: 33**



The Value Builder Premium

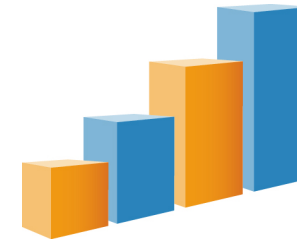


Through an analysis of tens of thousands of businesses, we've discovered that companies that achieve a Value Builder Score of 80+ out of a possible 100 receive offers to buy their business that are 71% higher than what the average company receives.

Your overall score reflects your performance on the **eight key factors** of Value Builder, which are statistically proven to drive the value of your company.

Driver 1

▶ Score: 40



Financial Performance

Your history of producing revenue and profit combined with the professionalism of your record keeping.



Opportunities **TO IMPROVE** Your Score

Financial Performance

Your history of producing revenue and profit combined with the professionalism of your record keeping.

▶ Score: 40



Q

“In the next 12 months, do you expect your revenue (i.e. sales / turnover) to:”:

- Decrease
- Remain at its current level
- Increase by up to 10%. – your answer
- Increase by between 11 and 20%
- Increase by 21-30%.
- Increase by more than 30% + 2 points
- Unsure

Action Items

1. Type here
- 2.
- 3.



Financial Performance

Your history of producing revenue and profit combined with the professionalism of your record keeping.

▶ Score: 40



Q

“What was your profit margin (before tax) in your most recent completed financial year? NOTE: Please adjust your profit margin to reflect a market rate salary for the owner(s). For example, if you withdrew \$350,000 in compensation but you could hire someone to replace you for \$120,000 then estimate what your profit margin would have been if you had only withdrawn \$120,000.”:

- We lost money
- 0-10% – your answer
- 11-20%
- More than 20% + 2 points
- Unsure

Action Items

1. Type here
- 2.
- 3.



Financial Performance

Your history of producing revenue and profit combined with the professionalism of your record keeping.

▶ Score: 40



Q

“What was your company’s annual revenue (i.e. sales / turnover) IN US DOLLARS last year?”:

- Less than \$100,000
- \$100,000 - \$499,999
- \$500,000 - \$999,999
- **\$1,000,000 - \$2,999,999 – your answer**
- \$3,000,000 - \$4,999,999
- \$5,000,000 - \$9,999,999
- \$10,000,000 - \$19,999,999
- **\$20,000,000 + + 3 points**

Action Items

1. Type here
- 2.
- 3.



Financial Performance

Your history of producing revenue and profit combined with the professionalism of your record keeping.

▶ Score: 40



Q

“When comparing your most recently completed financial year with the previous year, did your revenue (i.e. sales / turnover):”:

- Decrease
- Remain at its current level
- Increase by up to 10%. – your answer
- Increase by between 11 and 20%
- Increase by 21-30%.
- Increase by more than 30% + 2 points
- Unsure

Action Items

1. Type here
- 2.
- 3.



Financial Performance

Your history of producing revenue and profit combined with the professionalism of your record keeping.

▶ Score: 40



“Which of the following best describes your approach to financial record keeping?”:

- We give our accountant a stack of receipts and they figure it out
- We keep track of things ourselves using an accounting package (e.g. QuickBooks, Simply Accounting etc.)
- We hire an accounting firm to prepare a "Notice To Reader" statement each year – your answer
- We hire an accounting firm to conduct a “Review Engagement” each year
- We hire an accounting firm to produce “Audited Statements” each year + 2 points

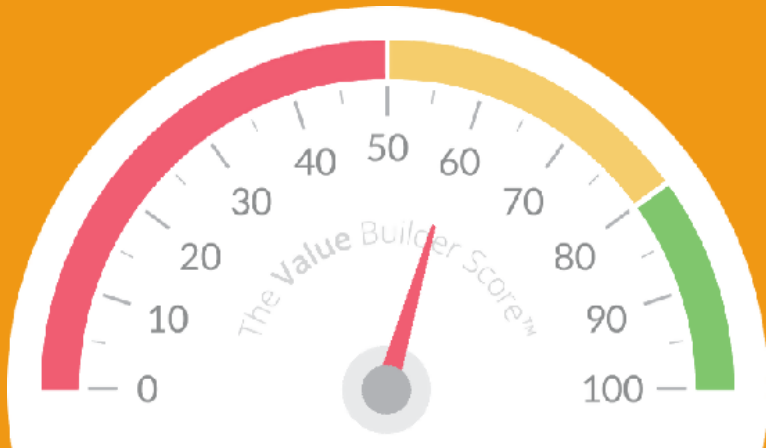
Action Items

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- 2.
- 3.



Driver 2

▶ Score: 59



Growth Potential

Your likelihood to grow your business in the future and at what rate.



Opportunities **TO IMPROVE** Your Score

Growth Potential

Your likelihood to grow your business in the future and at what rate.

▶ Score: 59



Q

“Would you say that your industry is:”:

- In decline
- Growing at about the rate of the economy – your answer
- Growing a little faster than the economy
- Growing much faster than the economy + 2 points
- Unsure

Action Items

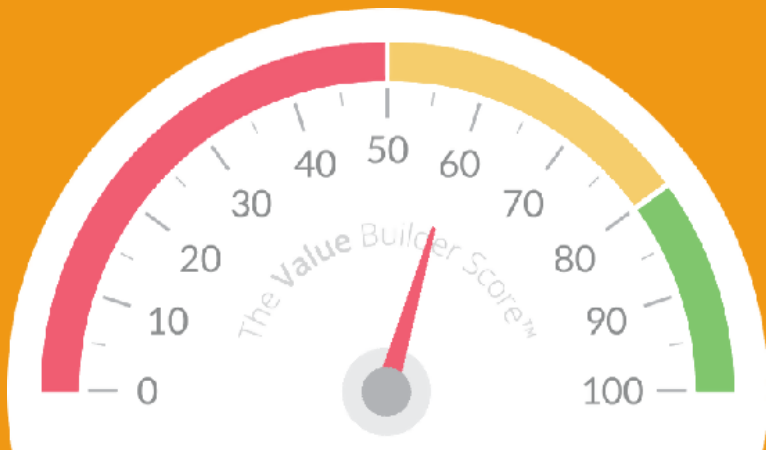
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- 3.



Growth Potential

Your likelihood to grow your business in the future and at what rate.

▶ Score: 59



“Thinking about the market share for the products / services that you sell, do you sell to:”:

- Most of the people who buy what you provide (more than 90% market share)
- More than half of the people who buy what you provide (more than 50% market share)
- Less than half of the people who buy what you provide (less than 50% market share)
- A very small proportion of the people who buy what you provide (less than 10% market share) – your answer
- Unsure

Action Items

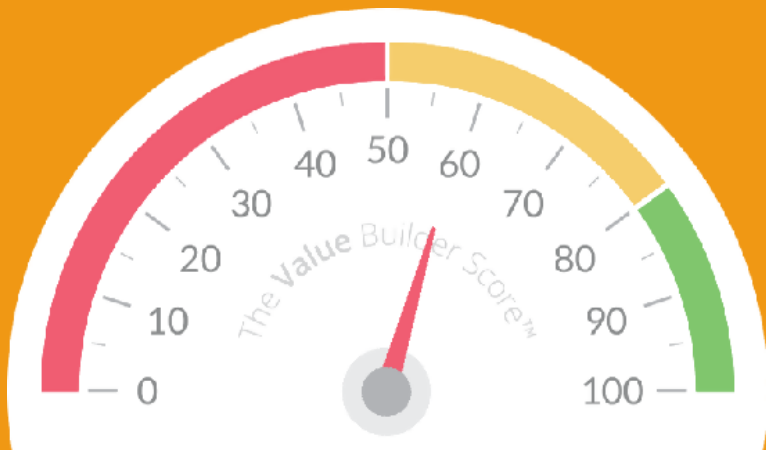
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Growth Potential

Your likelihood to grow your business in the future and at what rate.

▶ Score: 59



Q

“Which of the following best describes the possibility of your company selling more to your existing customers?”:

- Our customers are pretty much tapped out - we already sell them everything they need when it comes to our products/services.
- There are one or two complementary products or services we could be selling to our existing customers.
- There are a reasonable amount of other products and services we could be selling to our existing customers.
- There are lots of other complementary products and/or services we could be selling to our existing customers. – your answer
- Unsure

Action Items

1. Type here
- 2.
- 3.



Growth Potential

Your likelihood to grow your business in the future and at what rate.

▶ Score: 59



Q

“Which of the following best describes the typical level of customization which you offer your customers?”:

- We offer a complete custom solution to meet the unique needs of each customer we serve. – your answer
- We have a basic set of products, methodologies and services, but we often customize them a lot for customers.
- We have a standard set of products, services and methodologies that we tweak slightly for some customers.
- We do not customize our products, services or methodologies for individual customers. + 1 point
- Unsure

Action Items

1. Type here
- 2.
- 3.



Growth Potential

Your likelihood to grow your business in the future and at what rate.

▶ Score: 59



Q

“If customers were lined up at your door to buy, would you find delivering FIVE times the current volume of what you sell?”:

- Impossible
- **Very difficult – your answer**
- Fairly difficult
- Fairly easy
- **Very easy + 2 points**
- Unsure

Action Items

1. Type here
- 2.
- 3.



Growth Potential

Your likelihood to grow your business in the future and at what rate.

▶ Score: 59



Q

“Would replicating your business to serve a new geographical area be:”:

- Impossible
- Very difficult
- Fairly difficult – your answer
- Fairly easy
- Very easy + <1 point
- Unsure

Action Items

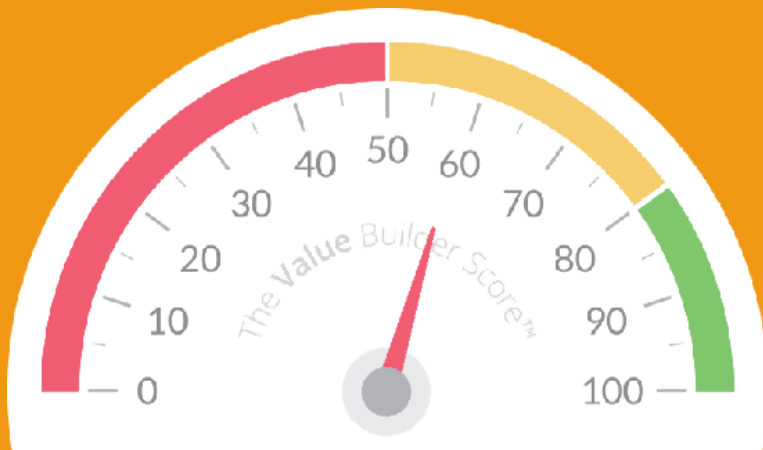
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Growth Potential

Your likelihood to grow your business in the future and at what rate.

▶ Score: 59



“Which of the following best describes your business model?”:

- Our net profit margin goes down with each new customer who buys from us.
- Our net profit margin stays about the same with each new customer who buys from us. – your answer
- Our net profit margin improves a little, the more customers buy.
- Our net profit margin improves a lot with each new customer who buys from us. + <1 point
- Unsure

Action Items

1. Type here
- 2.
- 3.



Growth Potential

Your likelihood to grow your business in the future and at what rate.

▶ Score: 59



Q

“Please estimate your influence by calculating the total number of people who have opted in to receive information from you and/or your company in the form of signing up for your website (e.g. e-newsletter, email mailing list or blog), Twitter "Followers", Facebook "Fans", RSS subscribers or people who have added you to their Google Plus "circles".”:

- None
- 0-999 – your answer
- 1,000 – 9,999
- 10,000 – 99,999
- 100,000 + + 1 point

Action Items

1. Type here
- 2.
- 3.



Driver 3

▶ Score: 30



The Switzerland Structure

How dependent your business is on any one employee, customer or supplier.

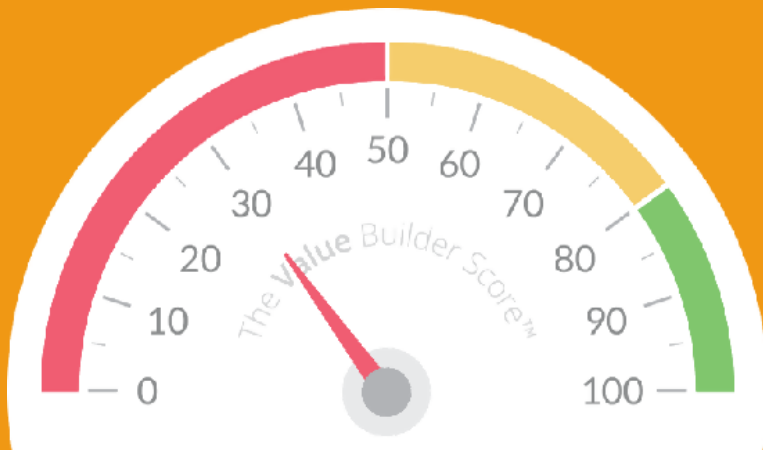


Opportunities **TO IMPROVE** Your Score

The Switzerland Structure

How dependent your business is on any one employee, customer or supplier.

▶ Score: 30



Q

“Please think of the person who contributes the most to each of the following areas of your business. How easy or difficult would it be to replace them? For section a) and b) if this person is YOU, select IMPOSSIBLE.

a) Sales and marketing:”:

- Very easy + 2 points
- Fairly easy
- Fairly difficult
- Very difficult
- Impossible – your answer
- Unsure

Action Items

1. Type here
- 2.
- 3.



The Switzerland Structure

How dependent your business is on any one employee, customer or supplier.

▶ Score: 30



Q

“Please think of the person who contributes the most to each of the following areas of your business. How easy or difficult would it be to replace them? For section a) and b) if this person is YOU, select IMPOSSIBLE.

b) Product/Service design & delivery”:

- Very easy + 1 point
- Fairly easy
- Fairly difficult
- Very difficult – your answer
- Impossible
- Unsure

Action Items

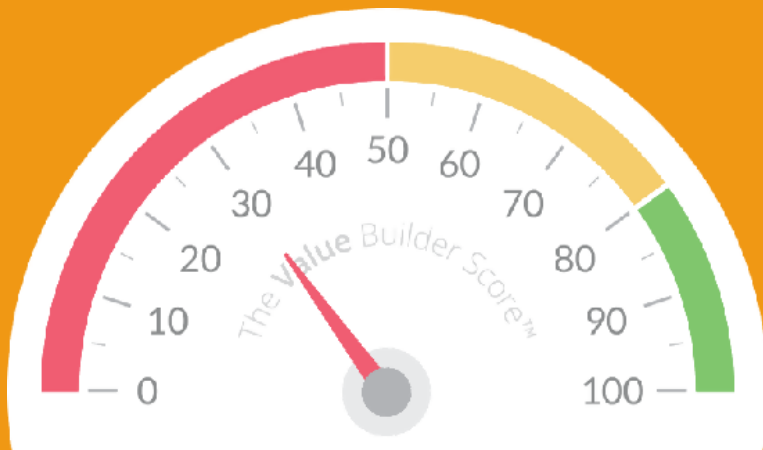
1. Type here
- 2.
- 3.



The Switzerland Structure

How dependent your business is on any one employee, customer or supplier.

▶ Score: 30



“Please think of the person who contributes the most to each of the following areas of your business. How easy or difficult would it be to replace them? For section a) and b) if this person is YOU, select IMPOSSIBLE.

c) External supplier. How easy or difficult would it be to replace your most important supplier?”:

- Very easy + <1 point
- Fairly easy – your answer
- Fairly difficult
- Very difficult
- Impossible
- Unsure

Action Items

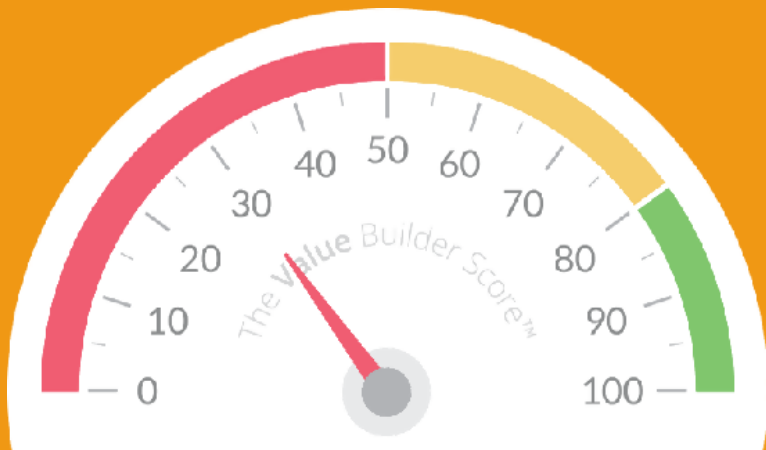
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- 3.



The Switzerland Structure

How dependent your business is on any one employee, customer or supplier.

▶ Score: 30



“What percentage of your overall revenue did your largest customer represent last year?”:

- 1-15% + 6 points
- 16-25%
- 26-50% – your answer
- 51%+
- Unsure

Action Items

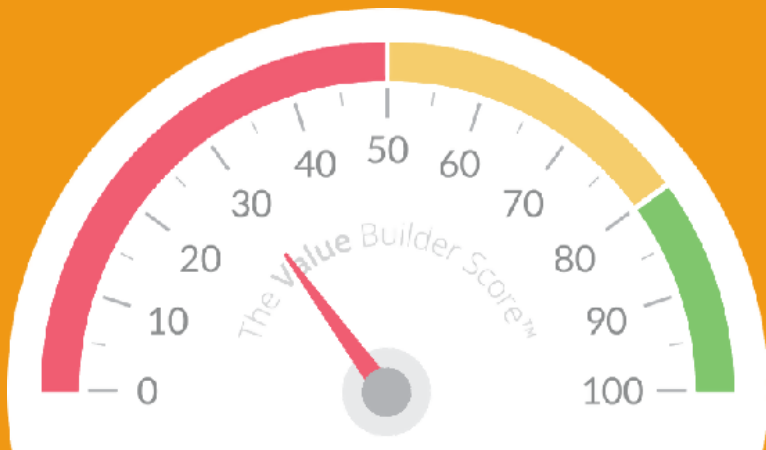
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- 3.



The Switzerland Structure

How dependent your business is on any one employee, customer or supplier.

▶ Score: 30



“Which of the following best describes the potential impact of losing your largest customer. Would your business:”:

- Hardly suffer at all, and survive + 2 points
- Suffer a little, but survive
- Suffer a lot, but survive
- Suffer a lot, and not survive – your answer
- Unsure

Action Items

1. Type here
- 2.
- 3.



Driver 4

▶ Score: 31



The Valuation Teeter Totter

Whether your business is a cash suck or a cash spigot.

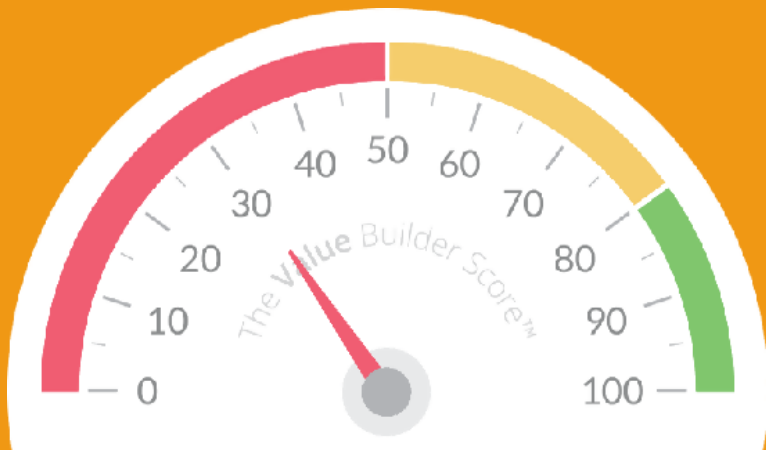


Opportunities **TO IMPROVE** Your Score

The Valuation Teeter Totter

Whether your business is a cash suck or a cash spigot.

▶ Score: 31



Q

“What is your typical gross profit margin? Gross profit margin is defined as the proportion (percentage) of money left over from sales (i.e. turnover/revenue) after accounting for the cost of goods sold. (For example, if your company sells a product for \$200 and it costs your business \$80 to buy the raw materials to make your product then your gross profit would be \$120 and your gross profit margin would be 60%).”:

- Less than 40% – your answer
- 40%-60%
- 61-80%
- More than 80% + 1 point
- Unsure

Action Items

1. Type here
- 2.
- 3.



The Valuation Teeter Totter

Whether your business is a cash suck or a cash spigot.

▶ Score: 31



Q

“Please select which of the following statements best describes your cash needs:”:

- We need more cash than we generate, so we’re regularly trying to raise or borrow money
- We need more cash than we generate so we're occasionally trying to raise or borrow money – your answer
- Our business generates excess cash which we reinvest or keep in the company as a “rainy day” fund
- Our business generates excess cash which we distribute to shareholders regularly + <1 point
- Unsure

Action Items

1. Type here
- 2.
- 3.



The Valuation Teeter Totter

Whether your business is a cash suck or a cash spigot.

▶ Score: 31



Q

“How do you typically get paid by your customers?”:

- 100% billed after the customer receives what they have purchased. – your answer
- An upfront deposit, followed by the full balance after the customer receives what was bought.
- Spread equally over the time it takes us to deliver what the customer bought.
- 100% billed when the customer agrees to buy. + 2 points
- Unsure

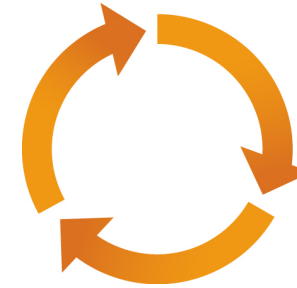
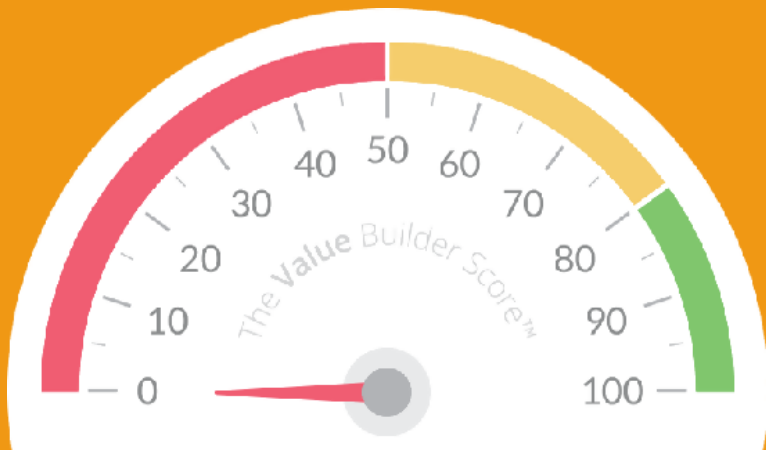
Action Items

1. Type here
- 2.
- 3.



Driver 5

▶ Score: 0



The Hierarchy of Recurring Revenue

The proportion and quality of automatic, annuity-based revenue you collect each month.



Opportunities **TO IMPROVE** Your Score

The Hierarchy of Recurring Revenue

The proportion and quality of automatic, annuity-based revenue you collect each month.

▶ Score: 0



“What percentage of your sales/revenue (i.e., turnover) is “recurring”? Recurring is defined as subscriptions, maintenance contracts, or annuity streams that your customer must proactively turn off or cancel in order to stop receiving the product or service.”:

- None – your answer
- 1-25%
- 26-50%
- 51-75%
- 76-100% + 12 points
- Unsure

Action Items

1. Type here
- 2.
- 3.



Driver 6

▶ Score: 25



Your Monopoly Control

How well differentiated your business is from competitors in your industry.



Opportunities **TO IMPROVE** Your Score

Your Monopoly Control

How well differentiated your business is from competitors in your industry.

▶ Score: 25



“And which of the following best describes the exclusivity of your business to your customers?”:

- We sell a commodity product/service that our customers can get from many other suppliers. – your answer
- We sell a product/service that our customers can get from a few other suppliers.
- We have a niche product/service that is unique in the marketplace so our customers would have to work hard to find another supplier of what we sell.
- We have a monopoly on the service/product we sell. + 2 points
- Unsure

Action Items

1. Type here
- 2.
- 3.



Driver 7

▶ Score: 75



The Customer Score

The likelihood that your customers will re-purchase and also refer you.



Opportunities **TO IMPROVE** Your Score

The Customer Score

The likelihood that your customers will re-purchase and also refer you.

▶ Score: 75



“Please estimate the percentage of your customers who are **VERY SATISFIED** with the services/products which your company provides:”:

- Less than 25% of our customers are “very satisfied”
- 25%-50% of our customers are “very satisfied”
- 51-75% % of our customers are “very satisfied” – your answer
- More than 75% of our customers are “very satisfied” + <1 point
- I’m not sure - we don’t measure customer satisfaction

Action Items

1. Type here
- 2.
- 3.



The Customer Score

The likelihood that your customers will re-purchase and also refer you.

▶ Score: 75



“How often, if at all, do your existing customers refer your company to their friends and colleagues?”:

- Always + <1 point
- Sometimes – your answer
- Rarely
- Never
- Unsure

Action Items

1. Type here
- 2.
- 3.



The Customer Score

The likelihood that your customers will re-purchase and also refer you.

▶ **Score: 75**



“In the last 12 months, what proportion of your customers complained in writing (e.g. email, letter, submission to your website)?”:

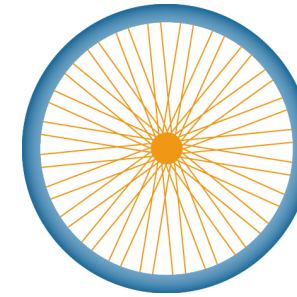
- None + <1 point
- Less than 1% – your answer
- 1-5%
- 5-10%
- More than 10%

Action Items

1. Type here
- 2.
- 3.



Driver 8



Hub & Spoke

How your business would perform if you were unexpectedly unable to work for a period of three months.

▶ Score: 14



Opportunities **TO IMPROVE** Your Score

Hub & Spoke

How your business would perform if you were unexpectedly unable to work for a period of three months.

▶ Score: 14



Q

“What percentage of your company's revenue (i.e. sales / turnover) is undertaken personally by you or your fellow equity holders?”:

- None + 2 points
- 1-25%
- 26-50%
- 51-75%
- 76-100% – your answer
- Unsure

Action Items

1. Type here
- 2.
- 3.



Hub & Spoke

How your business would perform if you were unexpectedly unable to work for a period of three months.

▶ Score: 14



“Which of the following best describes your management team?”:

- We don't have one. – your answer
- We have a couple of senior people who act as informal leaders, but their leadership roles are not clearly defined.
- We have managers in charge of sales/marketing and producing our services/products.
- We have a management team in place, and they have a compensation package that provides a long-term financial incentive to stay with our company (i.e., more than an annual bonus). + 6 points

Action Items

1. Type here
- 2.
- 3.



Hub & Spoke

How your business would perform if you were unexpectedly unable to work for a period of three months.

▶ Score: 14



“Which of the following best describes your personal relationship with your company's customers?”:

- I know each of my customers by first name and they expect that I personally get involved when they buy from my company. – your answer
- I know most of my customers by first name and they usually want to deal with me rather than one of my employees.
- I know some of my customers by first name and a few of them prefer to deal with me rather than one of my employees.
- I don't know my customers personally and rarely get involved in serving an individual customer. + 2 points
- Unsure

Action Items

1. Type here
- 2.
- 3.



Hub & Spoke

How your business would perform if you were unexpectedly unable to work for a period of three months.

▶ Score: 14



Q

“How would your business perform if you were out of action for 3 months and unable to work? Would it:”:

- Hardly suffer at all, and survive + 6 points
- Suffer a little, but survive
- Suffer a lot, but survive
- Suffer a lot, and not survive – your answer
- Unsure

Action Items

1. Type here
- 2.
- 3.

