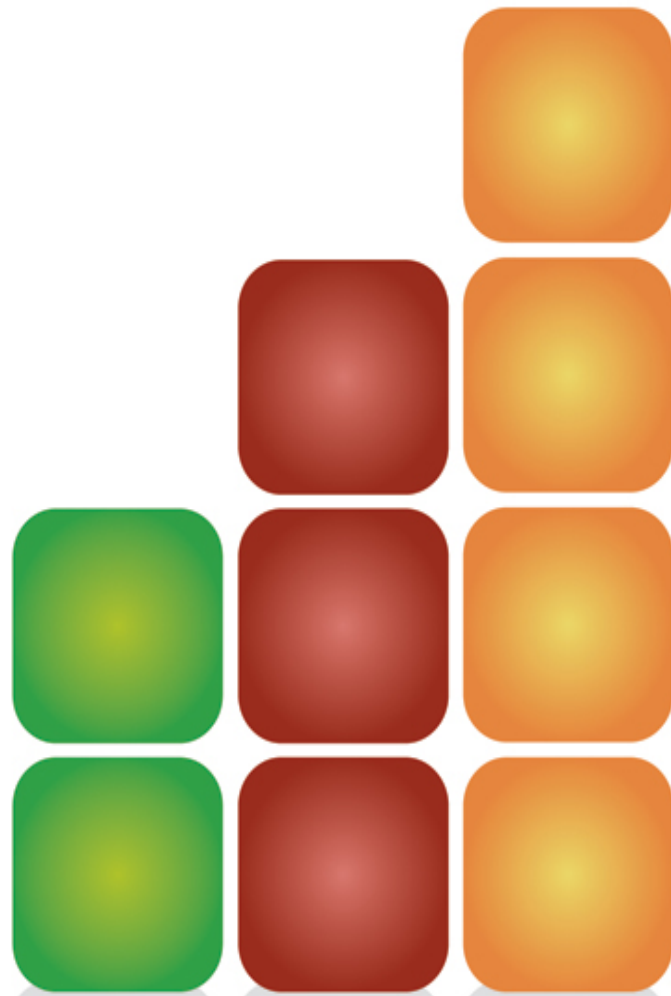


Chairman's View, Inc.



CoreValue™
Business Asset Report

1.800.640.1848
www.mycorevalue.com

Congratulations!

You have completed the first important step in ensuring your business is a valuable, saleable business asset. After advising thousands of owners and helping build hundreds of businesses over the years, we have boiled down the value creation process into 3 simple steps. This is not to say they are easy, but the process is straight forward and the road ahead clear.

Congratulations on completing Step 1!



In the attached report, you will find three levels of data:

- 1. Top line Business Asset Rating:** Your overall score determines how much of your potential business value you can capture today. Think of the number as a percent of value; a score of 65 would mean you can capture approximately 65% of the potential value of your company in a sale. A score under 40 means that you are at risk of not capturing any value, a score over 80 means that you should be able to capture the majority of your value today.
- 2. Overall Operational and Market Driver Scores:** The 18 drivers in your assessment are categorized into two groups, Operational and Market drivers. Operational Drivers are internal in a nature and reflect how efficient your company delivers on its promise to the marketplace. The Market Drivers are external and reflect the market you are in and how successful you are in carving out a defensible niche in that market.
- 3. Individual Driver Scores:** The individual 18 driver scores will tell you what drivers are creating value for your company and which drivers are holding you back.

Business Asset Rating Score: 49

Your Business Asset Rating is an industry-weighted calculation based on your self-assessment scores. It represents how much of the potential value of your company can be captured today in a sale or transfer.

The Opportunity and the Challenge: Most companies typically fall below 40 the first time they conduct a CoreValue™ assessment, hence why 75% of private businesses cannot be sold. If you are in the yellow or red, don't panic! The good news is that you can get out of the red into the green, turn your business into a more valuable asset, and even help your business operate more smoothly.

Below is a list of your Market Driver and Operational Driver scores in the "red, yellow and green" zones. Market Drivers are external in nature; they represent the market you are in, and how successful you are in carving out a defensible niche in that market. Operational Drivers are internal in nature and reflect how efficient your company delivers on its promises to the market place. Your scores are put in zones so you can prioritize and focus your efforts.



Market Driver Score	45	Red Zone	Yellow Zone	Green Zone
Growth				
Recurring Revenue				
Dominant Market Share				
Barriers to Entry				
Product Differentiation				
Brand				
Large Potential Market				
Margin Advantage				
Customer Diversification				
Operational Driver Score	53	Red Zone	Yellow Zone	Green Zone
Company Overview				
Financial				
Sales & Marketing				
Operations				
Customer Satisfaction				
Senior Management				
Human Resources				
Legal				
Innovation				

Market Drivers

1. Growth

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

4.2

2. Recurring Revenue

The ideal company can rely on a portion of future revenue from contractually committed customers.

2.3

3. Dominant Market Share

The ideal company owns the highest percentage of the available market relative to its competitors.

4.8

4. Barriers to Entry

There are significant obstacles facing a new entrant into the company's market.

4.4

5. Product Differentiation

The ideal company has a product or service with unique characteristics that provide a competitive advantage.

5.3

6. Brand

The ideal company has a recognizable brand that reinforces the business' presence in the marketplace and supports the company's objectives.

9.2

7. Large Potential Market

The market supports significant growth of the business.

6.5

8. Margin Advantage

The ideal company enjoys gross and net margins greater than the industry norm.

1.9

9. Customer Diversification

The ideal company has a well-diversified customer base.

6.2

Operational Drivers

1. Company Overview

In an ideal company, an outsider can easily obtain a holistic understanding of the company that allows for accurate insight into the company's performance, practices, culture, discipline, and mission.

6.7

2. Financial

The ideal company has all of its financial matters in order and follows best practices.

6.5

3. Sales & Marketing

The ideal 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.

7.6

4. Operations

The ideal 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.

1.2

5. Customer Satisfaction

The ideal company tracks and uses key measures to meet customer expectations at all levels.

2.5

6. Senior Management

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

6.0

7. Human Resources

The ideal company has the ability to find, develop, and retain quality individuals that enable success in all aspects of the business.

8.9

8. Legal

The ideal company has all its legal matters documented and in order.

8.8

9. Innovation

The ideal company drives and captures innovation at all levels, in every aspect of the business.

4.3

■ You Can Significantly Improve your Asset Rating and Make Your Business More Valuable:

1. **Focus on the “Reds”:** Drivers in the “Red” are eroding your value and could be potential deal breakers when you sell or transfer your company. Figure out what needs to be addressed, create a plan, identify the resources required, and put together a team to make it happen. The risk of not taking action on the reds, probably far out-weighs the financial or organizational risk of making a change today.
2. **Pick the Easy “Yellows”:** While the “Yellows” are not helping build value, they are not significantly eroding enterprise value either. Focus on only those yellows that are easy to improve, and move them into the “Green”.
3. **Keep the “Greens” Green:** If you’re in the “Green”, simply keep them there. They are creating significant value for your company.

■ The Bad News: Your Business May Have Less Value Than You Think

1. **Red Flags:** Litigation, environmental issues, the "do-it-all" business owner, and work force turnover are just a few common red flags which can keep you from realizing the full value of your company. They can even be deal breakers in a transaction. Learn about Red Flags and start getting rid of these potential obstacles.
2. **Self-Assessment Bias:** It's human nature to be more optimistic about your business than an outsider. When a potential buyer conducts due-diligence, they are looking at your business with a very critical eye, perhaps more critical than your own. The more you can evaluate your business as if you were a buyer, the more accurate your assessment. We recommend that prior to marketing your company for sale, you consider speaking with a trusted advisor to review your assessment and finances.
3. **Demographics:** If you are thinking of exiting in the next 15 years, you will be in very good company. There are over 4.5 million private business owners nearing retirement (baby-boomers) creating a potential glut of businesses on the market which will drive down values; only the strong will sell. Improving your enterprise value now will help your business stand-out in the crowd so you can successfully exit at your price.

■ Next Steps:

Now that you’ve reviewed your Business Asset Rating scores, it’s time to figure out what it means, where your business stands today, and how to maximize the value of your business as a sellable asset.

