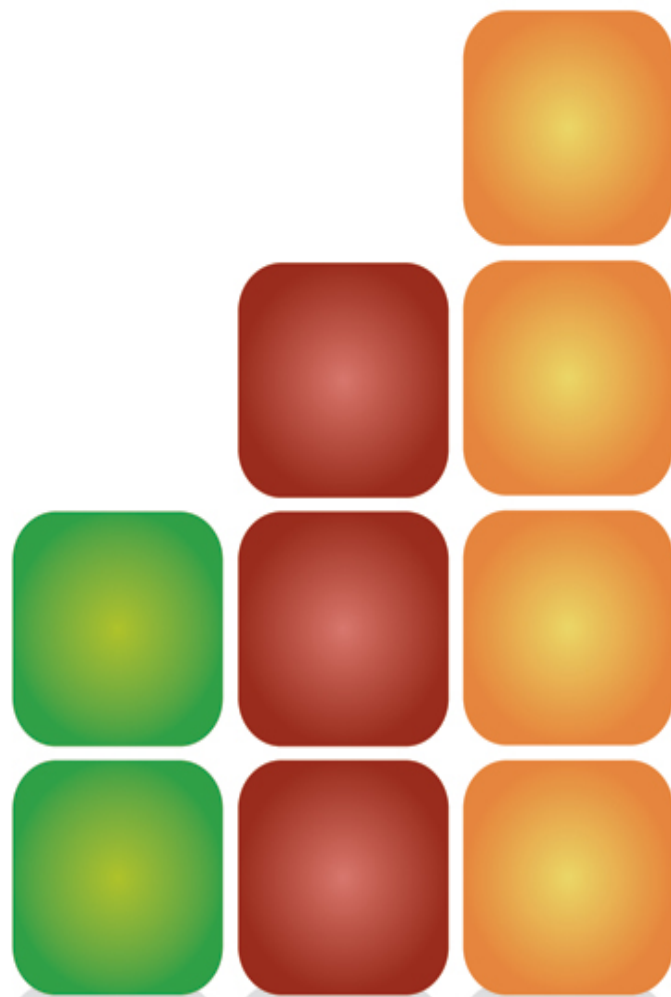


Chairman's View, Inc.



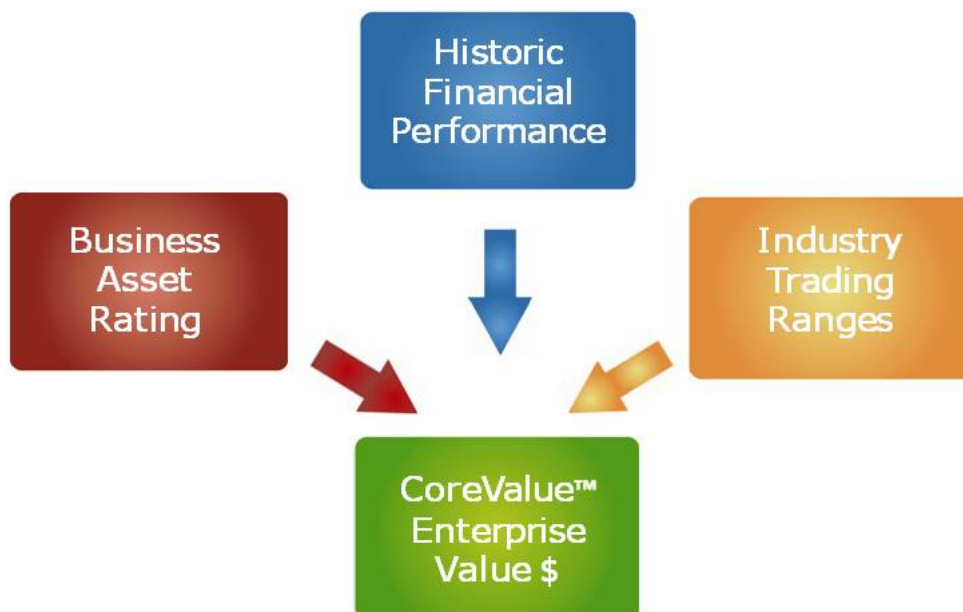
CoreValueTM
Enterprise Value Report

1.800.640.1848
www.mycorevalue.com

Congratulations!

You have completed the first and a very important step in ensuring your business is a valuable, sellable asset. Based on decades of research and experience in building hundreds of businesses, we have boiled down the mystery of enterprise value into 3 simple components. Each of these components is weighted by industry and entered into a proprietary algorithm to determine a company's enterprise value:

- 1. Business Asset Rating:** represents the percent of potential value you are capturing today. This number is derived from your self-assessment scores and calculated based on industry weightings.
- 2. Historic Financial Performance:** Revenue and/or EBITDA are most commonly used, depending on your industry, to forecast future potential value.
- 3. Industry Trading Ranges:** Within every industry, there is a bell curve that represents transactions in the industry, from the low-end of values to the high-end. The CoreValue algorithm uses a normal range of this curve to determine the high and low trading ranges, throwing out the low-end (fire sale) transactions, and the highest-end (strategic) transactions.



In the attached report, you will get a top line understanding of where your business is today, how much potential value you are capturing, and how much potential value you may be leaving on the table.

High-End Potential Enterprise Value: **\$700,000**

The high-end potential enterprise value represents the high-end value for your operating business based on your Business Asset Rating, broad industry classification, and your financial performance. This number does not take into account any balance sheet adjustments.

Industry

Wholesale Trade

Annual Revenue

\$100,000

Annual EBITDA

\$100,000

Business Asset Rating

51

Value Zone	Value Range	% Companies in Range
 GREEN	\$700,000 \$640,000	5%
 YELLOW	\$640,000 \$500,000	20%
 RED	<\$500,000	75%

Value Zone: RED

Based on your Business Asset Rating which is derived from your self-assessment scores (weighted by category and industry), you can capture very little if any of the potential value of your company today.

**Potential Value Not
Captured Today:**

\$400,000

The Opportunity and the Challenge:

If you are like most business owners, your business is the most valuable asset on your personal balance sheet. You already know you can significantly affect your personal wealth by ensuring your business is more than a job and paycheck, by making sure it is an asset with real value. So start now and make your business worth what you want, when you want. The next page provides more dimension around the opportunities and risks in your enterprise value, and how to think about taking action. If you are in the yellow or red zone, the risk of doing nothing is far greater than the risk of making a change.

■ The Good News: You Can Significantly Improve your Enterprise Value

- 1. Shore up Operational Weaknesses:** Identify operational weakness by asking yourself what would need to change to keep the business running effectively if you didn't show up for work anymore. Think about the processes, people, and plans you would need to put in place to effectively run the business without you in charge.
- 2. Re-evaluate Your Market:** Are you effectively targeting, branding, and capitalizing on a growing market with a differentiated product or service? Are you earning better margins, enjoying high market share, and creating barriers to entry for your competitors? Can you reliably count on recurring revenue? Valuable businesses are not based on past results, but the promise of future revenue and profit.
- 3. Improve Financial Performance:** Improving financial performance is not just chasing revenue and profit. Think about improving the underlining drivers behind sub-optimal financial performance, and you will have a "Double Win": revenue and profit will improve and your business asset rating will improve, allowing you to generate and then capture more value (not to mention that your business will become easier and more fun to run).

■ The Bad News: Your Business May Be Worth Less 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: Take Action

Now that you have an overview of your business enterprise value, you can take the next step to understand the drivers behind this value, focus your efforts, take action, and track improvements.

