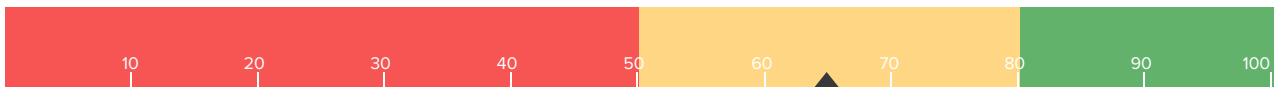




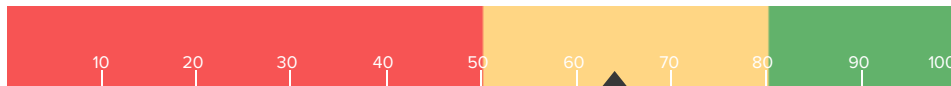
## ASSESSMENT

# CORE Value Drivers Assessment

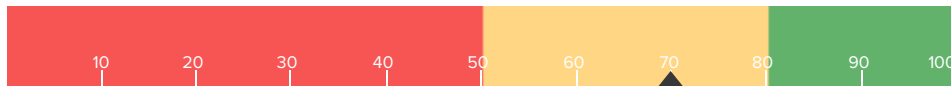
Overall Score: 65



Completing the CORE Value Drivers Assessment will help to evaluate your company on the 8 CORE Drivers of Value in the eyes of an Acquirer or an Investor. Whether you want to sell your company in the near future, or continue to run your business, focusing on these Key Drivers of Value will make your company more valuable as well as create the freedom and quality of life you deserve.



1. **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could hire someone to replace you for \$120,000 then estimate what your profit margin would have been if you had only withdrawn \$120,000.**
  - Unsure
  - More than 20%
  - 11-20%
  - **0-10% - (your answer)**
  - We lost money
2. **In the next 12 months, do you expect your revenue (i.e. sales / turnover) to**
  - 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%
  - Unsure
  - Decrease
3. **Which of the following best describes your approach to financial record keeping?**
  - We hire an accounting firm to produce "Audited Statements" each year – your answer
  - We hire an accounting firm to conduct a "Review Engagement" each year
  - **We hire an accounting firm to prepare a "Notice To Reader" statement each year - (your answer)**
  - We keep track of things ourselves using an accounting package (e.g. QuickBooks, Simply Accounting etc.)
  - We give our accountant a stack of receipts and they figure it out
4. **When comparing your most recently completed financial year with the previous year, did your revenue (i.e. sales / turnover):**
  - Unsure
  - **Increase by more than 30% - (your answer)**
  - Increase by 21-30%.
  - Increase by between 11 and 20%
  - Increase by up to 10%.
  - Remain at its current level
  - Decrease
5. **What was your company's annual revenue (i.e. sales / turnover) IN US DOLLARS last year?**
  - \$20,000,000 +
  - \$10,000,000 - \$19,999,999
  - \$5,000,000 - \$9,999,999
  - **\$3,000,000 - \$4,999,999 - (your answer)**
  - \$1,000,000 - \$2,999,999
  - \$500,000 - \$999,999
  - \$100,000 - \$499,999
  - Less than \$100,000



**1. Would you say that your industry is:**

- Unsure
- Growing much faster than the economy
- Growing a little faster than the economy
- *Growing at about the rate of the economy – your answer - (your answer)*
- In decline

**2. Thinking about the market share for the products / services that you sell, do you sell to:**

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

**3. Which of the following best describes the possibility of your company selling more to your existing customers?**

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

**4. Which of the following best describes the typical level of customization which you offer your customers?:**

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

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

- Unsure
- Very easy
- Fairly easy
- *Fairly difficult - (your answer)*
- Very difficult – your answer
- Impossible

**6. Would replicating your business to serve a new geographical area be:**

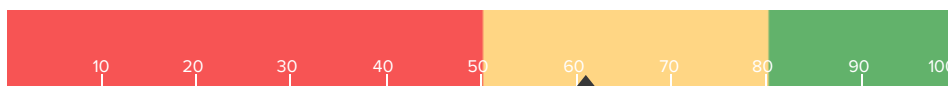
- Unsure
- Very easy
- *Fairly easy - (your answer)*
- Fairly difficult
- Very difficult
- Impossible

7. Which of the following best describes your business model?:

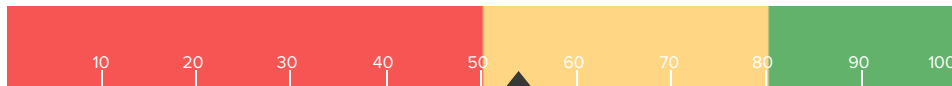
- Unsure
- Our net profit margin improves a lot with each new customer who buys from us.
- *Our net profit margin improves a little, the more customers buy. - (your answer)*
- Our net profit margin stays about the same with each new customer who buys from us. – your answer
- Our net profit margin goes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

8. 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 "circle"s

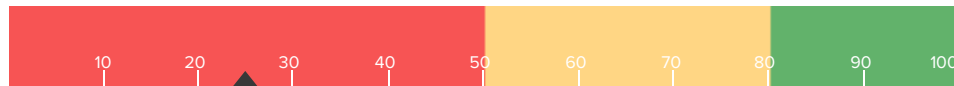
- 100,000
- 10,000 – 99,999
- *1,000 – 9,999 - (your answer)*
- 0-999
- None



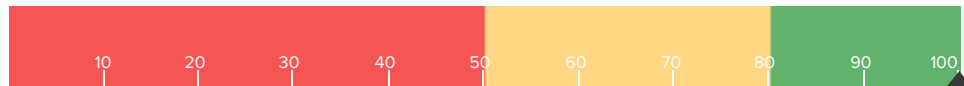
1. Please think of the person who contributes the most to each of the following areas of your business. How easy or difficult would it be to replace them? For section a) and b) if this person is **YOU**, select **IMPOSSIBLE**. a) Sales and marketing:
  - Unsure
  - Impossible
  - *Very difficult - (your answer)*
  - Fairly difficult
  - Fairly easy
  - Very easy
2. 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”:
  - Unsure
  - Impossible
  - *Very difficult - (your answer)*
  - Fairly difficult
  - Fairly easy
  - Very easy
3. 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?:
  - Unsure
  - Impossible
  - Very difficult
  - Fairly difficult
  - *Fairly easy - (your answer)*
  - Very easy
4. Which of the following best describes the potential impact of losing your largest customer. Would your business:
  - Unsure
  - Suffer a lot, and not survive
  - *Suffer a lot, but survive - (your answer)*
  - Suffer a little, but survive
  - Hardly suffer at all, and survive
5. What percentage of your overall revenue did your largest customer represent last year?:
  - Unsure
  - 51%+
  - 26-50%
  - 16-25%
  - *1-15% - (your answer)*



1. **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%):**
  - Unsure
  - More than 80%
  - 61-80%
  - 40%-60%
  - *Less than 40% - (your answer)*
2. **Please select which of the following statements best describes your cash needs:**
  - Unsure
  - Our business generates excess cash which we distribute to shareholders regularly
  - Our business generates excess cash which we keep in the company as a “rainy day” fund
  - *We need more cash than we generate so we're occasionally trying to raise or borrow money - (your answer)*
  - We need more cash than we generate, so we're regularly trying to raise or borrow money
3. **How do you typically get paid by your customers?**
  - Unsure
  - 100% billed when the customer agrees to buy.
  - *Spread equally over the time it takes us to deliver what the customer bought. - (your answer)*
  - An upfront deposit, followed by the full balance after the customer receives what was bought
  - 100% billed after the customer receives what they have purchased



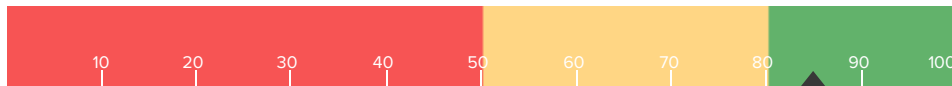
1. What percentage of your sales/revenue (i.e., turnover) is “recurring”? Recurring is defined as subscriptions, maintenance contracts, or annuity streams that your customer must proactively turn off or cancel in order to stop receiving the product or service.
- Unsure
  - 76-100%
  - 51-75%
  - 26-50%
  - 1-25% - (your answer)
  - None



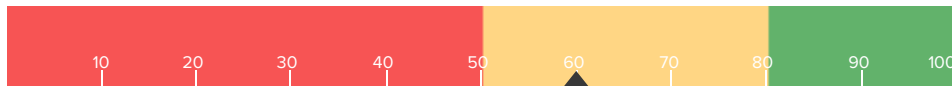
1. Which of the following best describes the exclusivity of your business to your customers:

- Unsure
- *We have a monopoly on the service/product we sell - (your answer)*
- 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 sell a product/service that our customers can get from a few other suppliers.
- We sell a commodity product/service that our customers can get from many other suppliers.





- 1. Please estimate the percentage of your customers who are VERY SATISFIED with the services/products which your company provides:**
  - I'm not sure - we don't measure customer satisfaction
  - *More than 75% of our customers are "very satisfied" - (your answer)*
  - 51-75% % of our customers are "very satisfied"
  - 25%-50% of our customers are "very satisfied"
  - Less than 25% of our customers are "very satisfied"
- 2. How often, if at all, do your existing customers refer your company to their friends and colleagues:**
  - Unsure
  - Never
  - *Rarely - (your answer)*
  - Sometimes
  - Always +
- 3. In the last 12 months, what proportion of your customers complained in writing (e.g. email, letter, submission to your website)?:**
  - More than 10%
  - 5-10%
  - 1-5%
  - Less than 1%
  - *None + <1 point - (your answer)*



1. Which of the following best describes your management team?:

- 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).
- We have managers in charge of sales/marketing and producing our services/products.
- *We have a couple of senior people who act as informal leaders, but their leadership roles are not clearly defined. - (your answer)*
- We don't have one.

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

- Unsure
- 76-100%
- 51-75%
- 26-50%
- *1-25% - (your answer)*
- None

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

- Unsure
- I don't know my customers personally and rarely get involved in serving an individual customer.
- *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. - (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 each of my customers by first name and they expect that I personally get involved when they buy from my company.

4. How would your business perform if you were out of action for 3 months and unable to work?

Would it:

- Unsure
- Suffer a lot, and not survive
- *Suffer a lot, but survive - (your answer)*
- Suffer a little, but survive
- Hardly suffer at all, and survive