

BUSINESS ATTRACTIVENESS SCORE

(score on a scale of 1-6)

Business Factors	Rating	Considerations
Years of business operation		The longer the company has been established typically is more attractive to buyers
Management strength		Tenure of employees. Longer typically is better
Customer loyalty		Tenure of customers. Longer typically is better
Brand awareness		The longer the company has been established typically means they have a stronger brand
Good customer base (not concentrated)		Diverse customer base. No concentration.
Packaged IP & Technology		Technology, processes, IP, packaged and transferrable?
Key staff longevity		How tenured and experienced are your key personnel
Location/Facilities		Are they clean, modernized and updated
Non reliance on key manager(s)		Can the business run with minimal oversight of owner?
Replicable business model		How easy would it be to replicate the model? Hard is good.
Business systems and processes		Are your processes and systems updated, and documented?

INSTRUCTIONS

Rate each category from 1-6, based on the below key:

1. Bad/Nonexistent
2. Needs Improvement
3. Slightly Below Average
4. Slightly Above Average
5. Best-In-Class
6. Industry Leader

Add all your ratings together and put your total in the TOTAL RATING section.

Divide your TOTAL RATING by the MAXIMUM RATING of 150. The result will be your percentage ATTRACTIVENESS SCORE.

EXAMPLE

Total Rating = 100
 Maximum Rating = 150
 $100 / 150 = .67$
 Attractiveness Score = 67%

Forecast Factors	Rating	Considerations
Profitability past/present		History of profits. How does company benchmark in industry?
Profitability growth forecast		Defined, well-thought out future forecast?
Revenue growth		History of growth?
High certainty in budget		How predictable are results? Proven?
Recurring revenue model		How predictable is demand? Proven?

NOTES

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Market Factors	Rating	Considerations
Market growth & potential		State of the specific industry and market
Industry barriers to entry		Fewer barriers typically mean more competition, thus less attractive
Competitive activity or advantage		Degree of competition for products and services
Dominant market position		Market position/dominance
Economic prosperity		State of the US economy

Investor Considerations	Rating	Considerations
Reason for selling		Is the sale forced due to 5Ds? Level of transition planning
Synergy and value add of buyer		Level of synergies for a strategic buyer
Degree of risk		Company specific risk
Market for business sale		State of the Private Capital Market. Number of potential buyers

TOTAL RATING	
MAXIMUM RATING	
Attractiveness Score (Your Total / 150 = %)	

NOTES

	Poor/ Nonexistent	Needs Improvement	Slightly Below Average	Slightly Above Average	Best-In-class	Industry Leader
Common Sense Rating	1	2	3	4	5	6
Range of Value Score	0-17%	18-33%	34-50%	51-67%	68-83%	84-100%