|  |  |  |
| --- | --- | --- |
| 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? |
|  |  |  |
| 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? |
|  |  |  |
| 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 | **150** |  |
| Attractiveness Score  (Your Total / 150 = %) | **-** |  |

A screenshot of a cell phone

Description automatically generated

**Instructions:**

Step 1. 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. In a Class of One

Step 2. Add all ratings together and put your total in the TOTAL RATING section.

Step 3. 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

READINESS SCORE: 67%

Copyright Exit Planning Institute