



Growth Planning Discovery Report

Prepared for IBA Sample Client

Growth Planning Discovery Report

Executive Summary

Growth Planning Index (GPI) Summary

Below is a summary of the key findings from the GPI Survey. This customized report is designed to provide a measurement of how, based on your survey answers, you rank on our proprietary chart for your overall commitment/focus on growing your business as well as your level of 'equity planning', or how much focus you have on the eventual monetization of the company's equity value. This report will help you understand the key tasks and value drivers that most closely align with your goals as an owner.

Results

Growth Commitment Score: High

Your GPI™ score shows that you have taken many of the actions that create growth in your business. However, there is room for some improvement to perhaps create *predictable* revenues and value growth. This improvement can result in developing a more valuable company, better able to serve your long-term, personal wealth goals.

Equity Monetization Score: Moderately Low

This second category measures how much thought, planning and action has been taken to understand how your actions today are tied to the equity growth/increased value of your business, including the eventual monetization of that wealth.

Owners who score in the High Commitment & Moderately Low Equity Planning portion of our Growth Quadrant Chart™ are generally strongly committed to growing the business, including perhaps sacrificing lifestyle to invest in strengthening / continuing to grow their business. Owners in this Quadrant are beginning to consider what life might look like outside of the business if they were to transfer or monetize the value, and may be beginning to consider options around the eventual sale/transition of the business at some future time. These owners are typically learning how additional growth and a stronger, overall business contribute to an overall higher exit value.

Discover Report Summary

Below are the key findings from our Discover Report. Through this survey, you answered questions related to our 18 Drivers of Growth and Value. These drivers represent components of your business that must be firing on all cylinders in order to optimize your business. We call this our 3 Elements for Business Growth. The first element is creating Predictable Profits and Cash Flow – allowing you to Capture Value. The second element is Sustainable Growth – making it possible to Create Value. The third element is Defendable Equity Value – this allows you to Realize Value in your business when you are ready to monetize the equity you have built.

Results

Estimated Enterprise Value: \$6.8 Million

Estimated Potential Value: \$10.1 Million

Value Gap: \$2.3 – \$4.3 Million

The Value Gap represents the difference between what your business is estimated to be worth today and how much it could be worth. In other words, how many dollars you are leaving on the table due to operational and market weaknesses.

Value Drivers Most Impacting Value

Operations Driver - The strength of your company's operations drives your ability to deliver on the sales promises made to the marketplace. Strong delivery processes can positively impact sales, cash flow, recurring revenues, and brand strength.

Growth Driver - Being able to articulate how your business has grown over the years and your future plans for growth is critical to becoming a top performing business. Looking inward is only part of the equation. You should also be able to discuss growth in the context of your industry as a whole and for the niche your business occupies within that industry.

Recurring Revenue Driver - A key contributor to growth is the ability to rely on a portion of future revenue from contractually committed customers. Your company's ability to rely on recurring revenue can be a strong indicator of future performance.

Disclaimer

This assessment is based on a comparison of operational effectiveness of this business to recent transactions of comparable size, industry and geography. The assessment methodology has been validated against extensive valuations by valuation professionals. However, although CoreValue calculates an overall financial value, this estimate should not be used as a substitute for a full business valuation of an owner's interest in the business.

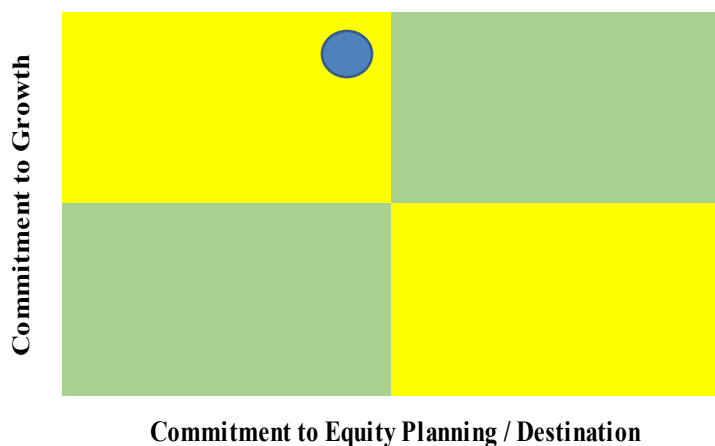
Investment advice offered through Integrated Partners, a registered investment advisor.

Congratulations on taking the Growth Planning Index™ (GPI™) Survey!

This Growth Planning Index (“GPI™”) Report is customized for you based on the responses to the twenty (20) survey questions that you answered. This customized report is designed to provide a measurement of how, based on your survey answers, you rank on our proprietary chart for your overall commitment / focus on growing your business as well as your level of ‘equity planning’, or how much focus you have on the eventual (or sooner) monetization of the company’s equity value. The twenty (20) survey questions are designed to inform and guide your first steps towards better understanding the ‘type of growth owner’ that you most resemble so that you can prioritize growth-oriented tasks / drivers in your business to suit your overall goals. Your answers to the GPI™ Survey Questions indicate that you rank as follows:

Your Level of Commitment Score = High
Your Level of Equity Planning / Destination Score = Moderately Low

Our GPI™ scoring formula places you in the upper, left-hand portion of our Growth Quadrant Chart™. Scoring in this quadrant means, overall, that you are willing to apply resources such as capital, expertise and your time, towards reaching a goal of further growth of your business. This may include a focus on the strategic, systematic increase in the value of your business. Generally speaking, you have not yet taken action on many of the tasks relating to equity and exit planning that would have you, in many ways, acting like a professional investor, treating your business more like an investment and less like a job, such as having a written exit plan for the monetization of the wealth in your business. However, there are areas where you can improve on destination, as further described in this GPI™ Report.

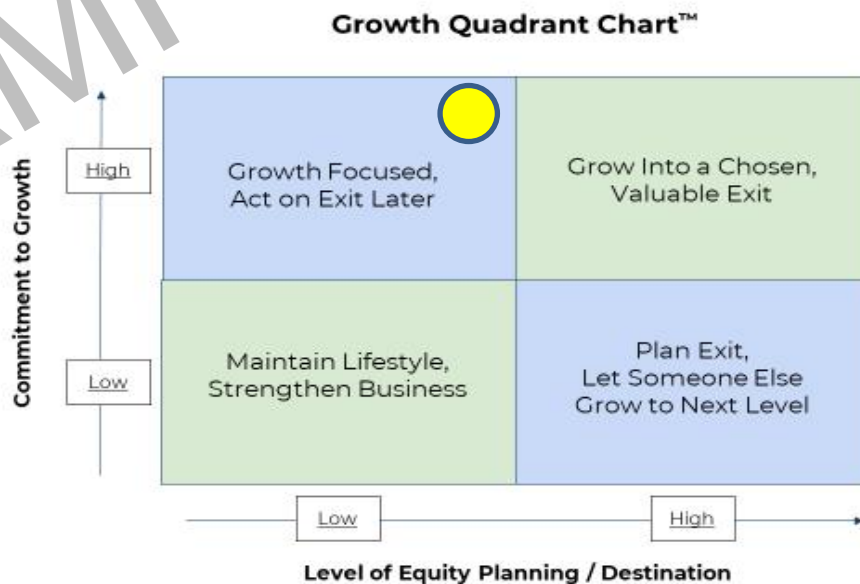


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General Description of the Growth Quadrant Chart™

Growth Planning™ is a discipline that begins with an assessment of an owner's overall goals. These include business growth and equity value goals, as well as an owner's level of intensity in pursuing these goals. This growth planning process begins with a personal perspective from you, the owner of the business, to 'Architect' how much growth you are willing / ready to take on, which is what we call 'Commitment'. We then prioritize tasks around certain growth and equity 'value drivers' (later explained in this report) within a written plan to organize and align with your growth goals. For example, some owners want a business that is easier to run without additional risk or investment. Other owners want to invest a substantial amount of resources to drive the business in the direction of a specific, future, valuable exit. To use a construction analogy, Growth Planning™ is the Architecture, the blue print, that lays out (i) how much value creation / business strengthening is sought, (ii) the overall prioritization of projects in order to be addressed, and (iii) details the resources needed to complete the 'Construction' of the plan.

Generally speaking, there are four (4) types of growth owners when it comes to Growth Planning™, as indicated on the Growth Quadrant Chart™ below. Your GPI™ score aligns most closely with the 'Growth Focused, Act on Exit Later' type of owner. This means that you have likely started to focus on a increasing the value of your business so that you can recognize a higher exit value / see a more successful transition of the business in the future. Owners who score in this category are aware of how their actions taken towards Growth and Equity Value Drivers today impacts the overall increase in the value of the business, and may be thinking about a potential future 'target / exit' value.



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To understand the growth planning process better, there are generally two (2) factors / questions to consider when getting started; (i) how committed are you to growth?, and (ii) what is the level of equity planning that you currently have, including how well defined the exit / equity monetization / ‘destination’ is for the future?

The GPI™ scoring ranks you as High for Commitment

The growth planning process seeks to compare activities of ‘normal’ business owners with those of professional investors. Professional investors, such as private equity groups, have a proven track record of creating and monetizing strong, valuable companies. Building companies is the reason that they exist. However, many privately held business owners favor lifestyle and personal preference over strong, focused, consistent, disciplined value growth. Professional investors are ‘fully’ committed to growing the value of a business. However, privately-held business owners most often treat their business as a job, rather than as an investment. In contrast, a professional investor’s primary focus when it comes to treating and growing a privately-held business is as an investment, and not like a job – they put what we call a ‘High Commitment / Priority to Growth’.

Your GPI™ score shows that you have taken many of the actions that create growth in your business. However, there is room for some improvement to perhaps create *predictable* revenues and value growth. This improvement can result in developing a more valuable company, better able to serve your long-term, personal wealth goals.

The GPI™ scoring ranks you as Moderately Low for Equity Planning / Destination

After Commitment to Growth, we measure our second factor, which is Level of Equity Planning, or ‘Destination’. This second category measures how much thought, planning and action has been taken to understand how your actions today are tied to the equity growth / increased value of your business, including the eventual [or sooner] monetization of that wealth.

Simply put, professional investors have a solid idea – and generally a complete growth plan – that details the operational areas which will grow value, with a timetable for strengthening each. They also clearly understand how and when the company’s total value will be monetized / turned into cash. These investors wake up every day and ‘work on’ the businesses that they own, they do not ‘work in’ the businesses. Professional investors execute against a growth plan and prioritize value drivers that increase company value. They also know how and when value will increase with certain improvements to the business and these professionals typically align interests by using the business equity as currency and using debt to leverage returns.

According to the answers that you have provided, there are a number of items in the Growth Planning Index™ that suggest that you are acting like a ‘normal’ business owner and not yet doing many things that professional investors do. Overall, our GPI™ scoring suggests that although you are not yet looking towards a future exit, you are aware, at a high level, of the techniques to measure business wealth / value improvement but have not yet incorporated these into your overall business planning, including the development of a written exit plan. You are likely just starting to consider and / or plan for a future exit / transition from your business, including when or how to successfully complete the monetization of your target equity value.

Summary Description

Owners who score in the High Commitment & Moderately Low Equity Planning / Destination portion of our Growth Quadrant Chart™ are generally strongly committed to growing the business, including perhaps sacrificing lifestyle to invest in strengthening / continuing to grow their business. Owners in this Quadrant are beginning to consider what life might look like outside of the business if they were to transfer or monetize the value, and may be beginning to consider options around the eventual sale/transition of the business at some future time. These owners are typically learning how additional growth and a stronger, overall business contribute to an overall higher exit value.

Growth and Equity Value Drivers™ and Prioritizing Which Drivers to Work on First

A Growth Plan™ for a privately held business helps to make Growth and Equity Value Drivers™ actionable. From there, you will want to consider how and when you choose to address any weaknesses and opportunities presented within these drivers. The Growth Planning™ process includes an understanding of various value drivers AND prioritizing which drivers you will want to work on first, second, third, and so on, including an overall timeline to address these drivers. You must also understand the return on investment that you can achieve by following the growth plan.

Depending on your goals, the Growth and Equity Value Drivers™ that you choose to work on are not necessarily those that drive the most *value* into your business. For example, there are a different set of Growth and Equity Value Drivers™ for current increases to income, than there are for increases to long-term equity value. In fact, your level of commitment and equity planning / destination helps to think through which Growth and Equity Value Drivers™ are the ones that you want to prioritize in your Growth Planning™. There is an old expression in business consulting, that ‘you should not try to boil the ocean’. What this simply means is that there is only so much that you can work on in your business at once. Growth plans are typically

executed over a period of years. Prioritizing the Growth and Equity Value Drivers™ that you can work on first to build value into your business, helps to manage this overall process.

Growth and Equity Value Drivers™

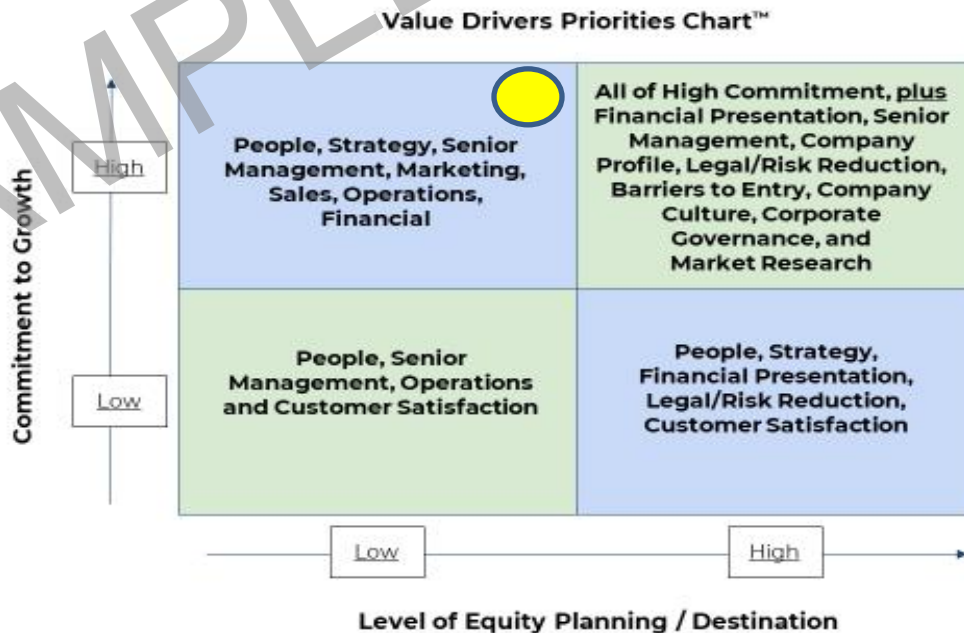
The Growth and Equity Value Drivers for most privately held businesses are:

- Finance
- People
- Operations
- Marketing
- Sales
- Corporate Governance
- Strategy
- Market Research and Penetration
- Pricing and Margin
- Legal / Risk Reduction
- Customer Experience
- Company Culture

The Value Driver Priorities Chart™ below illustrates where the value drivers listed above correspond to the ‘Growth Focused, Act on Exit Later’ Quadrant in which you were placed with your GPI™ score. This Value Drivers Priorities Chart™ provides guidance for which value drivers you may choose to prioritize in your overall growth planning.

Your Value Drivers Priorities Chart™ Position

“Growth Focused, Act on Exit Later”



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Owners who have a GPI score in the Upper Left-Hand Quadrant of the Growth Quadrant Chart need to understand which Growth and Equity Value Drivers to prioritize in order to grow the value of their business. This is because owners in this quadrant are typically the most committed to focusing on growth-related issues. These owners may also be starting to consider how an outsider will look at the business as an investment. As a result, there are a number of considerations that are not yet high-priority Growth and Equity Value Drivers as they are more of a long-term focus.

The Growth Planning™ process is designed to help business owners like you figure out which of these drivers are the most important to focus on, based on your level of commitment and equity / destination planning. Therefore, based on your GPI™ score of High Commitment and Moderately Low Equity / Destination Planning, the combination of value drivers that many owners who have this score focus on are listed below.



However, because a future exit transaction / transition of the business is not yet likely being considered, it is less important to focus on ‘how your business will present to another owner’. Using another analogy, if you were looking to sell your home, you would start to think about how a buyer will see it. You would work on the repairs and fixes to increase both the ‘curb appeal’ as well as some cosmetic and structural fixes. Similar to home improvements, there are many areas of your business that will in the future, before you can monetize the equity value of your business, need to be ‘cleaned up’ in anticipation of a future ‘open house’ for your company – and this is what will further drive exit value. You should consider discussing “growth with an eye on future value” with the advisor who introduced you to this Growth Planning Index™.

The Growth Planning™ process is, initially, about understanding these different drivers of value. Then, through active discussion, determining which of the drivers present either (i) a pain that you, the business owner, would like to address and / or (ii) an opportunity for improvement that you would like to focus on to increase the strength and / or value of your business.

Once the drivers are prioritized, through active conversation with you, the owner, a clear picture will emerge of what is most important to address first in your business. The prioritization of drivers and tasks is different for every business owner and every business. However, the organization of the drivers and the accompanying conversation helps to focus the growth plan on your goals. The majority of business owners who take the GPI™ survey are, somehow, looking to address the strength of their business. After the ‘Architecture’ of a growth plan, comes the implementation or ‘Construction’ phase.

Building a Team of Growth Planning Consultants **Based on Your GPI™ Score**

The advisor / consultant who invited you to take this Growth Planning Index™ survey is a Member of (or is connected to a Member of) the International Growth and Exit Planning Association, LLC. The IGEPA is a member-only organization comprised of hundreds of advisors and consultants with specialty expertise across all of the growth and equity value drivers listed in this report. Expertise is one of the key ingredients to empowering growth. Through this affiliation with the IGEPA, your advisor/consultant can, if you deem necessary, supplement your senior team’s current expertise with on-demand expertise that can increase your company’s performance and help you reach your goals. The IGEPA has a proprietary Advisor Portal that allows for the identification, and build-out of, a team of advisors and growth consultants to address the value drivers provided in this initial survey report.

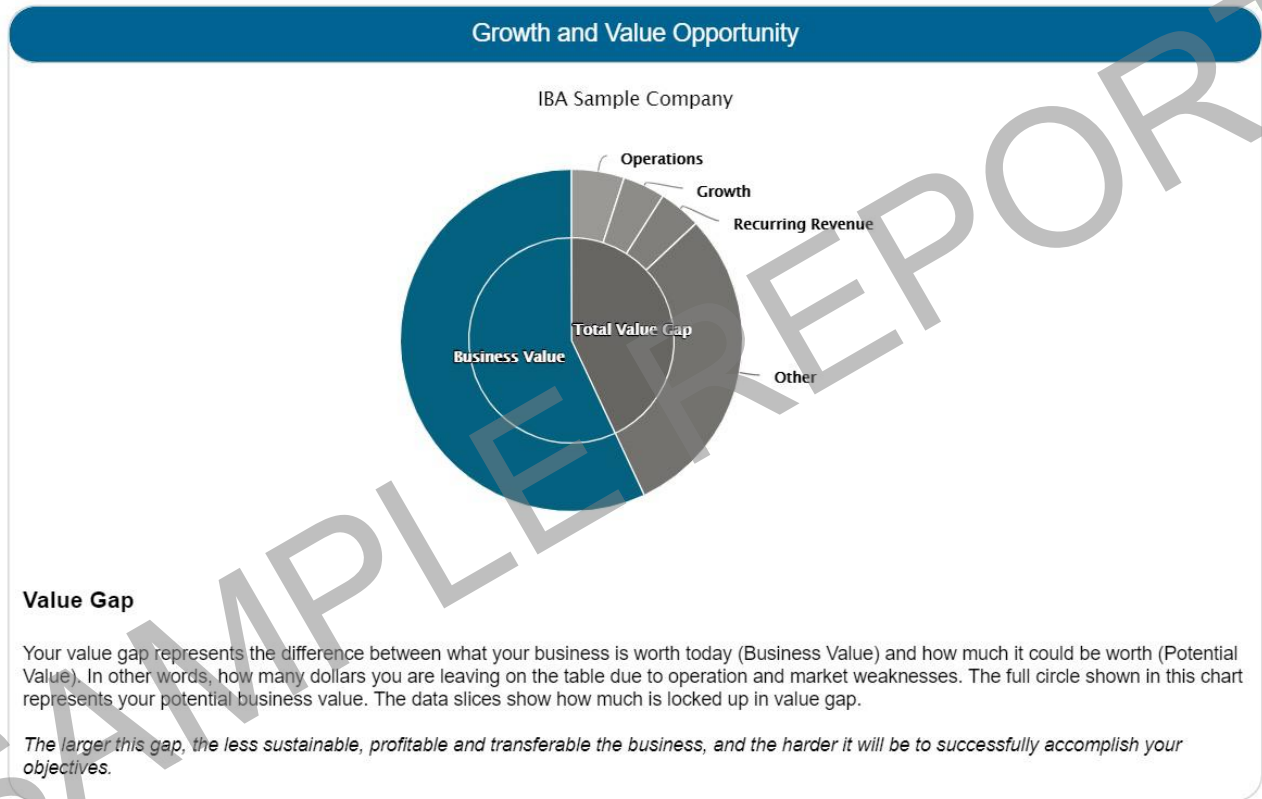
Next Steps

This Growth Planning Index™ Report is designed to provide general guidance for you and your business growth planning, helping you to reflect on where you stand with your level of commitment and equity planning / destination. For specific, next steps on how to better understand how to prioritize the value drivers listed in this report and / or further discuss those drivers in general, you should contact the advisor who holds a license to this GPI™ survey assessment. As a Member of the IGEPA, that consultant is qualified to have a more in-depth conversation on customizing overall solutions for your specific needs.

IBA Sample Company Discover Report

Name: John Doe
 Industry: Professional, Scientific, and Technical Services
 Objective: Sustainable Growth
 Completed: Sep 14, 2020 03:16 PM

Enterprise Value:	\$6.8M
Potential Business Value:	\$10.1M
Value Gap:	\$2.33M - \$4.33M

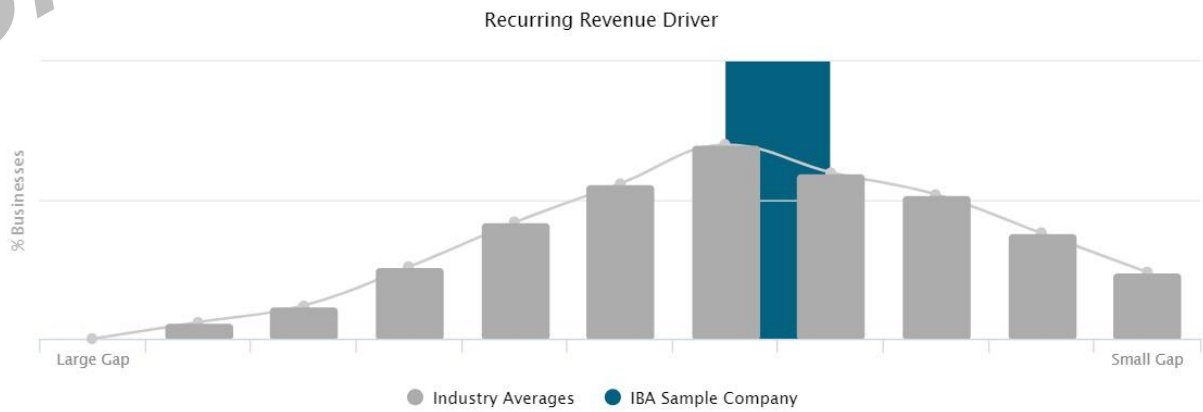
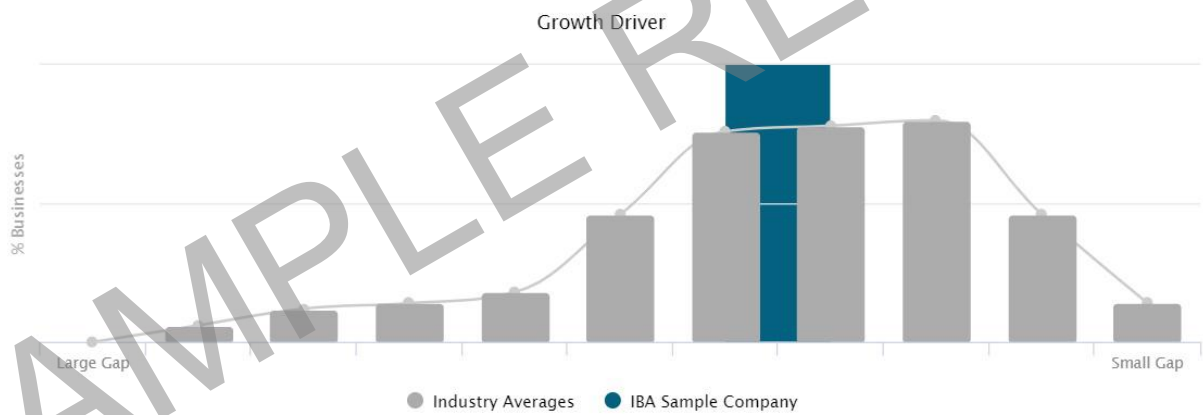
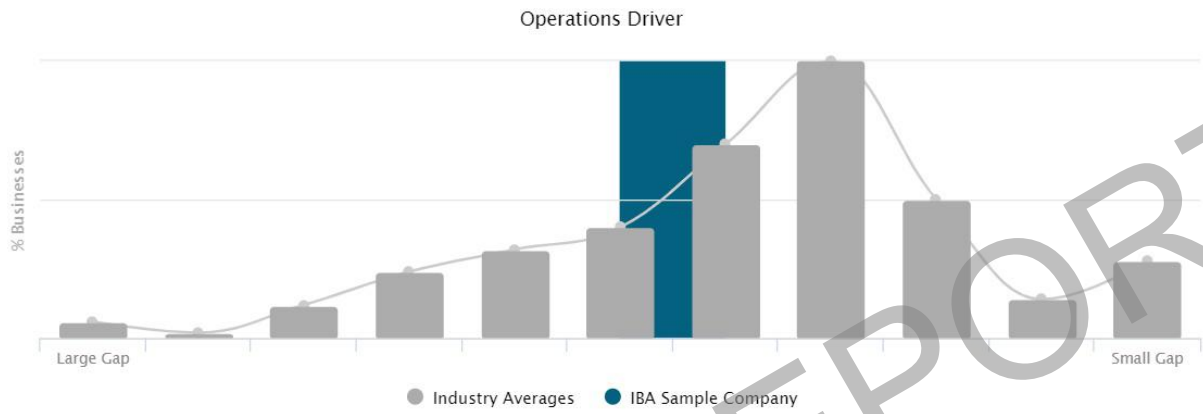


How Does Your Business Compare?

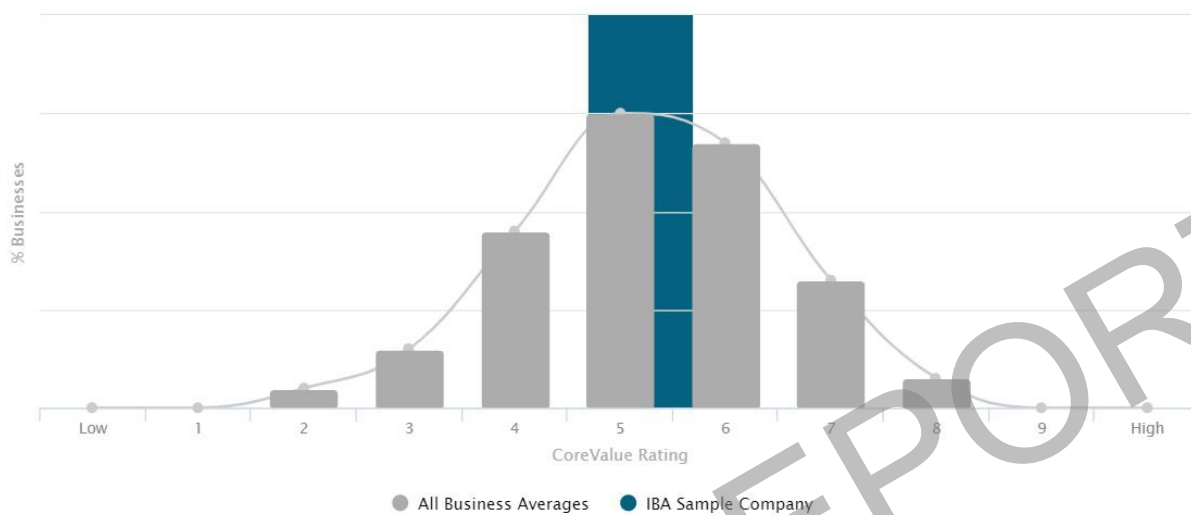
Value Gap of Critical Drivers

These charts compare your growth opportunities with similar drivers in other businesses within your industry.

These three drivers are causing you the most pain. For the biggest "bang for your buck", focus on improving these drivers first.



CoreValue Rating



CoreValue Rating

Your CoreValue Rating is an indication of how well your business currently aligns with best practices and standards. This chart compares your score to the score of other businesses.

The better the rating, the better the alignment – and the greater potential to achieve business objectives.

Potential Red Flags

There were NO red flags detected for your business.

Potential Red Flags

Red Flags are important issues or 'watch outs' that can negate all the value of your business and compromise performance. Here we list any drivers that we found are being compromised by red flag issues.

If an owner is trying to raise capital, hit growth targets, attract stellar employees or a buyer, these are the types of issues that will bubble up during due diligence and can compromise achieving one's business objectives.

Summary

Your Overall Score



Opportunities ahead...

The overall value status of your company is in fair condition. This is an indication of the strength of your business as an engine, its ability to perform, generate future revenue and profit, and meet your objectives. This status means you may encounter challenges meeting some of your personal and business objectives.

By focusing on and fixing those few Drivers creating most of the Value Gap, you will create the most value, drive the strongest growth, and most likely, *make running the business more exciting and fun.*

Growing Your Business

Choosing to grow your business requires clear identification of roadblocks on the path to sustainable value. Our analysis, clear reporting, and actionable tasks make strategic planning and growth transparent, simple, and actionable.

Prepare to face the challenges of business growth by maintaining your positive attributes while focusing on closing your operational gaps.

How to Proceed

Since this is a high-level assessment, you'll need to dig deeper into your business to identify specific areas for improvements.