



How to Engineer a More Valuable, Fun and Profitable Business In Four Steps

(whether you want to continue on for years or exit on better terms)

Have you ever found yourself thinking....?

- Why are we are having trouble meeting our revenue and profit numbers?
- My bookkeeper tells me we are making a profit; then why are we always short of cash?
- How do we stack up to others in the industry?
- How can I ensure I have the data I need to make good business decisions?
- I'm frustrated and know we can do better, but what should we work on first?
- My company is almost totally reliant on me. How can I get more time off for myself or for my family?
- I am working more and more, and we still aren't getting ahead!
- My team is dysfunctional; their performance is not close to what I think it should be.
- I am thinking about selling my business - what is a realistic price that I could receive?
- Is my business even sellable or do I need to make "fixes" to get any offer?
- I want to get an investment or a loan, but would my business qualify?

Whether being a business owner is relatively new to you or you have been at it for years, it can be frustrating to have these kinds of questions, doubts and concerns.

So, What Can You Do?...



So, What Can You Do?...

1. Do nothing.

You could plug along doing the same thing – but expecting different results. But isn't this just kicking the problem down the road?

2. Keep putting in more time.

You could hope that if you put in even more hard work and perseverance that you'll start seeing greater results. (But so much for more family time!)

3. Get help.

Of course, getting help is always an option. But here is the big question. How can you discover the real strategic or tactical issues holding you back? And can it be done quickly and at an affordable price?

How to Engineer a More Valuable, Fun and Profitable Business In Four Steps

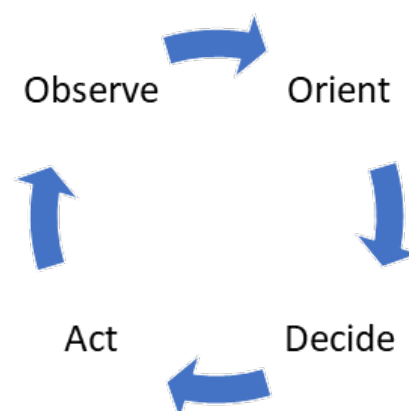
(whether you want to continue on for years or exit on better terms)

Who should read this?

This guide is written for all business owners and executives who are experiencing business challenges and may need help turning their company – one area at a time – into a best-in-class operation. It is especially aimed at anyone who may need to access capital or implement a succession or exit plan in the next 1 to 5 years. These are universal issues, and we have found they scale from small to large companies. In short, this applies to you.

Within this document, we discuss how to identify your business' critical issues driving your challenges and what can be done to resolve them. While terminology may vary, our approach is fundamental to resolving any engineering or business problem(s).

- **First, observe** – Clearly understand the current situation.
- **Then, orient** – Dig deeper to better understand the underlying issues. Make a refined assessment.
- **Next, decide** – Based on your detailed understanding, choose the most beneficial course(s) of action – develop a value-based action plan.
- **Finally, act** – Implement the action plan and measure your results.



How to Engineer a More Valuable, Fun and Profitable Business In Four Steps

(whether you want to continue on for years or exit on better terms)

THE SOLUTION:

We use proven methodologies not only to uncover core problems or inefficiencies your business is facing, but also to show what fixing those core problems is worth. Through a process utilizing a variety of diagnostic tools and guidance, we can effectively solve business challenges.

The primary tool we use for due diligence is one that has been used by over 10,000 other companies and has generated over \$7 Billion of additional company value. Developed at MIT, this tool is accepted by the National Association of Certified Valuators and Analysts (NACVA). It has been adopted by 50% of the National Institute of Standards and Technology (NIST) offices.

With the help of our diagnostics, we will analyze your company across all of its operational areas to reveal its true strengths and weaknesses. You will find out what your business could be worth and how to get there. Regardless of whether you are thinking of exiting or want to continue to operate your business for years to come, this is essential information that will benefit you and your business.



FOUR STEPS TO A STRONGER BUSINESS

#1 Observe – Where does my business currently rank?

First, we perform an accurate assessment. An accurate assessment ensures we've identified the optimal areas to work on first. This will help you get the most value in the least amount of time. As with medical care – you must get an accurate diagnosis, from which a comprehensive repair or growth plan can be developed and executed. A misdiagnosis could prove to be wasted time and money. It won't get the results you want or need. To carry our medical analogy further, if you had a shoulder issue, you certainly would get an MRI before the surgeon operated.

Your business should be dealt with in a similar manner. One of our first diagnostic actions will be to perform what we call a Discover Analysis – a free 10 to 15-minute survey of the top-level issues facing the business. In this upfront analysis, we look at eighteen factors, both internal and external.

The eighteen Market and Operational Drivers examined in the Discover Analysis are:



From this initial analysis, we quantify an approximate potential value for your business and the value gap or difference between the potential value and its current value. We also highlight any "red flags" or potential severe threats to the business, as well as areas of note that require attention, but are not quite as critical. Your business will also receive a score between 0 to 100 which assesses its ability to generate future profits and ranks your business against its industry peers.

FOUR STEPS TO A STRONGER BUSINESS

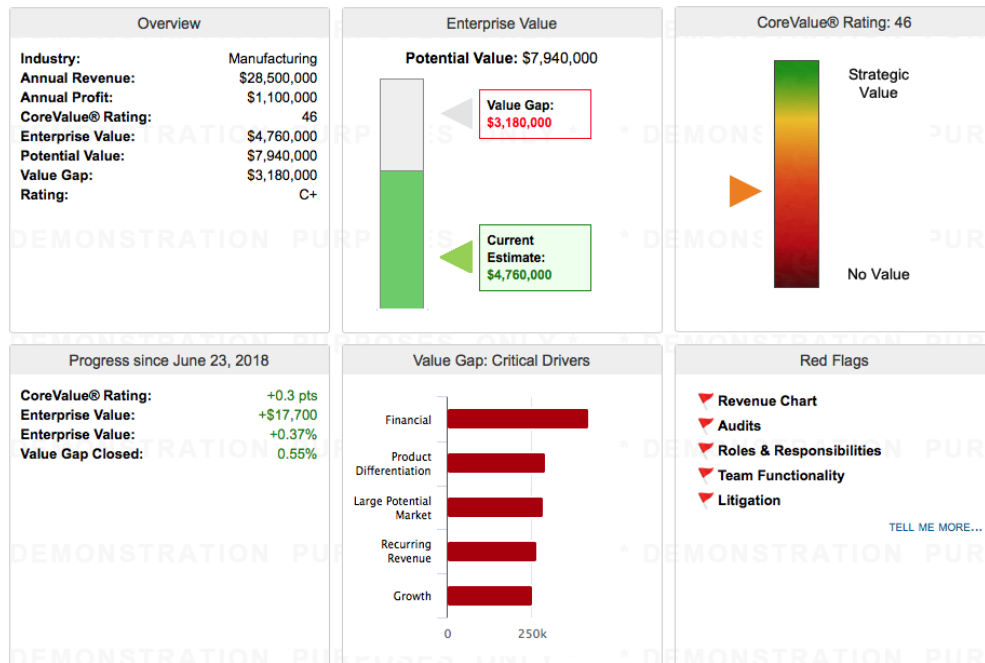
#2 Orient – What and where are my biggest issues?

Assuming we identify business issues to address and verify that working together makes sense to both parties, we then take the next step. This is a “Deep Dive” Analysis which normally takes 60 to 90 minutes. This work further personalizes and solidifies the plan by drilling down, asking more questions and identifying the root causes of inefficiencies in your operation. In addition, the analysis will provide an anticipated dollar benefit from addressing each driver identified. Additional Red Flags may also be identified.

At the conclusion of this step you will receive a detailed report. This Deep-Dive Analysis will benchmark your business against your industry peers. You will learn what your business would sell for today*, and what it could be worth (the value gap) – based on market data of what the best run businesses actually sell for. The report will include detailed steps to improve your company’s operational proficiency to get the highest value and so you can increase profits. You’ll clearly see the risks to your company and how to fix them.

Of course, even if you’re not thinking about selling your company, you still benefit as we focus on helping you create a more valuable business. After all, a valuable business is a profitable business and one that is a whole lot more enjoyable to operate. Isn’t that what you want?

Overview Report Summary



* This analysis is not intended to replace a Broker’s Opinion of Value or a formal Business Valuation.

FOUR STEPS TO A STRONGER BUSINESS

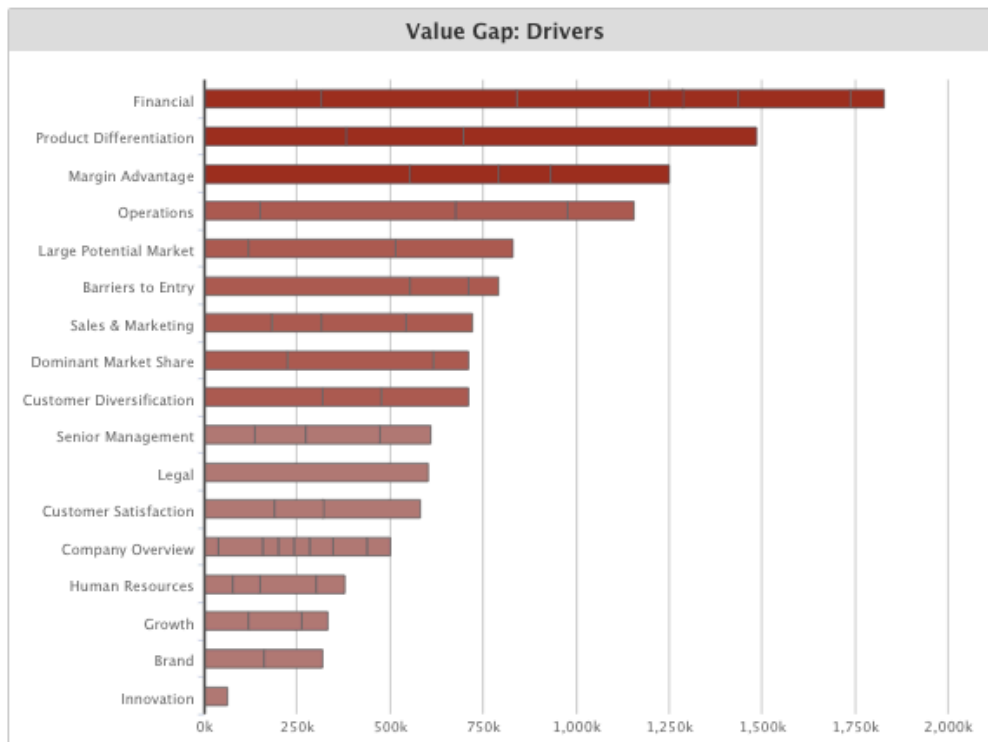
#3 Decide. – What should I work on first?

This third step is an extension of the Deep-Dive Analysis. Here we jointly dig even deeper in each of the areas which were highlighted for attention initially. As has been the case previously, each issue is quantified for impact on company value so that at the conclusion of this step you have a complete action plan along with the dollar impact of each action clearly identified. This allows for easier prioritization so that you can decide where to focus your time, energy and money. The goal for each action is to attain at least a 10X ROI. No actions are suggested if there will not be at least the 10X ROI. Shown below is an example of a Value Gap Analysis Report. At the conclusion of this step you will have a fully developed detailed action plan with responsibilities assigned with target dates for completion.

Value Gap Analysis Report

The *Value Gap* is the difference between how much your business is worth today and how much it could be worth. The Critical Drivers are contributing most directly to your Value Gap and represent the greatest opportunity to improve the value of your company.

Total Value Gap: \$12,800,000

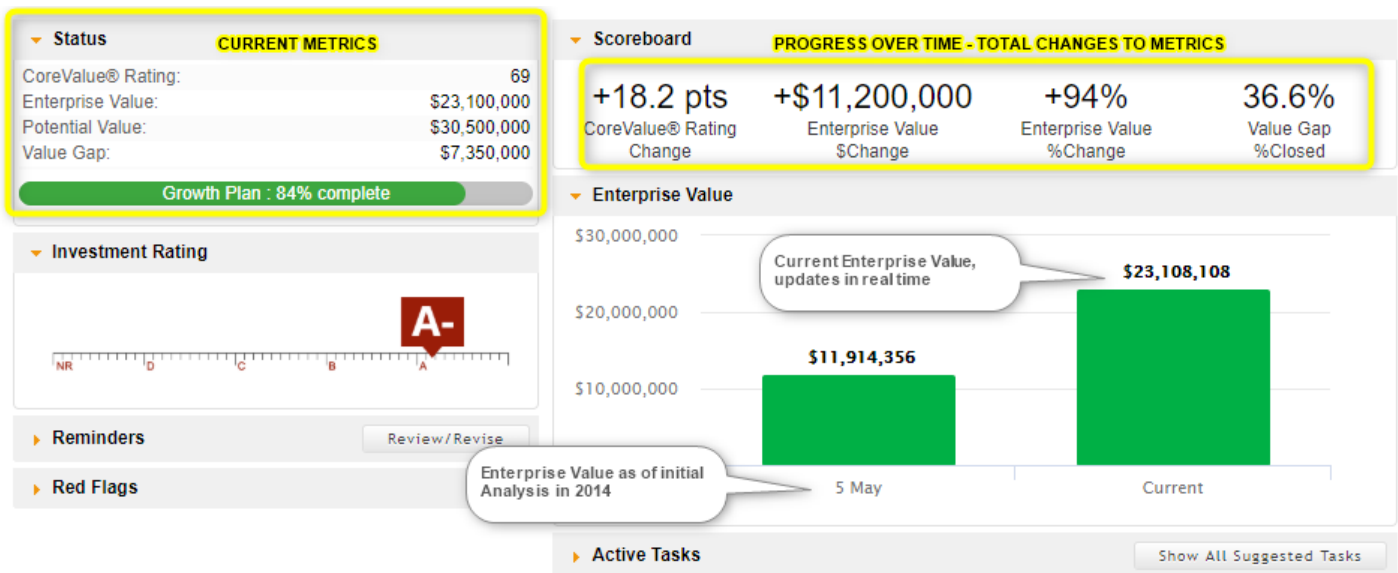


FOUR STEPS TO A STRONGER BUSINESS

#4 Act – Fix problems and measure results.

Act is where we implement the action plan defined in the prior steps. Implementing these actions is likely to involve a combination of internal and external resources. Where required, your consultant can offer personal advice or suggest strategic partners to address specific issues where additional specific expertise is required. One key advantage of our approach is that progress will be monitored on an ongoing basis, so you can see the effect of your efforts. Periodically a Progress Report can be created similar to the example below. Each situation is different, but a typical engagement is 12 to 18 months. Of course, as every business owner knows, the environment around us is in constant flux. So, if some “measurable” event occurs which may affect a key Driver, then a re-appraisal may be performed to determine if a new action is advised.

Progress Report



How to Engineer a More Valuable, Fun and Profitable Business In Four Steps

(whether you want to continue on for years or exit on better terms)

THE WRAP UP

- We offer a free assessment upfront to get a general picture of your business' health
- The analysis quantifies the benefits of acting on the issues uncovered
- A detailed roadmap – report and plan of action - is provided
- Progress is tracked and measured as actions are implemented
- ROI for your money and effort invested will be at least 10X



IMAGINE THIS...

Imagine a balanced home-work life! Spending more time with your family can be made possible when you take control of your business. This is the peace of mind that comes from knowing that you have a detailed plan proven to grow your business.

You can take a vacation without worry! Or get that loan you need! You'll know that your business is a valuable asset, and you'll enjoy running your company again!

Life is good!

What next?

Go to: **www.dukebizadvisors.com**

Call: **(704) 953-5608**

Email: **steve@dukebizadvisors.com**