



MANAGEMENT ASSESSMENT

1. **WHAT IS THE OPPORTUNITY?** *Growth Equity (Capital to execute a growth plan), Transitional Equity (A shareholder(s) wants to exit, but the remaining shareholders/management would like to execute their growth plan), Exit Plan (Shareholders understand the company needs to execute a growth plan and deepen management in order to achieve an exit in the next 3-5 years), Diversification and Growth (Risk reduction for small business owners burdened by personal guarantees and wealth concentration in their business and fund growth) or others.*

2. **WHAT IS THE STRATEGIC PLAN?** *Explain why this is a good opportunity for new shareholders and describe your strategic plan to take advantage of the opportunity. If you had unlimited capital and unlimited time, what would this company look like?*

3. **IS THERE TURMOIL IN THE INDUSTRY?** *Has something changed in the industry or is there a certain turmoil caused by competitor issues or troubles that make this a particular good time to implement a growth plan?*

4. **WHAT DOES THE PRODUCT LOOK LIKE?** *Why are customers willing to pay a premium? What is the advantage relative to the competition? Why will the company be able to grow?*

5. **WHO'S ON THE TEAM?** *Describe the management team that will remain with the company after this transaction. Do they want to own part of the company? Describe any "outsiders" that are joining the team. Describe the selling shareholder's role in the company after the transaction.*

6. **CAN THE COMPANY GET TO \$5 MILLION IN EBITDA IN 5 YEARS?** *Attach projections showing both income statement and balance sheet.*

7. **WHAT ELSE DO YOU NEED?** *Describe additional resources that will be needed to accomplish the strategic plan. Examples: New CFO, Sales Manager, IT system, cost system, geographical expansion, new facilities, etc...*

8. **WHAT IS THE AMOUNT OF MONEY NEEDED?** *After the transaction, how much money will the new owner need to invest to reach the strategic plan?*

9. **HOW FAR WILL THE MONEY GET US?** *Will this additional investment be sufficient to obtain the 5 year strategic plan?*

10. **HOW WILL THIS COMPANY BE VALUED IN THE FUTURE AND WHO WILL WANT TO BUY IT?** *When the company reaches the strategic plan, what will the company be worth and who would be interested in acquiring it?*