Category	Criteria	Answer Key	Score (1-4)	Commentary
1.0 Durable Demand				
	1.1 Market size (US)	1. <$1B market size 2. $1-5B 3. $5-10B 4. $10B+		
	1.2 Essential service	1. Service is optional to have 2. Service is optimal to have 3. Service is non-discretionary, but purchase can be delayed 4. Service is non-discretionary		
	1.3 Cyclicality / recession resistance	1. Highly cyclical (β > 1.5) 2. Fluctuates with market (β: 1.0-1.5) 3. Steady demand (β: 0.5-1.0) 4. Non-cyclical (β < 0.5)		
	1.4 Industry lifecycle stage	1. Negative growth (<0% CAGR) 2. Emerging (15%+ CAGR) 3. High growth (5-15% CAGR) 4. Growth tracks GDP (0-5% CAGR)		
	1.5 Long-Term Structural Tailwinds	1. Secular decline; demand expected to shrink (e.g. coal mining) 2. Neutral or flat; no meaningful tailwinds 3. Moderate tailwinds (e.g. demographic shifts, tech adoption) 4. Strong tailwinds (e.g. aging populations in healthcare)		
	1.6 Recurring revenue share	1. <5% contracted or subscription-based revenue is typical 2. 5-30% 3. 30-60% 4. 60%+		
2.0 Ability to Own Geographic Markets				
	2.1 Number of companies	1. <1k companies 2. 1-5k 3. 5-10k 4. 10k+		
	2.2 Fragmentation	1. 50%+ market share of Top 8 firms 2. 30-50% 3. 10-30% 4. <10%		
	2.3 Typical catchment area	1. National / Global 2. Regional 3. Local / within MSA 4. Highly local / within neighborhood (e.g., <10 miles)		
	2.4 Barriers to entry	1. Low (easy to replicate business) 2. Moderate (e.g., specialized labor) 3. High (e.g., high Capex) 4. Very high (e.g., licenses, patents)		
	2.5 Switching costs	1. Low (no meaningful barriers) 2. Moderate (some friction) 3. High (significant effort/cost/risk) 4. Very High (prohibitively expensive or complex to switch providers)		
	2.6 Competitive intensity	1. High; price wars common and customers highly price-sensitive 2. Moderate; competition present but not entirely price-driven 3. Low; companies can differentiate and achieve pricing power in niches 4. Minimal; clear competitive moats or industry structure limits rivalry		
3.0 Attractive Unit Model				
	3.1 EBITDA margins	1. <10% EBITDA margins typical 2. 10-20% 3. 20-30% 4. 30%+		
	3.2 Non-discretionary capex	1. >20% of revenue typical (maintenance & replacement Capex) 2. 10-20% 3. 5-10% 4. <5%		
	3.3 Working capital intensity	1. Very high; >30% of revenue tied up in working capital 2. High intensity; 20-30% of revenue tied 3. Moderate intensity; 10-20% of revenue tied 4. Low or negligible; <10% of revenue tied		
	3.4 Workforce dependency	1. Labor-intensive; high-skill 2. Labor-intensive; moderate-skill 3. Labor-intensive; low-skill 4. Minimal (e.g., highly automated)		
	3.5 Operational Intensity	1. Very High; significant time / industry expertise / complex oversight needed to manage business (e.g. medical practice, law firm) 2. High; business requires close management / high deree of coordination to be successful (e.g. construction, manufacturing) 3. Moderate; management effort needed, but established systems and processes reduce complexity (e.g. HVAC, landscaping) 4. Low; business is straightforward to operate with minimal oversight and standardized workflows (e.g. car washes, self-storage)		
4.0 Value Creation Potential				
	4.1 Scalability	1. Highly unscalable; growth requires significant re-investment 2. Moderately scalable; some fixed costs & efficiencies support growth 3. Scalable; growth benefits from economies of scale 4. Highly scalable; growth is low-cost beyond a point (e.g. SaaS)		
	4.2 Benefits of geographic density	1. Low 2. Moderate (minor synergies) 3. High / linear (meaningful cost and/or revenue synergies) 4. Very high / exponential (e.g., network effects)		
	4.3 Tech enablement opportunity	1. Minimal; industry fully optimized or difficult to digitize 2. Some; marginal efficiency gains or differentiation possible 3. Significant; clear pathway to reduce costs or improve CX 4. Transformative; clear path for tech to disrupt industry structure		
	4.4 Ability to differentiate	1. Highly commoditized; differentiation almost impossible 2. Some opportunities for niche differentiation 3. Differentiation through unique offerings or operational excellence 4. Significant opportunities through branding, tech, CX, etc.		
	4.5 Expansion opportunities	1. Little opportunity to expand to adjacent markets / services 2. Some opportunity but would require significant effort, capital, etc. 3. Clear opportunities for expansion (e.g. plumbing to electrical) 4. Industry has natural adjacencies with strong customer overlap and minimal effort (e.g. landscaping to snow removal)		
5.0 Manageable Risks				
	5.1 Threat of external disruption	1. High (e.g., significant VC funding) 2. Moderate (e.g., emerging tech) 3. Low / some 4. None / minimal		
	5.2 Customer concentration risk	1. High (customer industry is heavily consolidated e.g. federal gov't) 2. Moderate (~hundreds of potential customers in catchment area) 3. Low (~thousands of potential customers in catchment area) 4. Minimal (~tens of thousands of potential customers)		
	5.3 Headline risk	1. Very High; prone to public backlash (e.g. child care, private prisons) 2. High; risk of public or regulatory scrutiny (e.g. food, healthcare) 3. Moderate; could attract attention under specific circumstances 4. Low; unlikely to face public or regulatory scrutiny (e.g. B2B services)		
	5.4 Talent availability	1. Severe shortages; extremely difficult to recruit critical talent 2. Moderate shortages; requires significant investment 3. Talent is generally available with competitive comp 4. Abundant talent; minimal recruiting challenges		
	5.5 Other exogenous risks (e.g., regulatory, geopolitical)	1. High 2. Moderate 3. Low 4. Minimal / none		
6.0 M&A Viability				
	6.1 Consolidation activity	1. Very High (e.g., SaaS, Healthcare IT) 2. High (e.g., HVAC, dental) 3. Moderate (consolidators emerging) 4. Low (few/no notable transactions)		
	6.2 Entry multiple (~5-10M EBITDA)	1. >10x 2. 8-10x 3. 6-8x 4. <6x		
	6.3 Exit multiple (~50-100M EBITDA)	1. <8x 2. 8-10x 3. 10-12x 4. >12x		
	6.4 Ease of Exit	1. Expect limited buyer interest; unattractive to PE and strategics 2. Moderate interest; some consolidators or strategic buyers 3. Active M&A market; strategics & PE frequently target industry 4. Very active; strong M&A interest (e.g., SaaS, health tech)		