

Opportunity Analysis July 4, 2014



Congratulations! Your Analysis Is Complete.

Below is the summary of your results.

70% Summary - Overall Opportunity Score Analysis Score **Needs Improvement** Excellent Percent • OVERALL OPPORTUNITY 70% INDUSTRY / MARKET ADDRESSABLE MARKET ORGANIC GROWTH TECHNOLOGICAL CHANGE SEASONALITY REGULATORY ENVIRONMENT OTHER MACRO TRENDS COMPETITOR CONCENTRATION COMPETITIVE RIVALRY SUPPLIER CONCENTRATION SUPPLIER SWITCHING COSTS FINANCIAL TOTAL INVESTMENT FIXED ASSET INVESTMENT CASH CYCLE **BREAKEVEN TIMING** • PRODUCT / SERVICES 85% UNMET NEEDS IDENTIFICATION

CONCEPT RISK		80%
DEVELOPMENT TIME FRAME		100%
TECHNOLOGY LEVERAGE		80%
• CUSTOMER		90%
† TARGET IDENTIFICATION		80%
CUSTOMER CONCENTRATION		80%
IN-MARKET TIMING		100%
PRICE SENSITIVITY		100%

Pickle Me Timbers

INDUSTRY / MARKET: Organic Growth

©	Key Principle
	Definition
	The rate of annual growth of the addressable market. (There are other methods of growing your business, such as market share growth and acquisition growth, but for purposes of analyzing the market, we should stick with the "organic" growth of the industry itself rather than different ways we can grow compared to our competitors.)
 ≈	Why This Matters
	The higher your organic growth, the better the opportunity. The faster the market grows, the easier it will be for you to grow your business as a rising tide lifts all boats.
ANSWE	R
V	ery low annual organic growth (<0%)
L	ow annual organic growth (0 – 5%)
✓ N	bderate annual organic growth (5 – 10%)
Н	ligh annual organic growth (10 – 25%)
_ v	ery high annual organic growth (>25%)
	How You Answered
Needs Ir	mprovement Excellent Percentile
OPPORTU	UNITY SCORE 70%
INDLISTRY	Y / MARKET ANALYSIS SOORE
	60%
ORGANIC	C GROWTH SCORE 60%
x²	Show Your Work (shared)

INDUSTRY / MARKET: Seasonality **∇** Key Principle Definition The extent to which the ability to produce a product or service or the ability to sell a product or service depends on the time of year or season. **™** Why This Matters The less the seasonality, the better the opportunity. The less the seasonality, the more the potential for consistently higher asset utilization and consistent earnings. ANSWER Very high seasonality (ability to produce or market demand < 3 months per year) High seasonality (ability to produce or market demand 3-6 months per year) Moderate seasonality (ability to produce or market demand 6 – 9 months per year) Low seasonality (ability to produce or market demand 9-12 months per year) Very low or no seasonality (ability to produce or market demand 12 months per year) Excellent Needs Improvement Percentile OPPORTUNITY SCORE INDUSTRY / MARKET ANALYSIS SCORE SEASONALITY SCORE Show Your Work (shared)

INDUSTRY / MARKET: Regulatory Environment **∇** Key Principle Definition The extent to which the target industry is subject to government regulation. Generally, the less the regulation, the better the opportunity. **™** Why This Matters The less the regulation, the less the potential for unfavorable laws being passed that curtail demand or that unnecessarily drive up costs. ANSWER Very high regulatory environment High regulatory environment Moderate regulatory environment Low regulatory environment Very low or no regulatory environment Excellent Percentile Needs Improvement OPPORTUNITY SCORE INDUSTRY / MARKET ANALYSIS SCORE

80%

REGULATORY ENVIRONMENT SCORE

Show Your Work (shared)

 $\mathbf{x}^{\mathbf{2}}$

INDUSTRY / MARKET: Other Macro Trends

	INT / IMAINET. Other Macro Trends	
V	Key Principle	
	Definition	
	The extent to which major trends in customer behavior or demographics play a critical role in shaping the market conditions and customer demand.	
 	Why This Matters	
	These "macro trends" are major trends that tend to affect the entire industry and typically come in the form of trends in customer behavior or customer demographics, but can also stem from slowly shifting dynamics in the industry that are detected over a period of years that are not related to growth, technology, seasonality or regulation. The more favorable the macro trend, the more the potential demand for your product or service.	
ANSWE	R	
V	ery unfavorable macro trends (2 or 3 trends that negatively affect the target market)	
U	nfavorable macro trends (1 trend that negatively affects the target market)	
✓ N	eutral macro trends (no identifiable trends that affect the target market)	
Fa	avorable macro trends (1 trend that favorably affects the target market)	
	ery favorable macro trends (2 or 3 trends that favorably affect the target market)	
	How You Answered	
Needs Ir	mprovement Excellent Percentile	_
OPPORTL	INITY SCORE	
INDLISTRY	/ / MARKET ANALYSIS SCORE	
II ADOOTI (60%	
OTHERM	ACRO TRENDS SCORE	
x²	Show Your Work (shared)	

Moderate total investment amount required (50 - 100% of entrepreneur's liquid capital)		
Small total investment amount required (25 - 50% of entrepreneur's liquid capital)		
Very small total investment amount required (<25% of entrepreneur's liquid capital)		
How You Answered		
Needs Improvement Excellent		Percentile
OPPORTUNITY SCORE	70%	
FINANCIAL ANALYSIS SCORE	60%	
TOTAL INVESTMENT SCORE	20%	
x² Show Your Work (shared)		

FINANCIAL: Breakeven Timing **∇** Key Principle Definition The amount of time it takes for your opportunity to breakeven from the time you launch until your net income is zero or positive. **₩** Why This Matters The shorter the breakeven timing, the better the opportunity. The shorter the breakeven timing, the less the risk of business failure due to not ever reaching breakeven. ANSWER Very long breakeven timing (> one year) Long breakeven timing (six months - one year) Moderate breakeven timing (three months – six months) Short breakeven timing (one month – three months) Very short breakeven timing (< one month) Needs Improvement Excellent Percentile OPPORTUNITY SCORE FINANCIAL ANALYSIS SCORE BREAKEVEN TIMING SCORE 80% $\mathbf{x}^{\mathbf{2}}$ Show Your Work (shared)

INDOO	XT / IVIAIXXET. Addressable Iviaixet	
0	Key Principle	
	Definition	
_	The "addressable market" is size of the market that is likely to have an interest in what you have to offer. It is that portion of the market that you are ready, willing, and able to serve.	
 ≈	Why This Matters	
	The larger your potential market, the better the opportunity. The larger the market, the easier it will be for you to enter the market and carve out a sufficient amount of business in order t	o have a viable
	opportunity.	
	The larger your potential market, the better the opportunity. The larger the market, the easier it will be for you to enter the market and carve out a sufficient amount of business in order topportunity.	o have a viable
	The larger your potential market, the better the opportunity. The larger the market, the easier it will be for you to enter the market and carve out a sufficient amount of business in order topportunity.	o have a viable
	The larger your potential market, the better the opportunity. The larger the market, the easier it will be for you to enter the market and carve out a sufficient amount of business in order topportunity.	o have a viable
ANSW	₹	
	ry small addressable market size (<\$5 million)	
✓ 5	rall addressable market size (\$5 million - \$25 million)	
	diumaddressable market size (\$25 million - \$100 million)	
	rge addressable market size (\$100 million - \$1 billion)	
	ry large addressable market size (>\$1 billion)	
	••••••••••••••••••••••••••••••••••••••	
	How You Answered	
Needs	provement Excellent	Percentile
	NTY SCORE	
	70%	
INDUSTF	/ MARKET ANALYSIS SCORE 60%	
ADDRES	ABLE MARKET SCORE 40%	_
x ²	Show Your Work (shared)	_
^	Show rour work (shared)	

INDUSTRY / MARKET: Technological Change **∇** Key Principle Definition The extent to which technology plays a major role in shaping the market conditions and the competitive landscape; where a new and exciting technology can cause large changes in market share shifting from one competitor to another. **™** Why This Matters The lower the degree of technological change, the better the opportunity. The lower the degree of technological change, the less risk that technological innovation could render your product or service obsolete in a short period of time. ANSWER Very high degree of technological change High degree of technological change Moderate degree of technological change

Very low degree of technological change			
How You Answered			5 41
Needs Improvement Excellent			Percentile
OPPORTUNITY SCORE		70%	
INDUSTRY / MARKET ANALYSIS SCORE	_	200/	
		60%	
TECHNOLOGICAL CHANGE SCORE	_	40%	
		40%	
x ² Show Your Work (shared)			

©	Key Principle
	Definition
_	Definition
	The amount of market share concentrated among the largest competitors within an industry; an indication of the market power of the largest competitors.
 ≈	Why This Matters
	The less concentrated your potential market, the more "competitive" the industry, but the better the opportunity for a new entrant. The less concentrated the marketplace, the easier it will be for you to enter the market and compete against the existing competitors that lack concentrated market power.
ANSWE	R
V	ery high degree of competitor concentration (top 4 control >80% market share or largest controls >40% market share)
✓ H	ligh degree of competitor concentration (top 4 control 50 – 80% market share or largest controls 25 - 40%)
N	bderate degree of competitor concentration (top 4 control 25 - 50% market share or largest controls 15 - 25%)
	ow degree of competitor concentration (top 4 control 10 - 25% market share or largest controls 5 - 15%)
V	'ery low degree of competitor concentration (top 4 are not identifiable or control <10% market share and the largest is not identifiable or controls <5% market share)
	How You Answered
Needs Ir	mprovement Excellent Percentile
OPPORTU	INITY SCORE 70%
NDLISTR'	Y / MARKET ANALYSIS SOORE
LECONT	60%
COMPETT	TOR CONCENTRATION SCORE 40%
x²	Show Your Work (shared)

8	Key Principle
	Definition
_	
	The total size of the investment required to assemble the fixed assets needed to operate the business.
**	Why This Matters
	The smaller the fixed asset investment required, the better the opportunity. The smaller the fixed asset investment required, the less risk of not being able to repurpose your investment or change direction with your business opportunity, since fixed assets can be difficult to use for other purposes and rarely retain a high resale value.
ANSWE	
	ery large fixed asset investment required (>60% of the total investment amount)
L	arge fixed asset investment required (40 - 60% of the total investment amount)
✓ N	Obderate fixed asset investment required (20 - 40% of the total investment amount)
S	Small fixed asset investment required (10 - 20% of the total investment amount)
V	/ery small fixed asset investment required (<10% of the total investment amount)
	How You Answered
	mprovement Excellent Percentile UNITY SCORE
DEFORIC	70%
FINANCIA	AL ANALYSIS SCORE 60%
TXED AS	SSET INVESTMENT SCORE
x²	Show Your Work (shared)
,	Chew Teal Work (Charea)

INDUSTRY / MARKET: Competitive Rivalry **∇** Key Principle Definition The intensity with which the target industry competitors compete with each other over customers. **™** Why This Matters The less the competitive rivalry, the better the opportunity. The less the competitive rivalry, the higher the margins tend to be in the industry as competitors invest in their current customers rather than fighting over them. ANSWER Very high competitive rivalry (> 15% customer churn) High competitive rivalry (10% - 15% customer churn) ✓ Moderate competitive rivalry (5% - 10% customer churn) Low competitive rivalry (2.5% - 5% customer churn) Very low competitive rivalry (< 2.5% customer churn) Excellent Needs Improvement Percentile OPPORTUNITY SCORE 70% INDUSTRY / MARKET ANALYSIS SCORE COMPETITIVE RIVALRY SCORE \mathbf{x}^{2} Show Your Work (shared)

INDUSTRY / MARKET: Supplier Concentration **∇** Key Principle Definition The amount of supplier market share concentrated among the largest suppliers within an industry; an indication of the market power of the largest suppliers. ₩ Why This Matters The less concentrated the suppliers in your potential market, the more "competitive" the suppliers and the better the opportunity. The less concentrated the suppliers, the easier it will be for you to negotiate favorable raw materials or input costs for your product or service from suppliers that lack concentrated market power. ANSWER Very high degree of supplier concentration (50% or more of the variable input costs are only available from a few suppliers each) High degree of supplier concentration (25 - 50% of the variable input costs are only available from a few suppliers each) Moderate degree of supplier concentration (10 - 25% of the variable input costs are only available from a few suppliers each) Low degree of supplier concentration (5 - 10% of the variable input costs are only available from a few suppliers each) Very low degree of supplier concentration (all inputs are readily available from an abundance of suppliers) Needs Improvement Excellent Percentile OPPORTUNITY SCORE INDUSTRY / MARKET ANALYSIS SCORE

SUPPLIER CONCENTRATION SCORE

Show Your Work (shared)

INDUSTRY / MARKET: Supplier Switching Costs **∇** Key Principle Definition The costs involved in switching from one supplier to another. The lower the switching costs, the better the opportunity. **™** Why This Matters The lower the switching costs, the easier it will be for you to negotiate favorable input costs for your product or service from among the various suppliers with the real threat of switching to a different supplier and without being held captive by your current supplier. ANSWER Very high supplier switching costs (>200% of total monthly supplier cost) High supplier switching costs (100% - 200% of total monthly supplier cost) Moderate supplier switching costs (50% - 100% of total monthly supplier cost) Low supplier switching costs (25% - 50% of total monthly supplier cost) Very low supplier switching costs (<25% of total monthly supplier cost) Needs Improvement Excellent Percentile OPPORTUNITY SCORE INDUSTRY / MARKET ANALYSIS SCORE

SUPPLIER SWITCHING COSTS SCORE

Show Your Work (shared)

©	Key Principle
	Definition
	The ability to identify the target market's needs that are not currently being met or that are being under served by an existing product or service.
 ≈	Why This Matters
	The greater your ability to identify unmet needs, the better the opportunity. The greater your ability to identify unmet needs, the more precisely you can design your product or service to meet the customer demand, the easier it will be to acquire new customers and the easier it will be to growyour business.
ANSWE	R.
V	ery low ability to identify unmet needs
	ow ability to identify unmet needs
	bderate ability to identify unmet needs
✓ H	igh ability to identify unmet needs
	ery high ability to identify unmet needs
v	ory ingritating to rectury thin between
	How You Answered
	mprovement Excellent Percentile NITY SCORE
or r or tre	70%
PRODUCT	T / SERVICES ANALYSIS SCORE 85%
UNMET N	EEDS IDENTIFICATION SCORE
	80%
X ²	Show Your Work (shared)

©	Key Principle
	Definition
	The risk that the value proposition will not be easily understood, accepted and adopted by the potential customers.
 ~	Why This Matters
	The more difficult it is to articulate the value proposition, the more complex the product or service, the more unsophisticated the understanding of the customer decision making unit (DIMU) and the more difficult the pricing mechanism, the more the concept risk. The lower the concept risk, the better the opportunity. The lower the concept risk, the shorter the sales cycle as there is less of a "concept" sale process.
ANSW	
_ v	/ery high concept risk (new service/product + new pricing model + new to the industry)
C F	figh concept risk (new service/product + readily understood pricing + new to the industry)
	/bderate concept risk (readily understood service/product + new pricing model + new to industry)
	ow concept risk (readily understood service/product + readily understood pricing + new to industry)
V	ery low concept risk (readily understood service/product + readily understood pricing + current industry participant)
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTI	UNITY SCORE 70%
	T/SERVICES ANALYSIS SCORE
Повос	85%
CONCEP	T RISK SCORE
2	
X ²	Show Your Work (shared)

0	Key Principle
	Definition
	The total time that it takes to bring your product to market or perfect your service so that your service is ready to take to market.
 ~	Why This Matters
	The shorter the development time frame, the better the opportunity. The shorter the development time frame, the less the risk, the lower the investment and the lower the development effort.
ANSWE	R.
V	ery long development time frames (>2 years)
Lo	ong development time frames (1 - 2 years)
N	bderate development time frames (6 months – 1 year)
S	hort development time frames (3 months – 6 months)
	ery short development time frames (<3 months)
	How You Answered
	mprovement Excellent Percentile NITY SCORE
SIT OILL	70%
RODUCT	T/SERVICES ANALYSIS SCORE 85%
DEVELOF	WENT TIME FRAME SCORE
	100%
X ²	Show Your Work (shared)

\$	Key Principle
	Definition
	The ability to use technology in order to automate a business process and reduce costs, increase productivity and/or increase quality.
 	Why This Matters
	The greater the technology leverage, the better the opportunity. The greater the technology leverage, the better the chance to create a proprietary "edge" in your industry and to create "outsized" margins. When looking for the best ventures to apply technology to, look for industries where a new, perhaps unrelated technology has not been applied in the industry and where there are barriers to competitors utilizing the same technology (i.e. patents, marketing partnerships, etc.)
ANSV	MER.
	Very low technology leverage (technology can reduce <5% of the typical cost structure)
	Low technology leverage (technology can reduce 5 – 10% of the typical cost structure)
	Moderate technology leverage (technology can reduce 10 – 15% of the typical cost structure)
	High technology leverage (technology can reduce 15 – 20% of the typical cost structure)
	Very high technology leverage (technology can reduce >20% of the typical cost structure)
=	How You Answered
Needs	Improvement Excellent Percentile
OPPOR	TUNITY SCORE 70%
PRODU	CT / SERVICES ANALYSIS SCORE
	85%
TECHN	DLOGY LEVERAGE SCORE 80%
x²	Show Your Work (shared)

CUSTOMER: Target Identification

©	Key Principle			
	Definition			
_	Definition			
	The ability to identify the name and contact information of those potential customers in your addressable market.			
 	Why This Matters			
	The higher the ability to identify targets or customer prospects, the better the opportunity. The higher the ability to identify targets, the better the chances of being able to grow your business.			
ANSW	FR Very low ability to identify targets (<10% of the addressable market at a cost of less than 1% of revenue)			
	Low ability to identify targets (10% - 25% of the addressable market at a cost of less than 1% of revenue)			
	vbderate ability to identify targets (25% - 50% of the addressable market at a cost of less than 1% of revenue)			
✓ I	ligh ability to identify targets (50% - 75% of the addressable market at a cost of less than 1% of revenue)			
0	/ery high ability to identify targets (>75% of the addressable market at a cost of less than 1% of revenue)			
	How You Answered			
Needs Improvement Excellent Percentile				
OPPORT	UNITY SCORE 70%			
CUSTON	CUSTOMER ANALYSIS SCORE 90%			
TARGET	ARGET IDENTIFICATION SCORE			
	80%			
X ²	Show Your Work (shared)			

	ple			
Definition				
Definition				
The amount of	of market share concentrated among the largest customers within an industry; an indication of the market power of the largest customers.			
≅ Why This M	Matters			
	centrated the customers in your potential market, the more "competitive" the customers and the better the opportunity. The less concentrated the customers, the easier it will be for you to			
negoliale ravi	orably with customers that lack concentrated market power.			
ANSWER				
Very high degr	gree of customer concentration (top 4 control >80% market share or largest controls >40% market share)			
High degree of	f customer concentration (top 4 control 50 – 80% market share or largest controls 25 - 40%)			
Moderate degre	ree of customer concentration (top 4 control 25 - 50% market share or largest controls 15 - 25%)			
Low degree of	of customer concentration (top 4 control 10 - 25% market share or largest controls 5 - 15%)			
Very low degree of customer concentration (top 4 are not identifiable or control <10% market share and the largest is not identifiable or controls <5% market share)				
≡ How Y	You Answered			
Needs Improvemen	nt Excellent Percentile			
OPPORTUNITY SCORE 70%				
CUSTOMER ANALYSIS				
	90%			
CUSTOMER CONCENT	TRATION SCORE 80%			
x ² Show	Your Work (shared)			

CUSTOMER: In-Market Timing ∇ Key Principle Definition The ability to identify the timeframe in which the customer prospect is most likely to make the buying decision regarding your product or service. **₩** Why This Matters The higher the ability to identify the in-market timing, the better the opportunity. The higher the ability to identify the in-market timing, the better the chances of being able to grow your business. ANSWER Very low ability to identify in-market timing Low ability to identify in-market timing Moderate ability to identify in-market timing High ability to identify in-market timing Very high ability to identify in-market timing Excellent Percentile Needs Improvement OPPORTUNITY SCORE CUSTOMER ANALYSIS SCORE IN-MARKET TIMING SCORE 100%

 \mathbf{x}^{2}

Show Your Work (shared)

CUSTC	MER: Price Sensitivity	
8	Key Principle	
	Definition	
	The awareness of the customer to what they perceive to be the range of prices within which they will buy a particular product or service.	
 ~	Why This Matters	
	Customers with high price sensitivity will exhibit purchasing behavior that is directly tied to pricing and affected by relatively small movements in price (a condition called an elastic price or price elasticity), whereas customers with low price sensitivity (inelastic price or price inelasticity) will exhibit behavior that is either not linked to price or will actually buy more as the price goes up, rather than less. The lower the price sensitivity of the customer, the higher the price point, the more you can invest in the customer relationship and the higher the actual unit gross margin.	
ANSWE	R	
V	ery high degree of price sensitivity	
Н	igh degree of price sensitivity	
N	bderate degree of price sensitivity	
	ow degree of price sensitivity	
V	ery low degree of price sensitivity	
	How You Answered	
Needs Ir	mprovement Excellent Percentil	е
OPPORTU	INITY SCORE 70%	
CUSTOMER ANALYSIS SCORE		
	90%	
PRICESE	NSITIVITY SCORE 100%	
X ²	Show Your Work (shared)	



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