

## Opportunity Analysis July 1, 2014





### **Congratulations! Your Analysis Is Complete.**

Below is the summary of your results.				
Summary - Overall Opportunity So	core		70%	
Analysis Score	Needs Improvement	Excellent	Percent	
OVERALL OPPORTUNITY			70%	
<ul><li>INDUSTRY / MARKET</li></ul>			60%	
ADDRESSABLE MARKET			40%	
ORGANIC GROWTH			60%	
TECHNOLOGICAL CHANGE			40%	
SEASONALITY			60%	
REGULATORY ENVIRONMENT			80%	
OTHER MACRO TRENDS			60%	
SUPPLIER CONCENTRATION			60%	
SUPPLIER SWITCHING COSTS			100%	
COMPETITOR CONCENTRATION			40%	
COMPETITIVE RIVALRY			60%	
• PRODUCT / SERVICES			85%	
UNMET NEEDS IDENTIFICATION			80%	
CONCEPT RISK			80%	
DEVELOPMENT TIME FRAME			100%	
TECHNOLOGY LEVERAGE			80%	
• FINANCIAL			60%	

FIXED ASSET INVESTMENT	60%
BREAKEVEN TIMING	80%
TOTAL INVESTMENT	20%
CASH CYCLE	80%
• CUSTOMER	90%



#### Pickle Me Timbers

ORGANIC GROWTH SCORE

\$	Key Principle	е	
	Definition		
		The rate of annual growth of the addressable market. (There are other methods of growing your busin market share growth and acquisition growth, but for purposes of analyzing the market, we should stic "organic" growth of the industry itself rather than different ways we can grow compared to our compe	k with the
	Why This Mat	atters	
		The higher your organic growth, the better the opportunity. The faster the market grows, the easier it was	will be for you to
ANSWER			
	low annual organic		
	annual organic gro		
		nic growth (5 – 10%)	
	annual organic grov		
Very	high annual organio	nic growth (>25%)	
x²	Show Your	ur Work (shared)	
	How You A	Answered	
leeds Impr	rovement	Excellent	Percenti
PPORTUNIT	Y SCORE	7/0	0%

60%

8	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

Very high seasonality (ability to produce or market demand < 3 months per year)	
I fall account it / (altitude much on an unsulated demand 2 Consultance and 2	
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)	
x <sup>2</sup> Show Your Work (shared)	
How You Answered	
Needs Improvement Excellent Perce	ntile
OPPORTUNITY SCORE	
70%	
INDUSTRY / MARKET ANALYSIS SCORE 60%	
SEASONALITY SCORE	_

OPPORTUNITY SCORE

INDUSTRY / MARKET ANALYSIS SCORE

REGULATORY ENVIRONMENT SCORE

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  NISMER  Very high regulatory environment High regulatory environment Moderate regulatory environment Very low or no regulatory environment Very low or no regulatory environment  Very low or no regulatory environment  X2  Show Your Work (shared)	NDUSTRY/MARKET: Reg	gulatory Environment	
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  ANSWER  Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment	<b>∇</b> Key Principle		
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  ANSWER  Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment			
why This Matters  The less the regulation, the less the potential for unfavorable laws being passed that curtail demand or that  **ANSWER**  Very high regulatory environment  High regulatory environment  Moderate regulatory environment  ✓* Low regulatory environment  Very low or no regulatory environment	Definition		
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The less the regulation, the less the potential for unfavorable laws being passed that curtail demand or that  **ANSWER**  Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment	ti lo	exportantly.	
The less the regulation, the less the potential for unfavorable laws being passed that curtail demand or that  **ANSWER**  Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment			
The less the regulation, the less the potential for unfavorable laws being passed that curtail demand or that  **ANSWER**  Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment			
The less the regulation, the less the potential for unfavorable laws being passed that curtail demand or that  **ANSWER**  Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment			
Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment	Why This Matters		
Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment			
Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment	The	e less the regulation, the less the potential for unfavorable laws being passed that curtail demand or that	
Very high regulatory environment  High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment			
High regulatory environment  Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment	ANSWER		
Moderate regulatory environment  Low regulatory environment  Very low or no regulatory environment			
✓ Low regulatory environment  Very low or no regulatory environment			
Very low or no regulatory environment		ent ent	
		ironnoch	
x² Show Your Work (shared)	very low or no regulatory envir	riointent	
	x <sup>2</sup> Show Your Wor	rk (shared)	
How You Answered	How You Answe	ered	
	Needs Improvement		entile

70%

60%

80%

NDUSTR	/ MARKET: Other Macro Trends	
8	ey Principle	
	Definition	
	The extent to which major trends in customer behavior or demographics play a critical role in s conditions and customer demand.	haping the market
	Vhy This Matters	
	These "macro trends" are major trends that tend to affect the entire industry and typically come	in the form of trends in
Unfavor  Neutra  Favora  Very f	avorable macro trends (2 or 3 trends that negatively affect the target market) able macro trends (1 trend that negatively affects the target market) macro trends (no identifiable trends that affect the target market) e macro trends (1 trend that favorably affects the target market) orable macro trends (2 or 3 trends that favorably affect the target market)	
X <sup>2</sup>	Show Your Work (shared)	
	How You Answered	
leeds Impro		Percentile
PPORTUNITY	COORE	70%

60%

60%

INDUSTRY / MARKET ANALYSIS SCORE

OTHER MACRO TRENDS SCORE

Definition

The total size of the investment or capital required to buy or build the company, fully develop the opportunity or fully fund the business plan.

Why This Matters

The smaller the total investment amount required, the better the opportunity. The smaller the total investment amount

ANSWER			
✓ Very	large total investment amount required (>500% of entrepreneur's liq	uid capital)	
Larg	e total investment amount required (100 - 500% of entrepreneur's liq	uid capital)	
Mode	rate total investment amount required (50 - 100% of entrepreneur's	liquid capital)	
Smal	total investment amount required (25 - 50% of entrepreneur's liquid	capital)	
Very	small total investment amount required (<25% of entrepreneur's liqu	id capital)	
X <sup>2</sup>	Show Your Work (shared)		
	How You Answered		
Needs Imp	rovement Excellent		Percentile
OPPORTUNT	Y SOORE		70%
FINANCIAL A	NALYSIS SOORE		
			60%
TOTAL INVE	STIMENT SCORE		200/

8	Key Principle
	Definition

The average amount of elapsed time between when you experience the costs of the product or service you are delivering and when you collect from your customer for the product or service.

#### Why This Matters

The more efficient the cash cycle (the faster you get paid), the better the opportunity. The more efficient the cash

	The more emotern are easily eyers (and laster you get para), the botter and opportunity. The	
ANSWER		
Very i	inefficient cash cycle (> 30 days)	
Ineffic	icient cash cycle (15 – 30 days)	
Moder	erate cash cycle (1 – 15 days)	
<b>✓</b> Efficie	ient cash cycle (0 days)	
Very	efficient cash cycle (< 0 days)	
X <sup>2</sup>	Show Your Work (shared)	
	How You Answered	
Needs Impr	rovement Excellent	Percentile
OPPORTUNITY	Y SOORE	70%
FINANCIAL AI	NALYSIS SCORE	
		60%
CASH CYCLE	ESCORE	80%

#### FINANCIAL: Breakeven Timing

8	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

ANSWER	
Very long breakeven timing (> one year)	
Long breakeven timing (six months – one year)	
Moderate breakeven tining (three months – six months)	
Short breakeven tining (one month – three months)	
Very short breakeven timing (< one month)	
x <sup>2</sup> Show Your Work (shared)	
How You Answered	
Needs Improvement Excellent	Percentile
OPPORTUNITY SCORE	70%
FINANCIAL ANALYSIS SCORE	
BREAKEVEN TIMNG SCORE	60%
DI LATILLY ELY TIIVII VO COOT LE	80%

INDUSTRY / MARKET: Addressable Market				
<b>©</b>	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			
ANSWER				
	small addressable market size (<\$5 million)			
	addressable market size (\$5 million - \$25 million)			
	um addressable market size (\$25 million - \$100 million)			
	e addressable market size (\$100 million - \$1 billion)			
Very	large addressable market size (>\$1 billion)			
x <sup>2</sup>	Show Your Work (shared)			

## Needs Improvement Excellent OPPORTUNITY SCORE TOW INDUSTRY / MARKET ANALYSIS SCORE 60%

Percentile

40%

How You Answered

ADDRESSABLE MARKET SCORE

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 Mat	:ters	
		The lower the degree of technological change, the better the opportunity. The lower the degree of technological change	
ANSWER			
Very	high degree of tecl	hnological change	
<b>∀</b> High (	degree of technolog	gical change	
Mode	rate degree of tech	nnological change	
Low	degree of technolog	gical change	
Very	low degree of tech	nnological change	
x²	Show Your	Work (shared)	
	How You A	nswered	
Needs Impr	rovement	Excellent Percentil	

70%

60%

40%

OPPORTUNITY SCORE

INDUSTRY / MARKET ANALYSIS SCORE

TECHNOLOGICAL CHANGE SCORE

INDUSTRY / MARKET: Competitor Concentration				
Key Principle				
Definition				
The amount of market share concentrated among the largest competitors within an industry; an indication of the market share competitors.	·ket			
Why This Matters				
The less concentrated your potential market, the more "competitive" the industry, but the better the opportunity for a				
ANSWER				
Very high degree of competitor concentration (top 4 control >80% market share or largest controls >40% market share)				
Hgh degree of competitor concentration (top 4 control 50 – 80% market share or largest controls 25 - 40%)				
Moderate degree of competitor concentration (top 4 control 25 - 50% market share or largest controls 15 - 25%)				
Low degree of competitor concentration (top 4 control 10 - 25% market share or largest controls 5 - 15%)				
Very 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)				
x <sup>2</sup> Show Your Work (shared)				
How You Answered				

Percentile

70%

60%

40%

Needs Improvement

OPPORTUNITY SCORE

INDUSTRY / MARKET ANALYSIS SCORE

COMPETITOR CONCENTRATION SCORE

Excellent

How You Answered

Needs Improvement Excellent Percentile

OPPORTUNITY SOORE

FINANCIAL ANALYSIS SOORE

FIXED ASSET INVESTMENT SOORE

60%

## INDUSTRY / MARKET: Competitive Rivalry 8 **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 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) Show Your Work (shared)

Percentile

Needs Improvement

OPPORTUNITY SCORE

INDUSTRY / MARKET ANALYSIS SCORE

COMPETITIVE RIVALRY SCORE

Excellent

NDUSTRY / MARKET: Supplier Concentration
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
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)
x <sup>2</sup> Show Your Work (shared)
How You Answered
Needs Improvement Excellent Percentile
DPPORTUNITY SCORE

60%

60%

INDUSTRY / MARKET ANALYSIS SCORE

SUPPLIER CONCENTRATION SCORE

Percentile

70%

Excellent

Needs Improvement

OPPORTUNITY SCORE

INDUSTRY / MARKET ANALYSIS SCORE

SUPPLIER SWITCHING COSTS SCORE

<b>©</b>	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 a existing product or service.	an
	Why This Mat	tters	
		The greater your ability to identify unmet needs, the better the opportunity. The greater your ability to identify unmet	÷t
ANSWER			
Very I	low ability to identify	fy unmet needs	
Low a	ability to identify unr	imet needs	
Moder	rate ability to identify	fy unmet needs	
✓ High a	ability to identify unn	met needs	
Very I	high ability to identif	ify unmet needs	
$\chi^2$	Show Your	Work (shared)	
	How You Ar	nswered	
Needs Impr	ovement	Excellent Pe	ercentile
OPPORTUNITY	/ SOORE		
PRODUCT / SE	ERVICES ANALYSIS	70%	
		85%	

Percentile

70%

Excellent

Needs Improvement

OPPORTUNITY SCORE

CONCEPT RISK SCORE

PRODUCT / SERVICES ANALYSIS SCORE

DEVELOPMENT TIME FRAME SCORE

PRODUCT / SERVICES: Development Time Frame					
♀ Ke <sub>1</sub>	y Principle				
Def	finition				
	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.				
Wh	ny This Matters				
	The shorter the development time frame, the better the opportunity. The shorter the development time frame, the less				
ANSWER					
	development time frames (>2 years)				
	opment time frames (1 - 2 years)				
	levelopment time frames (6 months – 1 year)				
Short deve	lopment time frames (3 months – 6 months)				
Very short	development time frames (<3 months)				
x <sup>2</sup> S	how Your Work (shared)				
≡ H	ow You Answered				
Needs Improvem					
OPPORTUNITY SOC	ORE 70%				
PRODUCT / SERVICE	DES ANALYSIS SOORE				

100%

# Needs Improvement Excellent Percentile OFFORTUNITY SCORE FRODUCT / SERVICES ANALYSIS SCORE 185% TECHNOLOGY LEVERAGE SCORE 80%

## **CUSTOMER:** Target Identification **Key Principle** 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 ANSWER 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) Moderate ability to identify targets (25% - 50% of the addressable market at a cost of less than 1% of revenue) ✓ High ability to identify targets (50% - 75% of the addressable market at a cost of less than 1% of revenue). Very high ability to identify targets (>75% of the addressable market at a cost of less than 1% of revenue) Show Your Work (shared)

Percentile

Excellent

Needs Improvement

OPPORTUNITY SCORE

CUSTOMER ANALYSIS SCORE

TARGET IDENTIFICATION SCORE

CUSTOMER ANALYSIS SCORE

CUSTOMER CONCENTRATION SCORE

CUSTOMER: Customer Concentration	
⟨Value   Principle	
Definition	
The amount of market share concentrated among the largest customers within an industry; an indication of the mar power of the largest customers.	rket
Why This Matters	
The less concentrated the customers in your potential market, the more "competitive" the customers and the better	r tha
The less concentrated the customers in your potential market, the more competitive the customers and the better	uic
ANSWER	
Very high degree of customer concentration (top 4 control >80% market share or largest controls >40% market share)	
High degree of customer concentration (top 4 control 50 – 80% market share or largest controls 25 - 40%)	
Moderate degree of customer concentration (top 4 control 25 - 50% market share or largest controls 15 - 25%)	
Low degree 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)	
2 Ohan Want (alamat)	
x <sup>2</sup> Show Your Work (shared)	
E How Vou A powered	
How You Answered    Veeds Improvement   Excellent   Percent   Perc	entile
DEPORTUNITY SCORE	51 1016

90%

80%

## CUSTOMER: In-Market Timing Key Principle

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

Definition

The higher the ability to identify the in-market timing, the better the opportunity.	The higher the ability to identify the in-
ANSWER	
Very low ability to identify in-market timing	
very low ability to identify if Friance until g	
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	
x <sup>2</sup> Show Your Work (shared)	
How You Answered	
Needs Improvement Excellent	Percentile
OPPORTUNITY SCORE	
	70%
CUSTOMER ANALYSIS SCORE	90%
	3076
IN-WARKET TIMING SCORE	100%

CUSTON	IER: Price Sensitivity
<b>©</b>	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
High of Model	high degree of price sensitivity degree of price sensitivity rate degree of price sensitivity degree of price sensitivity low degree of price sensitivity
X <sup>2</sup>	Show Your Work (shared)
	How You Answered
Needs Impr	rovement Excellent Percentile
OPPORTUNIT	Y SOORE 70%

90%

100%

CUSTOMER ANALYSIS SCORE

PRICE SENSITIVITY SCORE



Smart Analysis. Smart Business.

OpportunityIQ.com