

# **Opportunity Analysis** July 1, 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

8	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.)
<b> ≈</b>	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	
V	ery low annual organic growth (<0%)
	ow annual organic growth (0 – 5%)
✓ N	Obderate annual organic growth (5 – 10%)
Н	figh annual organic growth (10 – 25%)
V	ery high annual organic growth (>25%)
X <sup>2</sup>	Show Your Work (shared)
	How You Answered
Needs Ir	mprovement Excellent Percentile
	NITY SCORE
	70%
INDUSTR	Y / MARKET ANALYSIS SOORE 60%
ORGANIC	C GROWTH SCORE
	60%

### Needs Improvement Excellent Percentile OPPORTUNITY SCORE TOW INDUSTRY / MARKET ANALYSIS SCORE

60%

SEASONALITY SCORE

0	Key Principle	
	Definition	
	The extent to which the target industry is subject to government regulation. Generally, the less the regulation, the better the opportunity.	
<b> ≈</b>	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.	
ANSW		
	Very high regulatory environment	
F	High regulatory environment	
	Moderate regulatory environment	
V L	Low regulatory environment	
	Very low or no regulatory environment	
X <sup>2</sup>	Show Your Work (shared)	
	How You Answered	
Needs I	Improvement Excellent	Percentile
	TUNITY SCORE	0%
INDUSTR	RY / MARKET ANALYSIS SCORE	0%
REGULA	TORY BWIRONVIBUT SCORE	0%

8	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.
<b> ≈</b>	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 better the opportunity. The more favorable the macro trend, the more the potential demand for your product or service.
ANSWE	R
Ve	ery unfavorable macro trends (2 or 3 trends that negatively affect the target market)
Ur	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)
Ve	ery favorable macro trends (2 or 3 trends that favorably affect the target market)
	,, (,,
x <sup>2</sup>	Show Your Work (shared)
=	How You Answered
Needs In	mprovement Excellent Percentile
	NITY SCORE
	70%
NDUSTRY	Y / MARKET ANALYSIS SOORE 60%
OTHER MA	ACRO TRENDS SCORE
	60%

#### How You Answered

Needs Improvement Excellent Percentile
OPPORTUNITY SCORE

FINANCIAL ANALYSIS SCORE

TOTAL INVESTMENT SCORE

AL IIV ESTIVENT SCORE

How You Answ	ered		
Needs Improvement	Excellent		Percentile
OPPORTUNITY SCORE			70%
FINANCIAL ANALYSIS SCORE			1070
			60%
CASH CYCLE SCORE			80%

#### 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) ${\it Moderate breakeven timing (three months-six months)}$ Short breakeven timing (one month – three months) Very short breakeven timing (< one month) Show Your Work (shared)

Percentile

Needs Improvement

OPPORTUNITY SCORE

FINANCIAL ANALYSIS SCORE

BREAKEVEN TIMING SCORE

Excellent

ADDRESSABLE MARKET SCORE

INDUS	TRY / 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.
<b> ≈</b>	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 to 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 to 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 to 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 to have a viable opportunity.
411014	
ANSW	very small addressable market size (<\$5 million)
	Small addressable market size (\$5 million - \$25 million)
	Vediumaddressable market size (\$25 million - \$100 million)
	Large addressable market size (\$100 million - \$1 billion)
\(\begin{align*} \text{'} \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	√ery large addressable market size (>\$1 billion)
x²	Show Your Work (shared)
	How You Answered
	Improvement Excellent Percentile
OHORT	UNITY SCORE 70%
INDUSTF	RY / MARKET ANALYSIS SCORE 60%

40%

#### INDUSTRY / MARKET: Technological Change

ND001	TAT / MARKET. Technological change
0	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.
<b> ~</b>	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.
ANSWE	R
V	ery high degree of technological change
✓ H	gh degree of technological change
	oderate degree of technological change
	w degree of technological change
V	ery low degree of technological change
X <sup>2</sup>	Show Your Work (shared)
	How You Answered
leeds Ir	nprovement Excellent Percentile
	NTY SCORE
	70%
NDUSTR\	/ / MARKET ANALYSIS SCORE 60%
ECHNOL	OGICAL CHANGE SCORE
	40%

\$	Key Principle				
	Definition				
	The amount of market share concentrated among the largest competitors within an industry; an indication of the market power of the largest competitors.				
<b> ≈</b>	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.				
ANS	WER .				
	Very high degree of competitor concentration (top 4 control >80% market share or largest controls >40% market share)				
<b>~</b>	High 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)				
x²	Show Your Work (shared)				
	How You Answered				
Needs	s Improvement Excellent Percentile				
OPPOF	RTUNITY SCORE 70%				
INDUS"	TRY / MARKET ANALYSIS SCORE				
001 5	60%				
COMP	ETITOR CONCENTRATION SCORE 40%				

8	Key Principle
	Definition
_	Definition .
	The total size of the investment required to assemble the fixed assets needed to operate the business.
<b> ~</b>	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	R
V	ery large fixed asset investment required (>60% of the total investment amount)
La	arge fixed asset investment required (40 - 60% of the total investment amount)
✓ N	bderate fixed asset investment required (20 - 40% of the total investment amount)
S	mall fixed asset investment required (10 - 20% of the total investment amount)
	ery small fixed asset investment required (<10% of the total investment amount)
	ory of the fired account of the following the total in recent of the fired account of the fir
x²	Show Your Work (shared)
	How You Answered
Needs Ir	nprovement Excellent Percentile
OPPORTU	INTY SCORE
	ANALYSIS SCORE
	L ANALYSIS SCORE 60%
FIXED AS	SET INVESTMENT SCORE 60%
	0076

OPPORTUNITY SOORE 70%  INDUSTRY / MARKET ANALYSIS SOORE	How You Answered			
INDUSTRY / MARKET ANALYSIS SCORE	Needs Improvement	Excellent		Percentile
INDUSTRY / MARKET ANALYSIS SCORE	OPPORTUNITY SCORE			70%
	INDUSTRY / MARKET ANALYSIS SCORE			7070
				60%
COMPETITIVE RIVALRY SCORE 60%	COMPETITIVE RIVALRY SCORE			60%

8	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.			
	The direction of depined managed outplied managed outplied managed, distribution of the managed outplied.			
le-1				
<del>=</del>	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.			
ANSV	MR			
	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)			
<b>V</b>	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)			
x²	Show Your Work (shared)			
	How You Answered			
Needs	Improvement Excellent Percentile			
OPPORT	TUNITY SCORE 70%			
INDUSTI	RY / MARKET ANALYSIS SCORE			
OI EE :-	60%			
SUPPLIE	R CONCENTRATION SCORE 60%			

\$	Key Principle	
	Definition	
_	Definition	
	The costs involved in switching from one supplier to another. The lower the switching costs, the better the opportunity.	
<b> ≈</b>	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 without being held captive by your current supplier.	rent supplier
ANSW		
V	/ery high supplier switching costs (>200% of total monthly supplier cost)	
П	ligh supplier switching costs (100% - 200% of total monthly supplier cost)	
N	/bderate supplier switching costs (50% - 100% of total monthly supplier cost)	
	ow supplier switching costs (25% - 50% of total monthly supplier cost).	
	/ery low supplier switching costs (<25% of total monthly supplier cost)	
X <sup>2</sup>	Show Your Work (shared)	
	How You Answered	
Needs I	mprovement Excellent F	Percentile
OPPORTU	UNITY SCORE 70%	
INDUSTR'	Y / MARKET ANALYSIS SCORE	
	60%	
SUPPLIEF	R SWITCHING COSTS SCORE 100%	

<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 an existing product or service.
l==	Who This Matters
<b> ~</b>	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 grow your business.
ANSW	MR
·	Very low ability to identify unmet needs
	Low ability to identify unmet needs
	Moderate ability to identify unmet needs
<b>✓</b> I	High ability to identify unmet needs
,	Very high ability to identify unmet needs
X <sup>2</sup>	Show Your Work (shared)
	How You Answered
Veeds	Improvement Excellent Percentile
OPPORT	TUNITY SCORE 70%
RODUC	CT / SERVICES ANALYSIS SCORE
	85%
JNMET	NEEDS IDENTIFICATION SCORE 80%

8	Key Principle
	Definition
	The risk that the value proposition will not be easily understood, accepted and adopted by the potential customers.
<b> ~</b>	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 (DMU) 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.
ANSWE	
	/ery high concept risk (new service/product + new pricing model + new to the industry)
Н	figh concept risk (new service/product + readily understood pricing + new to the industry)
N	bderate concept risk (readily understood service/product + new pricing model + new to industry)
V L	ow concept risk (readily understood service/product + readily understood pricing + new to industry)
$\bigcap$ $\vee$	'ery low concept risk (readily understood service/product + readily understood pricing + current industry participant)
x <sup>2</sup>	Show Your Work (shared)
	onen real trem (onales)
	How You Answered
Veeds In	mprovement Excellent Percentile
DPPORTU	NITY SCORE
	70%
RODUC	T / SERVICES ANALYSIS SCORE  85%
CONCEPT	FRISK SCORE
	80%

<b>©</b>	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.	
<b> ≈</b>	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.	
ANSW	ER CONTROLLED CONTROLL	
_ v	/ery long development time frames (>2 years)	
	.ong development time frames (1 - 2 years)	
_ N	Volderate development time frames (6 months – 1 year)	
S	Short development time frames (3 months – 6 months)	
<b>✓</b> ∨	/ery short development time frames (<3 months)	
x²	Show Your Work (shared)	
=	How You Answered	
Needs I	Improvement Excellent .	Percentile
OPPORTI	UNITY SCORE 70%	
PRODUC	T/SERVICES ANALYSIS SCORE	
	85%	
DEVELOR	PMENT TIME FRAME SCORE  100%	

<b>©</b>	Key Principle
	Definition
	The ability to use technology in order to automate a business process and reduce costs, increase productivity and/or increase quality.
lau .	Why This Matters
~	why this reducts
	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.)
ANSW	R
	'ery low technology leverage (technology can reduce <5% of the typical cost structure)
	ow technology leverage (technology can reduce 5 – 10% of the typical cost structure)
	bderate technology leverage (technology can reduce 10 – 15% of the typical cost structure)
<b>✓</b> F	igh technology leverage (technology can reduce 15 – 20% of the typical cost structure)
	ery high technology leverage (technology can reduce >20% of the typical cost structure)
X <sup>2</sup>	Show Your Work (shared)
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTI	INITY SOORE 70%
	T/SERVICES ANALYSIS SCORE
INCLUC	17 SERVICES ANALYSIS SCORE  85%
ECHNOL	OGY LEVERAGE SCORE
	80%

<b>©</b>	Key Principle	
	Definition	
	The ability to identify the name and contact information of those potential customers in your addressable market.	
<b> ~</b>	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 growyour business.	
ANSW		
V	ery low ability to identify targets (<10% of the addressable market at a cost of less than 1% of revenue)	
	ow ability to identify targets (10% - 25% of the addressable market at a cost of less than 1% of revenue)	
_ N	/bderate ability to identify targets (25% - 50% of the addressable market at a cost of less than 1% of revenue)	
<b>✓</b> H	ligh ability to identify targets (50% - 75% of the addressable market at a cost of less than 1% of revenue)	
V	ery high ability to identify targets (>75% of the addressable market at a cost of less than 1% of revenue)	
x²	Show Your Work (shared)	
	How You Answered	
Needs I	mprovement Excellent	Percentile
OPPORTI	UNITY SCORE 70%	
CUSTOM	ER ANALYSIS SCORE 90%	
TARGET	IDENTIFICATION SCORE	
	80%	

<b>©</b>	Key Principle
	Definition
	The amount of market share concentrated among the largest customers within an industry; an indication of the market power of the largest customers.
<b> ≈</b>	Why This Matters
	The less concentrated 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 negotiate favorably with customers that lack concentrated market power.
ANSV	MER
	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)
x²	Show Your Work (shared)
	How You Answered
Needs	Improvement Excellent Percentile
OPPORT	TUNITY SCORE
	70%
CUSTO	MERANALYSIS SCORE 90%
CUSTO	WER CONCENTRATION SCORE
	80%

# 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 opportunity. The higher the 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 X<sup>2</sup> Show Your Work (shared)

## Needs Improvement Excellent Percentile OPPORTUNITY SCORE CUSTOMER ANALYSIS SCORE N-MARKET TIMING SCORE 100%

<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.
<b> ≈</b>	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 better the opportunity. 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.
ANSV	
	Very high degree of price sensitivity
	High degree of price sensitivity
	Moderate degree of price sensitivity
	Low degree of price sensitivity
<b>✓</b>	Very low degree of price sensitivity
x²	Show Your Work (shared)
	How You Answered
Needs	Improvement Excellent Percentile
OPPOR	TUNITY SCORE 70%
CUSTO	VER ANALYSIS SCORE
3010	90%
PRICES	ENSITIVITY SCORE  100%



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