

Pickle Me Timbers

Opportunity Analysis

July 31, 2014

Congratulations! Your Analysis Is Complete.

Below is the summary of your results.

70% Summary - Overall Opportunity Score **Analysis Score Needs Improvement** Excellent Percent 70% OVERALL OPPORTUNITY INDUSTRY / MARKET * ADDRESSABLE MARKET ORGANIC GROWTH TECHNOLOGICAL CHANGE SEASONALITY REGULATORY ENVIRONMENT OTHER MACRO TRENDS COMPETITOR CONCENTRATION COMPETITIVE RIVALRY SUPPLIER CONCENTRATION SUPPLIER SWITCHING COSTS FINANCIAL 60% TOTAL INVESTMENT FIXED ASSET INVESTMENT CASH CYCLE BREAKEVEN TIMING 85% • PRODUCT / SERVICES UNIMET NEEDS IDENTIFICATION CONCEPT RISK

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

	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.
ANSW	
	/ery low annual organic growth (<0%)
	ow annual organic growth (0 – 5%)
	wooderate annual organic growth (5 – 10%)
F	ligh annual organic growth (10 – 25%)
	/ery high annual organic growth (>25%)
	How You Answered
Needs I	Improvement Excellent Percentile
OPPORT	UNITY SCORE
IN ION IOTTO	70%
INDUSTR	RY / MARKET ANALYSIS SCORE 60%
ORGANIC	C GROWTH SCORE
	60%

	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.	
ANSW		
	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)	
N	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)	
	to the second and the process of the field and the field per year.	
	How You Answered	
Noodo li		ontilo
	·	entile
OPPORT	UNITY SCORE 70%	
INDUSTR	RY / MARKET ANALYSIS SCORE	_
	60%	
SEASON	VALITY SCORE 60%	
		_

Key Principle		
Definition		
The extent to which the target indust	ry is subject to government regulation. Generally, the less the regulation, the better the	e opportunity.
₩ Why This Matters		
The less the regulation, the less the	potential for unfavorable laws being passed that curtail demand or that unnecessarily d	trive up costs.
ANSWER		
Very high regulatory environment		
High regulatory environment		
Moderate regulatory environment		
Low regulatory environment		
Very low or no regulatory environ	ment	
How You Answered		
Needs Improvement	Excellent	Percentile
OPPORTUNITY SCORE		70%
INDUSTRY / MARKET ANALYSIS SCORE		
REGULATORY ENVIRONMENT SCORE		60%
REGULATORY ENVIRONMENT SCORE		80%

	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 better the opportunity. 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)
F	avorable macro trends (1 trend that favorably affects the target market)
V	ery favorable macro trends (2 or 3 trends that favorably affect the target market)
	How You Answered
Needs Ir	nprovement Excellent Percentile
DPPORTL	NITY SCORE
	70%
NDUSTRY	/ / MARKET ANALYSIS SCORE 60%
OTHER M	ACRO TRENDS SCORE
	60%

	Key Principle
	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 required, the more likely the opportunity will get funded (either by your personal resources or other investors), the more likely the entrepreneur will retain control and the less the risk for the entrepreneur and investors.
ANSWE	R
V	ery large total investment amount required (>500% of entrepreneur's liquid capital)
	arge total investment amount required (100 - 500% of entrepreneur's liquid capital)
L	ange total investment and built required (100 - 500 % or entrepreneurs inquid capital)
N	bderate total investment amount required (50 - 100% of entrepreneur's liquid capital)
S	mall total investment amount required (25 - 50% of entrepreneur's liquid capital)
V	ery small total investment amount required (<25% of entrepreneur's liquid capital)
	How You Answered
Needs Ir	mprovement Excellent Percentile
OPPORTU	INITY SCORE 70%
FINANCIA	L ANALYSIS SCORE 60%
TOTAL IN	VESTMENT SCORE 20%

	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 cycle, the more cash flow is generated and the less the need for external financing for working capital and growth.
ANSWE	R
V	ery inefficient cash cycle (>30 days)
_ In	efficient cash cycle (15 – 30 days)
N	bderate cash cycle (1 – 15 days)
	fficient cash cycle (0 days)
V	ery efficient cash cycle (< 0 days)
	How You Answered
Needs Ir	mprovement Excellent Percentile
OPPORTU	INITY SCORE 70%
FINANCIA	L ANALYSIS SCORE
	60%
CASHCY	CLESCORE 80%

	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.
ANSW	ER.
	/ery long breakeven timing (> one year)
	ong breakeven timing (six months – one year)
	/bderate breakeven timing (three months – six months)
	Short breakeven timing (one month – three months)
V	/ery short breakeven timing (< one month)
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTI	UNITY SCORE 70%
FINANCIA	AL ANALYSIS SCORE
	60%
BREAKE	VEN TIMING SCORE 80%

	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 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.
ANSWE	R.
V	ery small addressable market size (<\$5 million)
S	mall addressable market size (\$5 million - \$25 million)
N	ledium addressable market size (\$25 million - \$100 million)
L	arge addressable market size (\$100 million - \$1 billion)
V	ery large addressable market size (>\$1 billion)
	How You Answered
Needs Ir	mprovement Excellent Percentile
OPPORTU	INITY SCORE 70%
NDUSTR'	Y / MARKET ANALYSIS SOORE 60%
ADDRESS	SABLE MARKET SCORE
	40%

	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 one competitor to another.	an cause large changes in market share shifting from
 ≈	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 inno in a short period of time.	wation could render your product or service obsolete
ANSWE	ER	
V	ery high degree of technological change	
Н	ligh degree of technological change	
M	Obderate degree of technological change	
Lo	ow degree of technological change	
V	'ery low degree of technological change	
	How You Answered	
Needs Ir	mprovement Excellent	Percentile
OPPORTL	UNITY SCORE	
		70%
INDUSTR'	Y / MARKET ANALYSIS SCORE	60%
TECHNOL	OGICAL CHANGE SCORE	400/
		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.
86	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.
ANSW	R
	ery high degree of competitor concentration (top 4 control >80% market share or largest controls >40% market share)
	ory ingridegree or competitor concentration (top 4 control 200 / mainet share or largest control 2 2 40 / mainet share)
Н	igh 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%)
L	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
NI I - I	
	mprovement Excellent Percentile
OPPORTU	INITY SCORE 70%
INDUSTR	Y / MARKET ANALYSIS SOORE 60%
COMPETI	TOR CONCENTRATION SCORE 40%

	Key Principle					
	Definition					
	The total size of the investr	nent required to assemble the fixed a	assets needed to operate the	business.		
 	Why This Matters					
		investment required, the better the city, since fixed assets can be difficu			ng able to repurpose you	ur investment or change direction
ANSW	ER.					
	ery large fixed asset inve	estment required (>60% of the to	otal investment amount)			
	arge fixed asset investme	ent required (40 - 60% of the total	al investment amount)			
	/bderate fixed asset inves	tment required (20 - 40% of the	total investment amount)		
	Small fixed asset investme	nt required (10 - 20% of the tota	al investment amount)			
	ery small fixed asset inve	estment required (<10% of the to	otal investment amount)			
	How You Answe	arod				
Nia ala I						Damanufila
	mprovement	Excellent				Percentile
OPPORT	UNITY SCORE					70%
FINANCIA	AL ANALYSIS SCORE					60%
	SSET INVESTIMENT SCORE					00 /6
INLIDAG	SELI IINVESTIVENT SCOTE					60%

	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.
ANSW	
V	/ery high competitive rivalry (> 15% customer churn)
С	igh competitive rivalry (10% - 15% customer churn)
IV	/bderate competitive rivalry (5% - 10% customer churn)
L	ow competitive rivalry (2.5% - 5% customer churn)
V	ery low competitive rivalry (< 2.5% customer churn)
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTU	UNITY SCORE 70%
INDLISTR	Y / MARKET ANALYSIS SCORE
ii deed ii k	60%
COMPETT	TIVE RIVALRY SCORE 60%

	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.
ANSW	
	/ery high degree of supplier concentration (50% or more of the variable input costs are only available from a few suppliers each)
F	ligh degree of supplier concentration (25 - 50% of the variable input costs are only available from a few suppliers each)
	/bderate degree of supplier concentration (10 - 25% of the variable input costs are only available from a few suppliers each)
	ow degree of supplier concentration (5 - 10% of the variable input costs are only available from a few suppliers each)
	/ery low degree of supplier concentration (all inputs are readily available from an abundance of suppliers)
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTI	UNITY SCORE
	70%
INDUSTR	Y / MARKET ANALYSIS SCORE 60%
SUPPLIE	R CONCENTRATION SCORE 60%

	Key Principle	
	Definition	
	The costs involved in switching from one supplier to another. The lower the switching costs, the better the costs	e coportunity
	The costs in a vacuum grant and supplied to a location. The location supplied to a sup	Supportunity.
 	Why This Matters	
	The lower the switching costs, the easier it will be for you to negotiate favorable input costs for your product and without being held captive by your current supplier.	duct or service from among the various suppliers with the real threat of switching to a different supplier
ANSW	ER .	
	ery high supplier switching costs (>200% of total monthly supplier cost)	
F	figh supplier switching costs (100% - 200% of total monthly supplier cost)	
	/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)	
	How You Answered	
Needs I	mprovement Excellent	Percentile
OPPORT	UNITY SCORE	700/
	Y / MARKET ANALYSIS SCORE	70%
INDUSTR	IT / IVARNEI AIVALT SIS SOURE	60%
SUPPLIE	R SWITCHING COSTS SCORE	100%

	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 grow your business.
ANSW	R.
V	ery low ability to identify unmet needs
	ow ability to identify unmet needs
	foderate ability to identify unmet needs
H	igh ability to identify unmet needs
V	'ery high ability to identify unmet needs
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTI	INITY SCORE 70%
PRODUC	T/SERVICES ANALYSIS SCORE
	85%
UNMET N	EEDS IDENTIFICATION SCORE

	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 (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.
ANSW	ER CONTRACTOR OF THE CONTRACTO
	/ery high concept risk (new service/product + new pricing model + new to the industry)
	ligh 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)
\	ery low concept risk (readily understood service/product + readily understood pricing + current industry participant)
	How You Answered
Needs	mprovement Excellent Percentile
OPPORT	UNITY SCORE
	70%
PRODUC	TT / SERVICES ANALYSIS SCORE 85%
	T RISK SCORE
001400	80%

	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	
1		
	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.	
4 5 100 4 4		
ANSW		
V	/ery long development time frames (>2 years)	
L	Long development time frames (1 - 2 years)	
	vbderate development time frames (6 months – 1 year)	
S	Short development time frames (3 months – 6 months)	
	very short development time frames (<3 months)	
	How You Answered	
VI I - I		(2) -
	Improvement Excellent Perce	ntile
JAPORII	UNITY SCORE 70%	
PRODUC	T / SERVICES ANALYSIS SCORE	_
	85%	
DEVELOR	PVENT TIME FRAME SCORE 100%	

	Key Principle						
	Definition						
	The ability to use technology in or	rder to automate a business process a	and reduce costs, increase pro	oductivity and/or increase qua	lity.		
 ≈	Why This Matters						
	When looking for the best venture	ige, the better the opportunity. The grees to apply technology to, look for indi- patents, marketing partnerships, etc.)	lustries where a new, perhaps				
ANSW	MER						
	Very low technology leverage (technology can reduce <5% of the	he typical cost structure)				
	Low technology leverage (technology	nology can reduce 5 – 10% of the	e typical cost structure)				
	Moderate technology leverage (technology can reduce 10 – 15%	% of the typical cost struct	ure)			
F	High technology leverage (technology	nology can reduce 15 – 20% of th	he typical cost structure)				
	Very high technology leverage ((technology can reduce >20% of	the typical cost structure)			
	How You Answered						
Needs I	Improvement	Excellent					Percentile
OPPORT	TUNITY SCORE					70%	
PRODUC	CT / SERVICES ANALYSIS SCOP	RE					
						85%	
TECHNO	OLOGY LEVERAGE SCORE					80%	

	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 identify targets, the better the chances of being able to grow your business.	
ANSW		
	'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)	
	bderate ability to identify targets (25% - 50% of the addressable market at a cost of less than 1% of revenue)	
H	figh ability to identify targets (50% - 75% of the addressable market at a cost of less than 1% of revenue)	
	'ery high ability to identify targets (>75% of the addressable market at a cost of less than 1% of revenue)	
	How You Answered	
Needs	mprovement Excellent	Percentile
OPPORT	INTY SCORE	
CI ISTON	TO ANALYSIS SCORE	
COSTON	ER ANALYSIS SOORE 90%	
TARGET	IDENTIFICATION SCORE 80%	

	Key Principle						
	Definition						
	The amount of market sh	are concentrated among the largest custo	omers within an industry; an in	dication of the market powe	er of the largest customers.		
 ≈	Why This Matters						
		e customers in your potential market, the sustomers that lack concentrated market		ners and the better the oppo	ortunity. The less concentrat	ed the customers, the easier	it will be for you to
ANSW	ER .						
	ery high degree of cus	tomer concentration (top 4 control >	80% market share or large	est controls >40% marke	et share)		
	finh degree of customa	concentration (top 4 control 50 – 80	0% market share or larges	t controls 25 - 40%)			
l l	/bderate degree of cus	omer concentration (top 4 control 25	5 - 50% market share or la	irgest controls 15 - 25%)		
L	ow degree of custome	concentration (top 4 control 10 - 25	5% market share or larges	t controls 5 - 15%)			
\	ery low degree of cus	omer concentration (top 4 are not id	lentifiable or control <10%	market share and the la	rgest is not identifiable o	r controls <5% market sha	are)
	How You Ans	wered					
Noodo I		Excellent					Doroontilo
	mprovement UNITY SCORE	Excellent					Percentile
CHOKI	UNITY SCORE					70%	6
CUSTON	ER ANALYSIS SCORE					90%	/-
a istav	ER CONCENTRATION S	MPE				307	70
COOTON	ETCCHOETH TAHORT					80%	%

	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.
ANSW	R.
	'ery low ability to identify in-market timing
	ow ability to identify in-market timing
() V	Obderate ability to identify in-market timing
F	ligh ability to identify in-market timing
	ery high ability to identify in-market timing
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORT	UNITY SCORE 70%
CUSTON	ER ANALYSIS SCORE 90%
N-MARK	ET TIMNG SCORE
	100%

	Key Principle	
	Definition 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 condit 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 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 invite actual unit gross margin.	the price goes up, rather than less. The lower
ANS	ISWER	
	Very high degree of price sensitivity	
	High degree of price sensitivity	
	Moderate degree of price sensitivity	
	Low degree of price sensitivity	
	Very low degree of price sensitivity	
	How You Answered	
Needs	ds Improvement Excellent	Percentile
OPPOF	DRITUNITY SCORE	70%
CLISTO	TOMER ANALYSIS SOORE	1070
0010	GVE VALVE FOR SECTION	90%
PRICES	ESENSITIVITY SCORE	100%
		100 /0



Theory+Practice, LLC

Opportunity Analysis

JULY 31, 2014



Pickle Me Timbers

Opportunity Analysis

July 31, 2014

Congratulations! Your Analysis Is Complete.

Below is the summary of your results.

70% Summary - Overall Opportunity Score **Analysis Score Needs Improvement** Excellent Percent 70% OVERALL OPPORTUNITY INDUSTRY / MARKET * ADDRESSABLE MARKET ORGANIC GROWTH TECHNOLOGICAL CHANGE SEASONALITY REGULATORY ENVIRONMENT OTHER MACRO TRENDS COMPETITOR CONCENTRATION COMPETITIVE RIVALRY SUPPLIER CONCENTRATION SUPPLIER SWITCHING COSTS FINANCIAL 60% TOTAL INVESTMENT FIXED ASSET INVESTMENT CASH CYCLE BREAKEVEN TIMING 85% • PRODUCT / SERVICES UNIMET NEEDS IDENTIFICATION CONCEPT RISK

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

	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%)
	ow annual organic growth (0 – 5%)
	oderate annual organic growth (5 – 10%)
Hi	gh annual organic growth (10 – 25%)
V	ery high annual organic growth (>25%)
	How You Answered
Needs Ir	nprovement Excellent Percentile
OPPORTU	NITY SCORE 70%
INDI ISTON	/ / MARKET ANALYSIS SCORE
INDUSTRI	60%
ORGANIC	GROWTH SCORE 60%
	00 /0

	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.	
ANSW	VIR.	
	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)	
N	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)	
·	voly low of no secondarity (coming to produce of marrier contained 12 months per year)	
	How You Answered	
Needs I	Improvement Excellent F	Percentile
OPPORTI	TUNITY SCORE	
	70%	
INDUSTR	RY / MARKET ANALYSIS SCORE 60%	
SEASON	VALITY SCORE	
	60%	

	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.		
ANSW	R.		
	ery high regulatory environment		
_ F	igh regulatory environment		
_ N	bderate regulatory environment		
	ow regulatory environment		
	ery low or no regulatory environment		
	How You Answered		
Needs I	mprovement Excellent	Р	Percentile
OPPORTI	INTY SCORE	70%	
NDUSTR	Y / MARKET ANALYSIS SCORE		
REGULA'	TORY ENVIRONMENT SCORE	60%	
		80%	

	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 better the opportunity. The more favorable the macro trend, the more the potential demand for your product or service.
4 1 101 4 5	
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)
V	ery favorable macro trends (2 or 3 trends that favorably affect the target market)
	How You Answered
Needs Ir	mprovement Excellent Percentile
	NITY SCORE
	70%
NDUSTRY	Y / MARKET ANALYSIS SCORE 60%
OTHER M	ACRO TRENDS SCORE
	60%

	Key Principle
	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 required, the more likely the opportunity will get funded (either by your personal resources or other investors), the more likely the entrepreneur will retain control and the less the risk for the entrepreneur and investors.
ANSWE	R
V	ery large total investment amount required (>500% of entrepreneur's liquid capital)
	arge total investment amount required (100 - 500% of entrepreneur's liquid capital)
L	alge total investinant ambunit required (100 - 500 % or entrepreneur's liquid capital)
N	bderate total investment amount required (50 - 100% of entrepreneur's liquid capital)
S	mall total investment amount required (25 - 50% of entrepreneur's liquid capital)
V	ery small total investment amount required (<25% of entrepreneur's liquid capital)
	How You Answered
Needs Ir	mprovement Excellent Percentile
OPPORTU	INITY SCORE 70%
FINANCIA	L ANALYSIS SOORE 60%
TOTAL IN	VESTMENT SCORE
	20%

	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 cycle, the more cash flow is generated and the less the need for external financing for working capital and growth.
ANSWE	R
V	ery inefficient cash cycle (>30 days)
_ In	efficient cash cycle (15 – 30 days)
N	bderate cash cycle (1 – 15 days)
	fficient cash cycle (0 days)
V	ery efficient cash cycle (< 0 days)
	How You Answered
Needs Ir	mprovement Excellent Percentile
OPPORTU	INITY SCORE 70%
FINANCIA	L ANALYSIS SCORE
	60%
CASHCY	CLESCORE 80%

	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.
ANSW	ER
	/ery long breakeven timing (> one year)
	ong breakeven timing (six months – one year)
	/bderate breakeven timing (three months – six months)
	Short breakeven timing (one month – three months)
	/ery short breakeven timing (< one month)
	How You Answered
Needs	mprovement Excellent Percentile
OPPORT	UNITY SCORE 70%
FINANCIA	AL ANALYSIS SCORE
	60%
BREAKE	VEN TIMING SCORE 80%

	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 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.
ANSW	er
\	/ery 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)
\	/ery large addressable market size (>\$1 billion)
	How You Answered
Needs	Improvement Excellent Percentile
OPPORT	UNITY SCORE
	70%
NDUSTF	RY / MARKET ANALYSIS SCORE 60%
ADDRES	SABLE MARKET SCORE
	40%

	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.
ANSW	
V	ery high degree of technological change
П	figh degree of technological change
_ N	/bderate degree of technological change
	ow degree of technological change
V	ery low degree of technological change
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTI	UNITY SCORE 70%
INDUSTR	Y / MARKET ANALYSIS SOORE 60%
TECHNOL	LOGICAL 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.
86	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.
ANSW	R
	ery high degree of competitor concentration (top 4 control >80% market share or largest controls >40% market share)
	ory ingreeges or competition concentration (top 4 control 200 / mainer on targets control 2 2 40 / mainer on accomp
Н	igh 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%)
L	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
NI I - I	
	mprovement Excellent Percentile
OPPORTU	INITY SCORE 70%
INDUSTR	Y / MARKET ANALYSIS SOORE 60%
COMPETI	TOR CONCENTRATION SCORE 40%

	Key Principle						
	Definition						
	The total size of the investr	nent required to assemble the fixed a	assets needed to operate th	e business.			
 	Why This Matters						
		investment required, the better the c ity, since fixed assets can be diffic			eing able to repurpose	your investment or chang	ge direction
ANSW	ER .						
	ery large fixed asset inve	estment required (>60% of the to	otal investment amount)				
	arge fixed asset investme	ent required (40 - 60% of the tot	al investment amount)				
	/bderate fixed asset inves	stment required (20 - 40% of the	e total investment amoun	t)			
()	Small fixed asset investme	nt required (10 - 20% of the tota	al investment amount)				
	ery small fixed asset inve	estment required (<10% of the to	otal investment amount)				
	How You Answe	orod					
N -							Damantila
	mprovement	Excellent					Percentile
UPPURII	UNITY SCORE					70%	
FINANCIA	AL ANALYSIS SCORE					60%	
FIXFD AS	SSET INVESTIVENT SCORE					3070	
						60%	

	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.						
ANSWE							
_ v	/ery high competitive rivalry (> 15% customer churn)						
	igh competitive rivalry (10% - 15% customer churn)						
N	Moderate competitive rivalry (5% - 10% customer churn)						
L	Low competitive rivalry (2.5% - 5% customer churn)						
V	/ery low competitive rivalry (< 2.5% customer churn)						
	How You Answered						
Needs In	mprovement Excellent Percentile						
OPPORTU	UNITY SCORE 70%						
ארו ופדם	Y / MARKET ANALYSIS SCORE						
INDOOTIN	60%						
COMPETT	TIVERVALRY SCORE 60%						

	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.
ANSW	
	/ery high degree of supplier concentration (50% or more of the variable input costs are only available from a few suppliers each)
F	ligh degree of supplier concentration (25 - 50% of the variable input costs are only available from a few suppliers each)
	/bderate degree of supplier concentration (10 - 25% of the variable input costs are only available from a few suppliers each)
	ow degree of supplier concentration (5 - 10% of the variable input costs are only available from a few suppliers each)
	/ery low degree of supplier concentration (all inputs are readily available from an abundance of suppliers)
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTI	UNITY SCORE
	70%
INDUSTR	Y / MARKET ANALYSIS SCORE 60%
SUPPLIE	R CONCENTRATION SCORE 60%

	Key Principle	
	Definition	
	The costs involved in switching from one supplier to another. The lower the switching costs, the better the opportuni	tv
	The coole in correct in ormal ing the rest of papers. The correct the correct ing coole, the sector the opportuni	yy.
 ≈	Why This Matters	
	The lower the switching costs, the easier it will be for you to negotiate favorable input costs for your product or ser and without being held captive by your current supplier.	vice from among the various suppliers with the real threat of switching to a different supplier
ANSW	MER.	
\ \ \	Very high supplier switching costs (>200% of total monthly supplier cost)	
H	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)	
	How You Answered	
Needs I	Improvement Excellent	Percentile
OPPORT	TUNITY SCORE	200
	RY / MARKET ANALYSIS SCORE	70%
INDUSTR	RT / IVARNEI AIVALTSIS SCORE	60%
SUPPLIE	ER SWITCHING COSTS SCORE	100%
		156,0

	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 grow your business.
ANSW	R.
V	ery low ability to identify unmet needs
	ow ability to identify unmet needs
	foderate ability to identify unmet needs
H	igh ability to identify unmet needs
V	'ery high ability to identify unmet needs
	How You Answered
Needs I	mprovement Excellent Percentile
OPPORTI	INITY SCORE 70%
PRODUC	T/SERVICES ANALYSIS SCORE
	85%
UNMET N	EEDS IDENTIFICATION SCORE

	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 (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.
ANSW	
	/ery high concept risk (new service/product + new pricing model + new to the industry)
	ligh concept risk (new service/product + readily understood pricing + new to the industry)
	Vbderate concept risk (readily understood service/product + new pricing model + new to industry)
	Low concept risk (readily understood service/product + readily understood pricing + new to industry)
	ery low concept risk (readily understood service/product + readily understood pricing + current industry participant)
	How You Answered
	Improvement Excellent Percentile
OPPORT	UNITY SCORE 70%
PRODUC	T/SERVICES ANALYSIS SCORE
	85%
CONCE	T RISK SCORE
	0070

	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.	
ANSW	ER	
	/ery long development time frames (>2 years)	
	ong development time frames (1 - 2 years)	
	/bderate development time frames (6 months – 1 year)	
	Short development time frames (3 months – 6 months)	
	/ery short development time frames (<3 months)	
	a y oract dovoleprioritation (oractio)	
	How You Answered	
Needs I	mprovement Excellent Percer	ntile
OPPORTI	UNITY SCORE	
	TUCETA ANALYCIC COORE	
RODUC	TT / SERVICES ANALYSIS SCORE 85%	
DEVELO	PWENT TIME FRAME SCORE 100%	
		_

	Key Principle						
	Definition						
	The ability to use technology in o	order to automate a business process a	and reduce costs, increase	productivity and/or increase o	uality.		
 	Why This Matters						
	When looking for the best ventur	age, the better the opportunity. The grr res to apply technology to, look for ind a. patents, marketing partnerships, etc.	dustries where a new, perhap				
ANSW	Æ						
	Very low technology leverage	(technology can reduce <5% of the	he typical cost structure	9)			
	Low technology leverage (tech	nnology can reduce 5 – 10% of th	e typical cost structure)				
	Vbderate technology leverage	(technology can reduce 10 – 15%	% of the typical cost stru	icture)			
F	High technology leverage (tech	nnology can reduce 15 – 20% of t	he typical cost structure	e)			
V	Very high technology leverage	(technology can reduce >20% of	f the typical cost structu	re)			
	How You Answere	d					
Needs I	Improvement	Excellent					Percentile
OPPORTI	UNITY SCORE					70%	
	CT / SERVICES ANALYSIS SCO					1070	
HODOC	717 SERVICES ANALTSIS SCC	re				85%	
TECHNOL	LOGY LEVERAGE SCORE					80%	

	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 identify targets, the better the chances of being able to growyour business.	
ANSW		
	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)	
	Obderate ability to identify targets (25% - 50% of the addressable market at a cost of less than 1% of revenue)	
_ F	ligh ability to identify targets (50% - 75% of the addressable market at a cost of less than 1% of revenue)	
	ery high ability to identify targets (>75% of the addressable market at a cost of less than 1% of revenue)	
	How You Answered	
Needs I	mprovement Excellent	Percentile
OPPORT	UNITY SCORE 70%	_
CUSTON	ER ANALYSIS SCORE 90%	
TARGET	IDENTIFICATION SCORE	
	3070	

	Key Principle							
	Definition							
	The amount of market sh	are concentrated among the largest custon	ners within an industry; an indic	ation of the market power of t	the largest customers.			
 ≈	Why This Matters							
		e customers in your potential market, the n customers that lack concentrated market p		rs and the better the opportunit	ty. The less concentrated	d the customers, the easier it will	be for you to	
ANSW	ER .							
	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)								
	How You Ans	wered						
							D (1)	
	mprovement	Excellent					Percentile	
OPPORT	UNITY SCORE					70%		
CUSTON	ER ANALYSIS SCORE					****		
						90%		
CUSTON	ER CONCENTRATION S	CORE				80%		

	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.					
ANSW	ER CONTROL OF THE CON					
	Yery low ability to identify in-market timing					
	Low ability to identify in-market timing					
() N	/bderate ability to identify in-market timing					
F	figh ability to identify in-market timing					
	ery high ability to identify in-market timing					
	How You Answered					
Needs I	mprovement Excellent Percentile					
OPPORT	UNITY SCORE 70%					
a istoiv	ER ANALYSIS SCORE					
0001010	90%					
IN-MARK	ET TIMING SCORE 100%					
	10070					

	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 whereas customers with low price sensitivity (inelastic price or price inelasticity) will exhibit behavior that is either not linked to price or will actually 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 than actual unit gross margin.	buy more as the price goes up, rather than less. The lower						
ANSW	ER CONTRACTOR OF THE CONTRACTO							
	Very high degree of price sensitivity							
F	High degree of price sensitivity							
	Moderate degree of price sensitivity							
	ow degree of price sensitivity							
V	ery low degree of price sensitivity							
	How You Answered							
Needs I	mprovement Excellent	Percentile						
OPPORTI	UNITY SCORE	70%						
CI ISTOM	ER ANALYSIS SOORE	10/6						
COSTON	ERAIVALTSIS SOURE	90%						
PRICE SENSITIVITY SCORE								



Theory+Practice, LLC

Opportunity Analysis

JULY 31, 2014